



sheh fung
screws company

ESG Environmental
Social
Governance

2025

永續報告書

Sustainability Report



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About this Report

This year marks the publication of Sheh Fung Screws Co., Ltd.'s tenth sustainability report. Sheh Fung Screws Co., Ltd. is hereinafter referred to as "Sheh Fung Screws" or "the Company." The report is intended to provide stakeholders with a comprehensive understanding of the Company's actions and performance across four key dimensions: corporate governance, economic performance, environmental sustainability, and social responsibility, including human rights. By disclosing its ESG management approaches, responses to material topics, actions taken, and related performance, the Company aims to deepen stakeholders' understanding of and trust in Sheh Fung Screws.

➤ Boundary and Scope of this Report

This report covers ESG-related performance from January 1 to December 31, 2025, and presents the sustainability topics of greatest concern to stakeholders. The boundary of this report mainly focuses on the operations of the parent company, Sheh Fung Screws Co., Ltd., at its two sites in Taiwan: the Qiaotou Plant and the Mituo Plant. Except for greenhouse gas emissions and economic performance data, which also include the subsidiary Sheh Fung Screws Viet Nam Co., Ltd., all other data are limited to the parent company's operations in Taiwan.

The statistical data disclosed in this report are based on data compiled and surveys conducted by the Company. Financial data are derived from the consolidated financial statements audited by KPMG Taiwan, and are presented in New Taiwan dollars. In accordance with the GRI 200 Economic Standards, the report presents performance relating to operational performance, procurement policy, and anti-corruption. Additionally, environmental, safety, and health performance are presented using internationally accepted indicators. In accordance with the GRI 300 Environmental Standards, the report details raw material management, energy management, waste, water resources, and greenhouse gases. Certain data are drawn from publicly available data published on government agency websites and are presented using commonly used measurement and calculation methods. Any estimates are identified in the relevant sections. With respect to social and human rights topics, the report is prepared in accordance with the GRI 400 Social Standards, disclosing indicators such as employment practices, occupational health and safety, diversity and equal opportunity, and community engagement. Quantitative data are provided to demonstrate the Company's commitment to protecting human rights, promoting employee welfare, and fulfilling its social responsibility. Any restatements of information are explained in the relevant sections.

➤ Internal Management and External Assurance

The Company has established procedures for the preparation and assurance of the sustainability report. The procedures were incorporated into the Company's internal control system and finalized in December 2024. In 2025, the preparation of the sustainability report was carried out according to these procedures and reviewed in light of its actual implementation. The "Sustainable Development Task Force" submitted the sustainability report to the Board of Directors for approval before publication. The report is independently verified by DQS Taiwan Inc. (UL DQS) in accordance with the AA1000 Assurance Standard v3 Type 1 with a moderate assurance level to enhance the completeness and consistency of the information disclosed.

➤ Basis and Structure of the Report

The report was developed with reference to the GRI Universal Standards 2021. It also takes into account the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and Sustainability Accounting Standards Board (SASB).

➤ Issue Date of the Report



In response to international trends and customer expectations, the Company publishes an ESG sustainability report on an annual basis.

- Previous edition: Published in August 2025
- Current edition: Published in August 2026
- Next edition: Scheduled for Publication in August 2027



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Message from the Chairman

In 2025, the global manufacturing sector remained at the intersection of economic adjustment and structural transformation. The recovery in European market demand remained uneven, while customers had yet to complete their inventory adjustments. As the Carbon Border Adjustment Mechanism (CBAM) gradually moved into a more stringent phase of reporting and disclosure, the transparency and accuracy of carbon emissions data have become an important foundation for international trade. For export-oriented manufacturers, the CBAM has become more than a regulatory requirement, exerting a profound influence on various aspects such as operational management, supply chain collaboration, and information disclosure.

In response to this shift, the Company has continued to place corporate social responsibility and corporate governance at the core of its approach and integrate carbon management into the overall operating framework.

In terms of social responsibility, the Company continues to promoting employee well-being, protecting customer rights and interests, and actively giving back to society. The Company views workforce stability and operational reliability as essential to ensuring the quality of CBAM-related data.

In terms of employee care, the Company provides annual health checkups, with licensed physicians and nursing staff continuously monitoring employees' health and offering professional health consultation to safeguard employees' physical and mental well-being. Additionally, we organize a variety of fitness and health promotion activities, including cycling events, aerobics, and popular dance classes, to help employees achieve a healthy work-life balance, enhancing their overall well-being and stability at work.

In terms of employee management, the Company continuously optimizes attendance management and its training and development programs to strengthen operational discipline and enhance employee skills, ensuring stable production operations and consistency in product quality. Standardized management practices also help ensure close alignment between actual shop-floor production and system data, further improving the accuracy and reliability of production information and carbon emissions data to meet the CBAM requirements for data transparency.

In terms of community engagement, the Company has long supported underprivileged students and disadvantaged groups through ongoing donations and outreach initiatives. These efforts help meet their educational and basic living needs, fulfill the Company's responsibility to give back to society, and create a positive social impact.

In terms of corporate governance, the Company continues to strengthen data governance and internal control systems. By systematically integrating our manufacturing execution system (MES) and the human resource information system (HRIS), the Company enhances the real-time availability and traceability of production and workforce data. We have established a robust CBAM reporting process and continue to improve the data quality management mechanisms to ensure the integrity and consistency of carbon emissions data. At the same time, through internal management systems and cross-departmental collaboration, we have enhanced the organization's ability to respond to changes in international regulations.

Within Taiwan's manufacturing sector, companies face multiple challenges when implementing CBAM-related measures. These challenges include the growing complexity of carbon data collection, difficulties in integrating supply chain data, and the pressure that rising energy costs place on the low-carbon transition. As the CBAM requirements become increasingly well-defined, balancing regulatory compliance with operational efficiency has become a crucial area of continuous improvement for businesses.

Looking ahead, the Company will continue to make CBAM a key focus of its efforts, strengthening its carbon emissions data management capabilities, gradually strengthening the integration of carbon data across the supply chain, and continuously improving production processes and energy efficiency. We will also continue to enhance information transparency and further embed carbon management into our operations, moving beyond regulatory compliance to strengthen the Company's long-term competitiveness.

Amid the global low-carbon transition trend, the Company will remain committed to prudent management and continuous improvement, proactively respond to international standards and regulations, and strive to be a trusted long-term partner to our customers.

Chairman of the Board



General Manager CHEN
CHUN
YEN



ESG Performance and Goals in 2025

 Environment	Business Objectives in 2025	Executive Performance in 2025
	Enhance resource efficiency, conserve energy, protect the environment, and actively cooperate with the development of the national greenhouse gas reduction strategy to ensure the achievement of sustainable environmental goals.	● A total of 29,422.13 kWh of electricity was saved in 2025. ● Average monitored emission levels were in compliance with applicable air pollutant emission standards in all operating locations in 2025. ● The Company joined a green electricity bulk procurement program in 2024 and purchased a total of 887,169 kWh of green electricity in 2025.
	Major issues in 2025	
	● Energy and Greenhouse Gas Emissions	
Corresponding SDGs		
  		

 Social	Business Objectives in 2025	Executive Performance in 2025
	1. Maintain efficient production operations and effective supplier management. 2. Continue to obtain product certifications. 3. Develop and promote new products. 4. Develop a multi-skilled workforce. 5. Promote employees' physical and mental well-being.	● No human rights-related complaints were filed in 2025. ● No transportation-related incidents occurred in 2025. ● The total new hire rate for 2025 was 16.207%, an increase of 5.933% compared with 2024. ● Regular labor-management meetings were held to facilitate communication. ● Eleven labor safety training sessions were conducted in 2025 to reinforce compliance with operational safety requirements, with 239 participants. ● The overall customer satisfaction score for 2025 was 8.53, with fastener customers scoring 8.60 and OEM customers scoring 8.11. ● No customer privacy breaches occurred in 2025. ● Domestic suppliers accounted for 99.9% of total procurement in 2025.
	Major issues in 2025	
	● Occupational Health and Safety and Health Management ● Talent Development and Training	
Corresponding SDGs		
  		

Business Objectives in 2025	Executive Performance in 2025
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Governance

1. Continue to analyze product gross profit and improve cost efficiency.
2. Encourage employee participation in the implementation of corporate governance practices.

Major issues in 2025

- Operational and Financial Performance
- Corporate Governance and Integrity
- Customer Service Management
- Supplier Management

Corresponding SDGs



- Consolidated operating profit decreased by 10.76% in 2025 compared with 2024.
- Consolidated net operating revenue was NT\$2,072,496 thousand in 2025.
- A total of 7 attendances were recorded, totaling 87 hours of training on ethical corporate management in 2025.
- No corruption cases occurred in 2025. Anti-corruption training was provided to employees, with 56 attendances and a total of 60.5 training hours.
- No losses were incurred from major information security incidents in 2025.



1 Stakeholder Communication

1.1 Identification and Communication of Stakeholders

Sheh Fung Screws is committed to sustainable operations through its stakeholder identification process and assessing the extent of their influence on the Company. The Company actively listens to stakeholders to better understand and respond to their needs and expectations of the Company.

With reference to the GRI Standards, the Company's potential stakeholders include business partners, social welfare organizations, consumers, customers, employees and other workers, government, local communities, NGOs, shareholders and other investors, suppliers, trade associations, vulnerable groups, financial institutions, and academic institutions. In 2024, stakeholders were identified using five attributes of the AA1000 Stakeholder Engagement Standard (AA1000SES): Dependency, Responsibility, Influence, Diverse Perspectives, and Tension. Through diverse communication channels, the Company continued to collect and respond to stakeholders' opinions and issues of concern. In addition, with the assistance of external experts, the impact of the Company on each stakeholder and their influence on the Company's operations were assessed and confirmed through internal management discussions.

The Company has prioritized six key stakeholder groups, which are: employees and other workers, customers, shareholders and other investors, suppliers/outsourcers/contractors, government and competent authorities. The Company did not repeat the stakeholder identification process in 2025; therefore, the stakeholder categories remained unchanged from 2024.

Communication path and frequency of stakeholders

Stakeholders	The significance of stakeholders to the Company	Concerned issues	Communication platform and frequency
Employees and other workers	Employees are the cornerstone of Sheh Fung Screws' sustainable operations and the driving force behind our continuous growth.	Labor-management relations Economic performance Occupational health and safety	1. Intranet information system (real-time): company announcements are posted on the intranet for employees to access and review. 2. Management meeting (monthly): Communication meeting between managers and above and senior management. 3. Production and marketing meeting (once every two weeks): Communication meeting between production and business related personnel. 4. Complaint hotline (at any time): Employees may report concerns at any time. Upon receipt of a report, a designated personnel promptly open a case and initiate follow-up action. 5. Labor-management meeting (quarterly) and Employee Welfare Committee meeting (quarterly): Employees may submit recommendations and negotiate with the Company. 6. Employees' feedback (at any time) and setting up suggestion boxes. 7. Monthly quality meeting (once a month): Quality control personnel and production supervisors discuss quality-related issues.
Shareholders and other investors	Shareholders/investors hold shares in Sheh Fung Screws, and the Company is accountable to them.	Economic performance Socioeconomic compliance Compliance with environmental laws and regulations	1. Regularly publish the general information of operation (monthly) and financial reports. 2. General meeting of shareholders (annually): The annual report is prepared in accordance with applicable regulations. 3. The Investors section on the official website (real time): Shareholders may access information on business operations, financial performance, borrowings, dividends, share prices, and shareholder services. 4. Shareholder contact point and email (at any time). 5. A spokesperson contact point (at any time). 6. Institutional investor briefing: held regularly.
Customers	Customer recognition	Marketing and	1. Customer service email (at any time).

Stakeholders	The significance of stakeholders to the Company	Concerned issues	Communication platform and frequency
	of our products and services is essential to business development.	labeling Customer health and safety Socioeconomic compliance Compliance with environmental laws and regulations	2. Annual customer satisfaction survey: The customer satisfaction score was 8.53 in 2025. 3. Product exhibitions (as needed): The Company participates in relevant exhibitions to directly understand customer needs and market trends. 4. Customer visits by sales center personnel (as needed). 5. Video conference with customers from time to time.
Suppliers/ Outsourcers/ Contractors	Our extensive and diverse portfolio of products and services relies on the consistent support of numerous suppliers.	Customer health and safety Marketing and labeling Economic performance	1. Supplier meeting (once a year). 2. Supplier evaluation (quarterly). 3. Supplier delivery and receiving platform (real time).
Government / Competent authorities	Our products, services, and related marketing activities are subject to review and supervision by the competent authorities.	Compliance with environmental laws and regulations Socioeconomic compliance Occupational health and safety	1. Maintain good interaction with the competent authorities and actively participate in the forums and seminars organized by the competent authorities (as needed). 2. Regulatory identification under management systems (ongoing). 3. Official correspondence, project meetings, and public information disclosures (as needed).

1.2 Identification of Material Issues

The Company listens to and responds to issues of concern to stakeholders. The selection of material topics refers to the GRI Topic Standards and the SASB Standards. Identification is carried out by Company representatives, department heads, and external experts, who assess each topic based on the Company's actual or potential negative impacts and positive impacts on the economy, environment, and society, including people and human rights.

The assessment process can be divided into four stages:

STEP 1 Understand the organization's context	Given Sheh Fung Screws' position in the screw and fastener sector, the Company reviewed the GRI Topic Standards and the SASB Standards to understand its organizational context and identify relevant sustainability topics. A total of 18 sustainability topics were identified across three dimensions: governance, environmental, and social.
STEP 2 Identify the actual and potential impacts	Company representatives and department heads scored each sustainability topic based on its actual negative impacts, potential negative impacts, actual positive impacts, and potential positive impacts, and then ranked them. As a result, a total of 11 topics received scores above 40 points.
STEP 3 Assess the significance of impact	Based on the results identified in 2024, and after meetings with internal personnel and external experts, the significance and possibility of the impact of the issues were discussed using past operating experience, leading to the determination of seven material topics for Sheh Fung Screws in 2025.
STEP 4 Report on material topics	The Company communicates and responds to stakeholders through this sustainability report for seven material topics with respect to objectives, policies, strategies, management content, and short-, medium-, and long-term goals.



Results of Materiality Assessment

Compared to 2024, the major topics in 2025 have added "Supplier Management," expanding the overall major topics from the original six to seven items to enhance the focus and management of suppliers.

Ranking of Sheh Fung Screws' Material Topics		
E (Environmental)	S (Social)	G (Governance)
4. Energy and Greenhouse Gas Emissions (*Energy Management; Fuel Economy and Emissions)	5. Occupational Health and Safety Management (*Employee Health and Safety)	1. Operational and Financial Performance
	6. Talent Development and Training	2. Corporate Governance and Integrity
		3. Customer Service Management
		7. Supplier Management

Negative Impact Boundary Identification

A total of seven material topics were identified in 2025. This report analyzes the boundaries of material topics based on where their impacts occur across the value chain. The Company regularly conducts discussions on major economic, social, and environmental issues, reviews each department's progress toward its objectives, formulates future directions, and consolidates relevant performance data. The relevant information is disclosed in this sustainability report, and the Company will continue to strengthen its management of these topics going forward.

2025 Material Sustainable Topics and the Impact Across the Value Chain						
Major Topic	GRI Topic Standards SASB Topics	Positive Impacts	Negative impacts	Upstream (Suppliers)	Sheh Fung Screws	Downstream (Customers/Distributors)
Operational and Financial Performance	GRI 201	V		○	●	○
Corporate Governance and Integrity	GRI 205	V		-	●	-
Customer Service Management	Custom Topic (Customer Satisfaction Survey)	V		-	●	○
Energy and Greenhouse Gas Emissions (*Energy Management; Fuel Economy and Emissions)	GRI 302 GRI 305 SASB Energy Management SASB Greenhouse Gas Emissions		V	○	●	⊙
Occupational Health and Safety Management (*Employee Health and Safety)	GRI 403 SASB Employee Health & Safety		V	○	●	-
Talent Development and Training	GRI 404 GRI 413		V	-	●	-
Supplier Management	SASB Material Sourcing GRI 204 、 GRI 308 、 GRI 414		V	○	●	-

●: Direct impact; ○: Contributory impact; ⊙: Business conduct impact



1.3 Communication Channels



The Company values the opinions of stakeholders and has established internal and external communication channels to effectively receive and respond to stakeholder suggestions. Internally, an employee suggestion box and grievance mechanisms are available to ensure that employee concerns are addressed promptly. Externally, the Company provides an email address, telephone number, and fax number on its official website.

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Sustainable Management

Management Policy - Operational and Financial Performance

Operational and Financial Performance	
Significance	Maintain stable and profitable growth to pursue sustainable development.
Impacts	◆ Positive Economic Impact: Stable and profitable operations enable enterprises to continuously create employment opportunities and demonstrate sound management. By strengthening financial structures and implementing effective cost control, enterprises can enhance their economic value and deliver returns to shareholders, investors, and employees. Sustained profitability further allows enterprises to attract, retain, and develop talent, thereby ensuring long-term business continuity. ◆ Negative Economic Impact: Poor operating performance may harm the rights and interests of shareholders and investors, reduce employee compensation and benefits, and increase employee turnover, which in turn could undermine the overall operations of enterprises.
Policies	◆ Ensure transparency of operational information and uphold integrity in business conduct. ◆ Comply with legal and regulatory requirements, and actively promote corporate governance and sustainable development. ◆ Strengthen communication with stakeholders to ensure their expectations for the Company's sustainable development are addressed.
Strategies	Strengthen operating performance, maintain a sound financial structure, and establish short-, medium-, and long-term goals to implement effective financial planning. Enhance production capacity utilization to reduce operational risks, and pursue balanced development across production lines.
Targets and Objectives	Short-term Targets (2025–2027): Achieve stable growth and profitability. Medium-term Targets (2028–2030): Achieve stable growth and profitability. Long-term Targets (2031 and beyond): Achieve stable growth and profitability.
Management Review Mechanisms	◆ Prepare management reports to confirm execution results, and conduct regular tracking and reviews through monthly management meetings. ◆ Monitor market conditions in real time, maintain smooth communication with customers, coordinate closely with production, sales, and procurement units, and integrate operations. ◆ Continuously improve technology, enhance management capabilities, and develop new overseas customers to strengthen competitiveness in both domestic and international markets.
Performance and Adjustments	◆ Presented annual budget-to-actual comparison results in monthly management reports. ◆ Adjustment Mechanisms: Hold regular management and production–sales meetings to track and review target achievement, and take necessary management measures. If targets are not met due to changes in market conditions, revise and adjust them in a timely manner to ensure responsiveness.

Management Policy - Corporate Governance and Integrity

Corporate Governance and Integrity	
Significance	Follow corporate governance, promote corporate social responsibility, and uphold integrity in business operations to achieve the goal of sustainable development.
Impacts	● Positive Social Impact: Through structured governance, internal control mechanisms, and a commitment to integrity, enterprises can strengthen stakeholder trust and recognition, thereby enhancing corporate image and brand value. ● Positive Economic Impact: By adhering to sound corporate governance, enterprises can reduce the risks of litigation and financial exposure, improve organizational stability, attract investors, and achieve the goal of sustainable operations. ● Negative Social Impact: If corporate governance and principles of integrity are neglected, enterprises may face regulatory penalties and damage to stakeholder rights and interests, which could harm corporate reputation and diminish brand image. ● Negative Economic Impact: Without effective corporate governance systems, enterprises may face increased risks of violations and internal fraud, potentially resulting in fines, lawsuits, or divestment by

	investors. This not only weakens market competitiveness but also undermines ongoing operations.
Policies	The Company has established the "Code of Integrity Management" and the "Code of Practice on Corporate Governance." It has also set up independent directors and an Audit Committee, and implements internal audit and risk management systems.
Strategies	◆ Promote responsible supply chain management by requiring suppliers to sign commitment letters, reducing the risk of supply chain fraud, removing non-compliant suppliers from the approved list, and preventing associated risks arising from supplier violations. ◆ Appoint independent directors and functional committees, and adopt recommendations from external corporate governance evaluations as a basis for continuous improvement, thereby strengthening board self-assessments and internal control systems. ◆ Set up efficient reporting channels, investigation teams, and an confirmation & tracking process; implement whistleblower reward programs; and conduct regular audits through internal control and internal audit systems to mitigate risks of internal fraud. ◆ Provide relevant training programs, prioritize high-risk departments (such as procurement and sales) in education efforts, and restrict procurement authorization levels to prevent favoritism or kickbacks.
Targets and Objectives	Short-term Targets (2025–2027): ◆ Achieve a 100% signing rate of Integrity Commitment Letter by completing the execution and documentation of such commitment letters with the top 20 key suppliers. ◆ Ensure a 100% completion rate of annual board self-evaluations to strengthen board functions and provide improvement recommendations. ◆ Establish a whistleblowing reward mechanism with clear internal reporting procedures, and implement practical reward and protection measures to encourage employees to report misconduct. ◆ Ensure full legal compliance and prevent violations. Medium-term Targets (2028–2030): ◆ Implement the ISO 37001 Anti-bribery Management System by 2027. ◆ Establish a supplier integrity evaluation system by 2027. ◆ Appoint one new independent director with a background in accounting or ESG to enhance board diversity and risk identification capability. Long-term Targets (2031 and beyond): ◆ Maintain zero major violations before 2030 and foster a culture of integrity with a track record of compliance. ◆ Enhance governance transparency and achieve a top 25% ranking in corporate governance evaluations. ◆ Promote a supply chain integrity consensus program by supporting small and medium-sized suppliers in implementing integrity systems and training, thereby enhancing integrity maturity across the industry.
Management Review Mechanisms	◆ Conduct annual compliance audits by the internal audit unit for high-risk departments (such as procurement, export, and quality), include the results in the internal control report, and report to the Board of Directors and the Audit Committee for tracking and improvement. ◆ Implement board and functional committee (such as audit and remuneration) self-evaluations in accordance with the "Code of Practice on Corporate Governance," and consolidate the results in the corporate governance report. ◆ Establish multiple reporting channels, require relevant personnel to regularly review and provide progress updates, and incorporate findings into management review upon the completion of investigations. Include assessments of efficiency and appropriateness of handling as part of the Company's internal control evaluation. ◆ Set annual KPIs related to integrity, require the ESG Committee or the sustainability task force to review implementation on a quarterly basis, and mandate corrective measures from department heads if targets are not achieved, with results incorporated into performance evaluations.
Performance and Adjustments	◆ The anti-bribery warning and integrity code for suppliers are regularly added to purchase orders and the signing process of Social Responsibility Commitment Letter, with a signing rate of 97%. ◆ Achieved a 100% completion rate of the Board of Directors' self-evaluation in 2025. ◆ Established multiple reporting mechanisms and published them on the Company's internal homepage.



Management Policy - Customer Service Management

Customer Service Management	
Significance	By understanding customer needs, providing information, assistance, and solutions, and engaging in effective customer communication, enterprises can gain insight into market trends and differentiate themselves from competitors. Building relationships of mutual trust and cooperation with customers also helps enterprises enhance corporate image and supports sustainable operations.
Impacts	◆ Positive Impact: Effective customer service management enables enterprises to respond effectively to customer needs and feedback and deliver services and solutions that meet market needs. This helps increase customer trust, generate a stable flow of orders, expand market share, and increase profitability. Providing customers with high-quality, competitive products also enables enterprises and their customers to grow together and achieve mutually beneficial outcomes. ◆ Positive Impact: Regular customer satisfaction surveys and data analytics provide precise insights into stakeholder feedback, enabling businesses to better understand and respond to customer needs. This helps build brand loyalty, uncover potential business opportunities, and strengthen market position. At the same time, we refine customer feedback into valuable input for research and development, supporting the continuous delivery of innovative and competitive value. ◆ Negative Impact: If enterprises fail to resolve customer issues efficiently and provide comprehensive services, they may lose customers and experience shift in orders. This could reduce brand loyalty and customer trust. ◆ Negative Impact: If product quality and research and development innovation lag behind market expectations and improvements or customer needs are not promptly addressed, it will lead to customer loss and increased complaint costs, posing financial risks that may affect the company's established brand reputation and weaken its core competitiveness.
Policies	◆ Use business services, delivery services, quality control systems, technical exchanges, overall product aspects, and other market-related requirements as the basis for continuous improvement. ◆ Adopt a customer-centric approach by requiring teams to understand customer needs, and establish, implement, maintain, and continuously improve a quality management system in a structured manner. Enhance product quality, reduce risks, and improve overall operational efficiency and market competitiveness through continuous improvement.
Strategies	◆ Hold regular customer meetings and scheduled visits to understand customer needs, and provide timely assistance, solutions, and recommendations. ◆ Conduct annual customer satisfaction surveys, and form improvement task forces for items falling below annual targets. ◆ Activate the customer complaint process when issues arise, carry out internal investigations, identify root causes, implement corrective actions, and develop preventive measures to avoid recurrence.
Targets and Objectives	Conduct annual customer satisfaction surveys, and formulate internal reviews and improvement plans based on customer feedback. Short-term Target (2025–2027): Achieve an overall annual average score of 7.5 or above. Medium-term Targets (2028–2030): Achieve an overall annual average score of 7.65 or above. Long-term Targets (2031 and beyond): Achieve an overall annual average score of 7.0 or above.
Management Review Mechanisms	◆ Conduct customer satisfaction surveys in accordance with ISO 9001, and carry out annual evaluations and improvements. ◆ Supervise each production process through the Quality Assurance unit, and report quality performance in monthly quality reports to drive continuous improvement across processes. ◆ Discuss customer complaints raised during the month at internal management meetings, with the Quality Assurance unit presenting reports and implementing corrective measures.
Performance and Adjustments	In the 2024 customer satisfaction survey, two evaluation items scored below the annual average of 7.5. We actively engaged in two-way communication with customers and implemented improvement measures. To enhance the accuracy of satisfaction assessments, the 2025 evaluation indicators have been streamlined and optimized to include 12 key core items. The overall average score increased from 8.47 in 2024 to 8.53.



Management Policy - Supplier Management

Supplier Management

Significance	Supply chain management is one of the important cores of a company's sustainable management. With the increasing global emphasis on environmental protection, social responsibility, and corporate governance (ESG) issues, suppliers not only impact the quality of products and services but are also directly related to the stability of business operations, brand reputation, compliance with laws and regulations, and market competitiveness. The Company is committed to establishing a transparent, responsible, and sustainable supply chain management system. Through supplier management mechanisms, we promote joint implementation among suppliers on environmental protection, human rights protection, occupational safety, integrity management, and risk management to reduce operational risk, enhance supply chain resilience, and create Long-term value for the enterprise, suppliers, and stakeholders.
Impacts	◆ Positive Impact: By actively managing supply chain activities, companies can effectively monitor suppliers' specific actions regarding human rights, the environment, and corporate governance. This strengthens supply chain resilience and ensures continuous management, thereby achieving a stable supply chain. ◆ Negative Impact: Failure to actively manage suppliers may lead to disruptions in raw material supply and potentially result in human rights violations, forced labor, employment of child labor, and unfair discrimination. This not only affects a company's delivery schedule but also significantly risks damaging the corporate image, causing unstable supply, and leading to customer loss.
Policies	As the basis for supply chain cooperation and management, the policy focuses are as follows: ◆ Comply with domestic and international relevant laws, regulations, and international sustainability standards. ◆ Require suppliers to comply with environmental, safety and health, human rights, and integrity management standards. ◆ Prioritize collaboration with suppliers that have sustainable management capabilities. ◆ Establish supplier risk assessment and audit systems. ◆ Promote suppliers' continuous improvement of ESG performance. ◆ Establish fair, impartial, and transparent procurement procedures. ◆ Encourage suppliers to disclose ESG-related information and carbon reduction achievements. ◆ All new suppliers must sign the "Supplier Social Responsibility Commitment Letter." Each year, the Company evaluates the key corporate social responsibility risks of suppliers that have conducted business with the Company during the preceding year to verify their compliance with the Company's sustainability requirements.
Strategies	In order to implement sustainable supply chain management, the Company adopts the following strategies: ◆ Tiered Supplier Grading Management: Suppliers are categorized based on the significance of their environmental and social impacts, and their corporate social responsibility risks are assessed accordingly. Key high-risk suppliers are subject to enhanced review and additional guidance. ◆ ESG Risk Assessment: Linked with the CSR corporate social responsibility assessment mechanism, periodic risk surveys and improvement tracking are conducted in areas such as environmental management, labor rights, occupational safety, integrity management, and compliance with laws and regulations. ◆ Promote Sustainable Procurement: Prioritize purchasing from suppliers with environmental certifications, low-carbon products, and sustainable performance. ◆ Digital Management: Establish a supplier management platform to enhance supply chain information transparency.
Targets and Objectives	CSR is the "philosophy," and ESG is the "practice." Combining the two helps a company integrate the concept of social responsibility into its business strategy, thereby achieving long-term sustainable development. Short-term Targets (2025–2026) ◆ Complete the supplier survey to classify suppliers based on the significance of their environmental and social impacts. ◆ Achieve a 90% signing rate for the Supplier Social Responsibility Commitment Letter. ◆ Complete the identification of key suppliers according to the plan and conduct on-site visits, achieving an on-site visit rate of 80%. Medium-term Targets (2028–2030) ◆ Achieve a 95% signing rate for the Supplier Social Responsibility Commitment Letter. ◆ Conduct regular visits each year according to the plan, achieving an on-site visit rate of 90%.

	◆ Achieve a 80% signing rate for the Conflict Minerals Commitment Letter. Long-term Targets (2031 and beyond) ◆ Establish a low-carbon and sustainable supply chain system. ◆ Promote net-zero carbon reduction targets with core suppliers. ◆ Conduct regular visits each year according to the plan, achieving an on-site visit rate of 100%. ◆ Achieve a 90% signing rate for the Conflict Minerals Commitment Letter.
Management Review Mechanisms	◆ Conduct supplier evaluation annually. ◆ Require suppliers that conducted business with the Company during the year to complete the Corporate Social Responsibility Self-assessment Questionnaire to collect relevant management data and improvement results. ◆ Conduct on-site audits for high-risk and key suppliers to verify actual implementation. ◆ Establish a supplier violation and anomaly reporting mechanism to investigate, improve, and track major violation incidents. ◆ Classify suppliers for management based on evaluation results, serving as the basis for subsequent cooperation, procurement prioritization, and improvement requirements.
Performance and Adjustments	1. In 2025, a total of 247 Corporate Social Responsibility Self-assessment Questionnaires were distributed, of which 230 were returned, resulting in a response rate of 93%. Evaluation Results for Material Suppliers: A1 key high-risk suppliers: 0 A2 non-key high-risk suppliers: 0 B1 key low-risk suppliers: 39 B2 non-key low-risk suppliers: 94 Evaluation Results for Processing Suppliers: A2 non-key high-risk suppliers: 3 B1 key medium-high risk suppliers: 2 B2 non-key medium-high risk suppliers: 3 C1 key medium-low risk suppliers: 9 C2 non-key medium-low risk suppliers: 22 D1 key low-risk suppliers: 32 D2 non-key low-risk suppliers: 26 2. In 2025, 12 on-site inspections were conducted, with 12 passing, achieving a pass rate of 100%. 3. There were a total of 0 supplier violation and anomaly reports in 2025.



2.1 Organizational Status

2.1.1 Company Overview

Founded by president Lucky Tu in 1973, Sheh Fung Screws Co., Ltd. specializes in manufacturing various types of screws. With fifty years of continuous innovation and development, the Company has accumulated extensive experience and technology in screw manufacturing. From incoming wire inspection to heading, forming, thread rolling, heat treatment, plating, coating, and packaging, every stage of production is subject to rigorous QC inspection before advancing to the next process. To meet customers' special specifications, Sheh Fung Screws offers excellent design and manufacturing technology to gain their trust and recognition.

About Sheh Fung Screws

Company name	Sheh Fung Screws Co., Ltd. (Stock Code: 2065)
Company website	http://www.shehfung.com/
Date of establishment	August 9, 1973
Chairman of the Board	TU TAI YUAN
General Manager	CHEN CHUN YEN
Number of employees	290
Main products and services	Screw, nut, bolt, and rivet manufacturing, and machinery and equipment manufacturing
Headquarters Location	No. 810, Fuxing W. Rd., Dingyan Borough, Qiaotou District, Kaohsiung City 825007, Taiwan
Operational sites	Taiwan - Qiaotou Plant: No. 810, Fuxing W. Rd., Qiaotou District, Kaohsiung City 825007, Taiwan Taiwan - Mituo Plant: No. 180, Sec. E., Wen'an Rd., Mituo Dist., Kaohsiung City 827011, Taiwan Vietnam - Vietnam Plant: Lot C8.1, Cluster C8, Road N8, Ham Kiem II Industrial Park (Bita's), Ham Kiem Commune, Ham Thuan Nam District, Binh Thuan Province
Paid-in capital	NT\$635,167 thousand
Revenue	NT\$2,072,496 thousand
Official website	

➤ Shareholder Structure

Shareholder structure		
		Data cut-off date April 7, 2026
Shareholder type	Shares held	Shareholding ratio
Other corporate shareholders	26,706,410	42.05
Individual shareholders	36,299,972	57.15
Foreign institutions and individuals	510,325	0.8

➤ Manufacturing bases





Mituo Factory

No. 180, Sec. E., Wen'an Rd., Mituo Dist., Kaohsiung City 827011, Taiwan



Qiaotou Factory

No. 810, Fuxing W. Rd., Qiaotou District, Kaohsiung City 825007, Taiwan

中文	英文
彌陀區	Mituo District
橋頭區	Qiaotou District

Factory	Address
Qiaotou Factory	No. 810, Fuxing W. Rd., Qiaotou District, Kaohsiung City 825007, Taiwan
Mituo Factory	No. 180, Sec. E., Wen'an Rd., Mituo Dist., Kaohsiung City 827011, Taiwan



2.1.2 Business Philosophy



Sheh Fung Screws values talent development, encourages innovation, and strives to build a lean organization to create a highly efficient team that achieves perfect quality. The Company is committed to creating a workplace where employees and the Company can thrive together, while serving as a trusted partner to its customers, fostering a win-win-win relationship, and pursuing sustainable operations. Sheh Fung Screws aspires to become a leading and reliable global screw supplier. The Company's spirit is encapsulated in the values of "Creditable Integrity, Effective Teamwork, Creative Innovation, and Quality Excellence," striving to create excellent corporate culture and value.



中文	英文
專業的管理團隊	Professional Management Team
經營團隊及大多數員工於螺絲產業經驗豐富，	The management team and most employees have

對產品製程掌控及市場策略與定位具有高度敏感性，且能與協力廠商有效合作。此外，在產銷管理方面亦相當駕輕就熟，能滿足提供客戶之需求，並建立完善的制度與優良的企業文化，進而吸引優秀之專業人才。	extensive experience in the screw industry, with strong sensitivity to production processes, market strategies, and positioning. They also collaborate effectively with partner manufacturers. In addition, they are highly proficient in production and sales management, meeting customer needs while establishing sound systems and a strong corporate culture that attract outstanding professional talent.
深厚產業與產品關係	Deep Industry and Product Expertise
本公司除堅實的研發實力，一直以來持續專注並深耕於螺絲產業發展，對產業及產品發展趨勢有深層的瞭解，透過不斷創新，能幫助客戶產生更多的附加價值。	In addition to solid R&D capabilities, the Company has long focused on and cultivated the development of the screw industry, with deep insight into industry and product trends. Through continuous innovation, the Company helps customers create greater added value.
堅實的研發能力	Strong R&D Capabilities
在技術創新與新產品開發擁有優秀團隊，在產品功能性及實用性研發獲得客戶認同，同時亦能及時解決客戶的產品使用問題，進而提升客戶滿意度。	With an excellent team in technological innovation and new product development, the Company has earned customer recognition for functionality and practicality in product research and development. At the same time, it promptly addresses product usage issues, thereby enhancing customer satisfaction.
忠誠可靠的夥伴關係	Loyal and Reliable Partnerships
擁有樸實可靠的企業文化，不論在公司、客戶及供應鏈均維持可靠緊密的關係，面對問題本著誠信信念，幫助客戶解決問題，因此與客戶及供應商都能維持長遠的合作關係。	The Company fosters a down-to-earth and dependable corporate culture and maintains close, trusted relationships within the Company and with customers and supply chain partners. When challenges arise, the Company responds with integrity and works with customers to resolve issues, enabling it to maintain long-term partnerships with both customers and suppliers.

2.1.3 Operational Performance

In 2025, the global economy experienced moderate growth with a slowdown in momentum, influenced by the combined effects of high interest rates and geopolitical uncertainties. The monetary policies of major economies remain cautious. Although global inflation eased from its earlier peak, businesses continued to face considerable uncertainties due to ongoing disruptions from geopolitical conflicts, changes in trade policies, and increasingly severe extreme climate conditions.

In 2025, the Company also experienced a decline in revenue amid the dual challenges of high U.S. tariffs and the appreciation of the New Taiwan dollar. Profitability was further affected by the Vietnam plant's initial operating costs, personnel training expenses, and other related factors. The Company's consolidated net revenue amounted to NT\$2,072,496 thousand in 2025, representing a decrease of 10.76% from 2024. Consolidated operating profit amounted to NT\$99,350 thousand, a decrease of 56.64% from 2024.

Sheh Fung Screws' operation in the past three years

Unit: NT\$ thousand

Item	Year	Financial information for the past three years		
		2023	2024	2025
Operating income		2,323,605	2,322,476	2,072,496
Operating costs		1,828,338	1,809,458	1,769,961



Gross operating profit	495,267	435,993	302,535
Net operating profit	317,162	229,109	99,350
Non-operating income and expenses	14,681	51,254	5,992
Net profit before tax	331,843	280,363	105,342
Net profit (loss) for the period	266,683	205,469	70,672
Total comprehensive profit or loss for the period	304,883	102,777	(153,177)
Earnings per share	5.12	3.56	1.12
Employee benefit amount	13,427	16,834	17,206
Dividend	241,454	165,147	95,275
Employee salaries (including employee benefits)	249,467	268,123	256,173
Payment to investors	241,454	165,147	95,275
Payment to the government	71,721	65,363	31,045
Community investment	5,085	4,025	1,740
Retained economic value	(72,460)	10,360	(81,698)

Notes:

1. Payment to investors refers to dividends paid to all shareholders plus interest paid to lenders (including any form of debt and interest on loans) and unpaid dividends due to preferred shareholders.
2. Payment to the government refers to all taxes (including sales tax, income tax, and property tax) and fines.
3. "Employee salaries (including employee benefits)" includes labor insurance, health insurance, pension expenses, and the total amount of monetary benefits provided to employees (excluding education and training expenses, the cost of protective equipment, and other costs directly related to job duties). "Employee benefits amount" refers to funds allocated by the Company to the Employee Welfare Committee for non-monetary benefits, such as employee travel, health check-ups, and holiday gifts.
4. Community investment refers to donations and contributions.
5. Retained economic value formula: Direct economic value generated - Economic value distributed

Direct economic value generated: Revenue

Distributed economic value: operating costs, employee salaries and benefits, payments to lenders, payments to governments by country, and community investments

➤ Government Subsidies

The Company deeply understands that sustainable management is closely related to national policy. During the reporting period, the Company actively responded to government policies and received financial support from the government. By effectively utilizing this support, the Company navigated various social impacts and changes, enhancing its resilience. The financial assistance items and amounts are as follows:

Item	Subsidy Units	Subsidy Amount (NT\$)
Takeoff Charging Project Subsidy	Kaohsiung-Pingtung-Penghu-Taitung Regional Branch, Workforce Development Agency, Ministry of Labor	362,000
Youth Internship Program at Dagang	Sun Yat-Sen Management Education Foundation	50,000
Equipment Improvement Subsidy	Kaohsiung-Pingtung-Penghu-Taitung Regional Branch, Workforce Development Agency, Ministry of Labor	204,750
Total		616,750

Note: Tax reductions, subsidy programs, and pandemic relief are all classified as government financial assistance.

➤ Tax Policy

In response to international developments in tax governance, the Company is committed to tax compliance and strictly adheres to applicable tax laws and regulations, including those governing securities transaction tax, futures transaction tax, and business tax, etc. These efforts support the Company's sustainable development and enhance corporate value. The Finance Department serves as the tax



management unit and reports on relevant tax matters as part of the quarterly financial statement review process.

The Company formulates tax policies:

- Principle of Legal Compliance: Follow tax laws and regulations as well as the legislative intent, correctly declare and pay taxes, and prepare supporting documentation.
- Principle of Comprehensive Decision-making: Monitor changes in local and international tax laws, conduct thorough impact assessments, and formulate appropriate response strategies.
- Principle of Information Transparency: Regularly disclose tax information through public channels such as financial reports and annual reports to ensure transparency.
- Principle of Active Communication: Maintain open and honest communication with tax authorities to help improve the tax environment and regulatory framework.
- Principle of Reasonable Tax Saving: Utilize lawful and transparent tax incentives without adopting methods that violate the spirit of the law.
- Principle of Reasonable Structure: Ensure corporate structure and transaction arrangements reflect genuine economic substance and avoid special arrangements for tax avoidance.
- Principle of Risk Control: When formulating and implementing tax decisions, evaluate associated risks and adopt appropriate strategies.
- Principle of Commercial Substance: Ensure related-party transactions reflect economic substance, with decision-makers assuming risks and receiving reasonable remuneration.
- Principle of Arm's Length Transactions: Ensure the pricing and terms of related-party transactions are consistent with those of comparable transactions with independent third parties.

Stakeholders may refer to the Corporate Governance section of the Company's official website for further information.

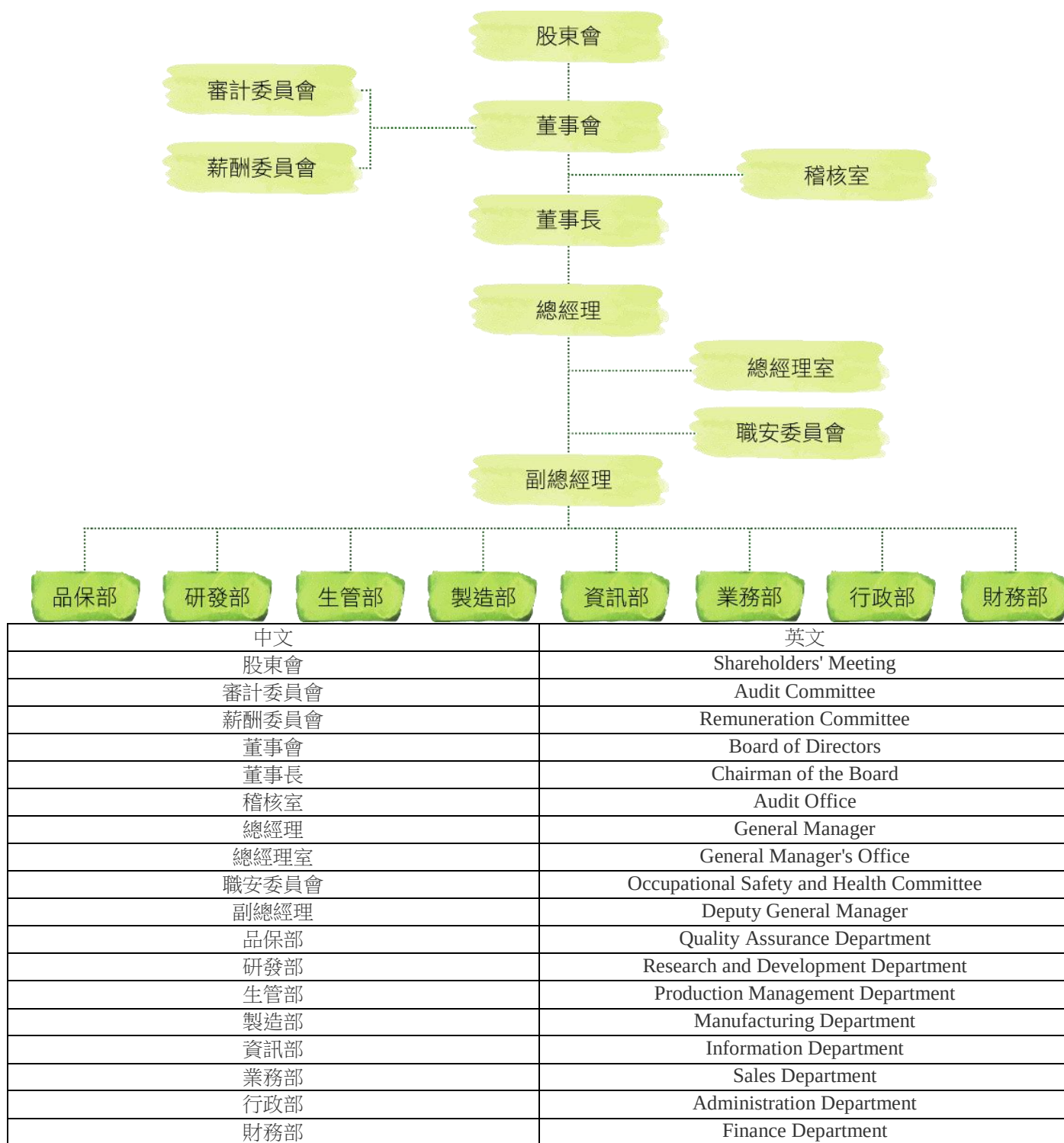
Annual Reports



Financial Reports



2.1.4 Company Organizational Structure



◆ Explanation of Departmental Responsibilities

Department	Main business
Audit Office	(1) Evaluate the soundness and reasonableness of the Company's various management systems. (2) Audit, improve, and assist in solving issues related to the Company's internal control system.
General Manager's Office	Establish operational policies, oversee planning, control, execution, and internal coordination and management.
Occupational Safety and	(1) Develop, plan, promote, and supervise occupational safety and health matters, establishing a safety management system.

Department	Main business
Health Committee	(2) Formulate, plan and promote emergency response matters. (3) Plan and implement employee safety and health training. (4) Conduct, compile, and report occupational accident statistics in the monthly occupational accident report.
Quality Assurance Department	(1) Inspect the quality of raw materials. (2) Control product quality during the manufacturing process. (3) Control the quality of finished products before shipment.
Research and Development Department	(1) Supervise the improvement and development of molds for process operations. (2) Oversee proposals, reviews, improvements, and development of operational equipment and various processes. (3) Supervise the execution of new product research and development and improvement of existing products.
Production Management Department	(1) Plan and execute outsourced processing. (2) Plan production schedules. (3) Track and manage product manufacturing progress. (4) Handle product shipment operations.
Manufacturing Department	(1) Responsible for product manufacturing. (2) Manage production-related operations.
Information Department	(1) Provide office automation support, troubleshooting, and recommendations for information software and hardware evaluation and procurement. (2) Plan, maintain, and manage the Company's IT environment.
Sales Department	(1) Conduct domestic and international market research and collect data on new products. (2) Formulate and execute overall marketing strategies. (3) Promote business, handle orders, and process them. (4) Lead customer feedback handling, satisfaction surveys, and improvement.
Administration Department	(1) Plan and execute the procurement of raw materials for production. (2) Plan and manage human resources. (3) Plan and execute procurement and general affairs systems. (4) Maintain and manage factory environmental protection and safety.
Finance Department	(1) Plan and manage finance, accounting, and taxation. (2) Handle board of directors and shareholders meetings, as well as stock-related affairs. (3) Manage company fund allocation and derivative transactions.

2.1.5 Participation in External Organizations

To achieve sustainable development in the industry and environment and improve product quality, Sheh Fung Screws actively participates in relevant industry associations. By engaging in various activities, the Company aims to facilitate mutual exchange and collective growth within the industry.

Organization names	Management position	Member
Taiwan Industrial Fasteners Institute		•
Kaohsiung Industrial Association		•

2.2 Business Development

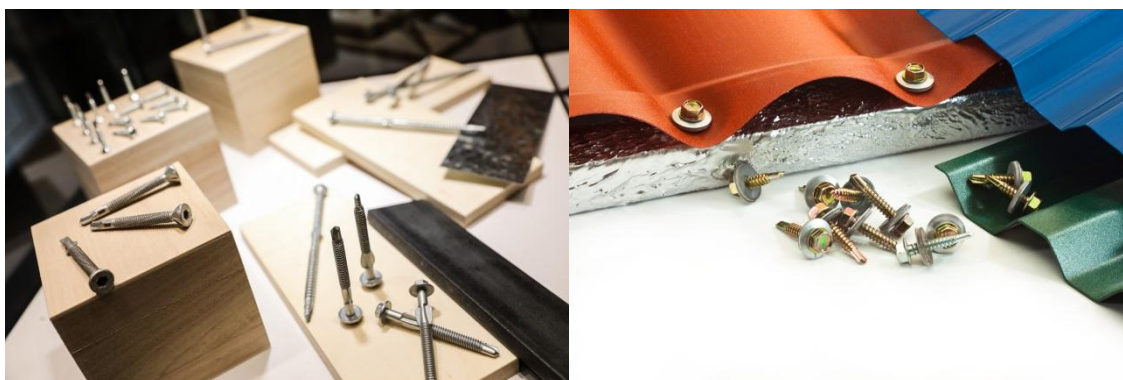
Sheh Fung Screws, established in 1973, has embraced a spirit of localized development alongside Taiwan. Since its founding, the Company has been committed to developing and manufacturing high-quality, high value-added, and highly competitive products for global markets, and has grown into a leading manufacturer in the global screw industry.



2.2.1 Company Products and Sales Markets

Sheh Fung's screw products are primarily for export, reaching more than 100 countries and regions, including the Americas, Europe, Asia, Oceania, and Taiwan. The products are mainly applied in construction and home DIY repairs. In recent years, with the growing competition from peers in China and Southeast Asia and the increasing prevalence of price-cutting strategies for standard fasteners, the Company has gradually adjusted its market positioning. By strengthening quality control and advancing production automation, Sheh Fung Screws continues to enhance product value and competitiveness. The sales statistics by region are as follows:

Product or Service Items				
Product or Service Items	Sales Regions	Customer Types	Sales Volume	Sales Volume Units
Screws/Hardware Fasteners	Americas	Builders/Contractors/Distributors/Traders/Brand Owners	10,063	Metric ton
	Europe		3,270	Metric ton
	Oceania		1,436	Metric ton
	Asia		2,179	Metric ton
	Taiwan		405	Metric ton



2.2.2 Upstream, Midstream, and Downstream Industry Relationships of

Sheh Fung Screws

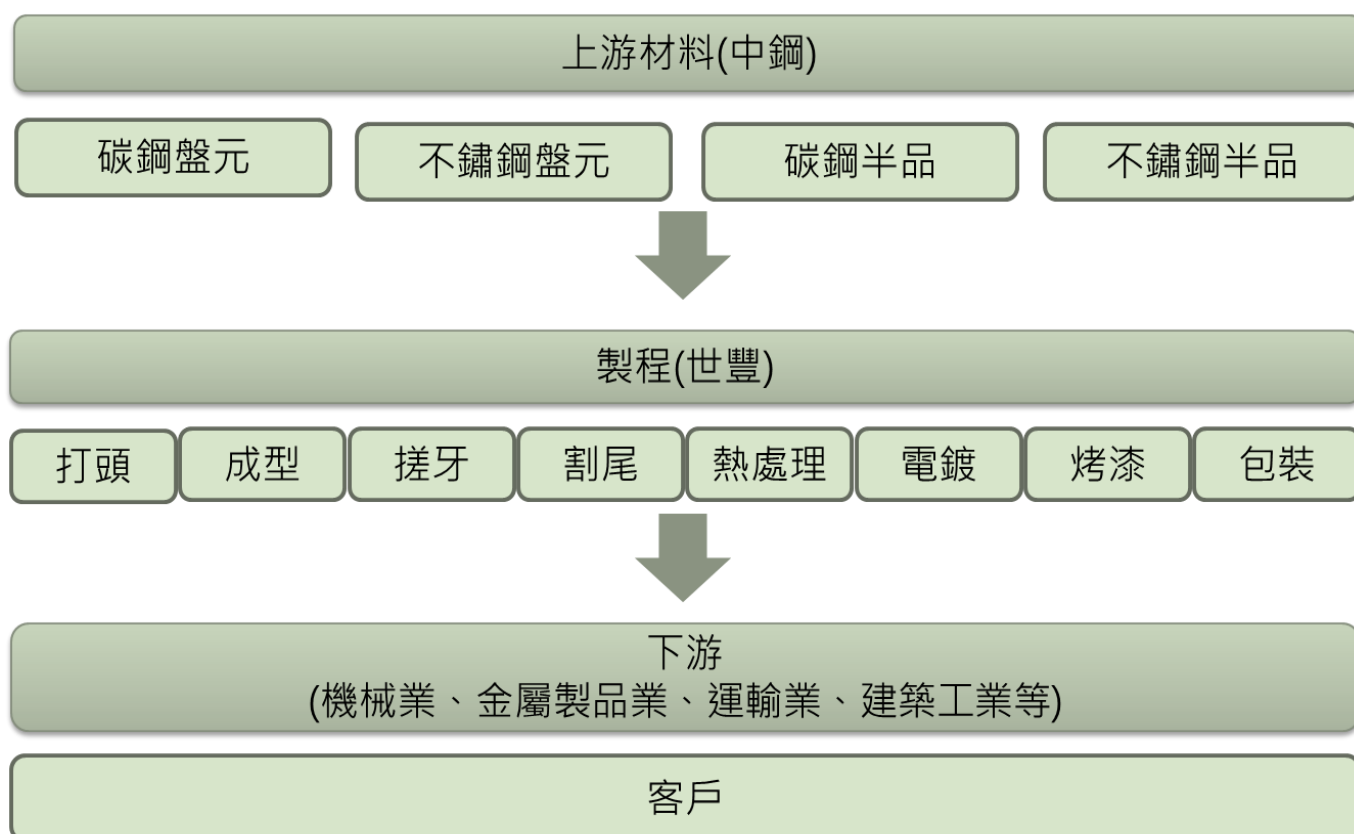
Screws are fastening components used in industrial products, and their value chain can mainly be divided into upstream raw materials, midstream manufacturing, and downstream applications. The Company's upstream supply chain mainly consists of steel suppliers. The Company purchases related raw materials such as carbon steel wire rods, stainless steel wire rods, carbon steel plate products, and stainless steel semi-finished products from China Steel Corporation. Subsequently, the Company conducts all processing operations. The front-end processes include heading, pointing, and thread rolling. Once completed, the products are sent to the Qiaotou Plant for secondary processes such as heat treatment to produce high-hardness screws, or electroplating to improve rust and corrosion resistance, followed by surface treatment involving coating or spraying. Afterward, the products are packaged and shipped from the



Mituo Plant. The downstream supply chain includes various end-use customers, covering a wide range of industries such as industrial machinery, metal products, aerospace, transportation, and construction. Overall, as the global economy develops and the level of industrialization increases, the demand for screw products and their industry supply chain also grows. In 2025, there were no significant changes to their value chain and supply chain.

The Company's upstream, midstream, and downstream value chain is illustrated below:

中文	英文
上游材料(中鋼)	Upstream Materials (China Steel)
碳鋼盤元	Carbon Steel Wire Rods
不鏽鋼盤元	Stainless Steel Wire Rods
碳鋼半品	Semi-finished Carbon Steel Products
不鏽鋼半品	Stainless Steel Semi-finished Products
製程(世豐)	Process (Sheh Fung Screws)
打頭	Heading
成型	Forming
搓牙	Thread Rolling
割尾	Cutting Tails
熱處理	Heat Treatment
電鍍	Plating
烤漆	Coating
包裝	Packaging
下游(機械業、金屬製品業、運輸業、建築工業等)	Downstream (Machinery, Metal Products, Transportation, Construction industries, etc.)
客戶	Customers



2.2.3 Industrial Status and Development

Taiwan is one of the world's important industrial fastener suppliers, holding a critical long-term position in the global market. According to industry statistics, Taiwan's fastener industry exports approximately 1.2 to 1.25 million metric tons, with an export value of around US\$4.3 to US\$4.4 billion, ranking among the top in the global industrial fastener market and continuing to play an important role in the supply chain.

Taiwan's screw industry features a comprehensive industrial cluster and supply chain system, with over 1,900 related enterprises across the country. Most of these are concentrated in the Gangshan and Luzhu areas of Kaohsiung, forming a complete industry chain from steel and wire processing, cold forging, heat treatment, surface treatment, to packaging and export. The industry's products are widely used in fields such as automotive, construction, machinery, electronics, and energy equipment, serving as essential basic components for global manufacturing.

In terms of export markets, Taiwan's screw industry is highly dependent on exports, with North America being the largest export region, accounting for over 50% of total exports. The United States market alone accounts for approximately 45% of Taiwan's screw exports, making it the most important single market.

The industry faces numerous external environmental changes, including global supply chain restructuring, exchange rate fluctuations, rising energy costs, adjustments in international tariff policies, and geopolitical risks, which have made the business environment more complex. Some enterprises have also begun to enhance competitiveness through overseas expansion, smart manufacturing, the introduction of automated equipment, and digital management to adapt to global market changes.

In terms of future development, with the increasing demand for electric vehicles, renewable energy, and advanced manufacturing, the demand for high value-added fasteners continues to rise. Taiwan screws industry is also gradually moving towards smart manufacturing, green manufacturing, and low-carbon transformation to enhance industrial competitiveness and align with global sustainable development trends. Overall, Taiwan's screw industry still holds an important position in the global supply chain but also faces dual challenges of market competition and sustainable transformation. In the future, industries will continue to maintain long-term development momentum through technological upgrades, product value enhancement, and diversified deployment in international markets.

2.2.4 Technology and R&D Overview

The Company has in-house capabilities across the entire production process, which can not only meet the diverse needs of customers, but also provide integrated manufacturing services. The R&D Department comprises a Design and Drafting Team and a Sample and Process Improvement Team. The Design and Drafting Team is responsible for the design and drafting of new products, customized samples, and in-house development projects; planning and coordinating sample development; conducting final quality inspections; preparing process drawings for standard and mass-produced products; and establishing quality inspection parameters for production lines. The Sample and Process Improvement Team conducts preliminary sample evaluations, coordinates mold development and outsourcing, produces samples, records process parameters and issues encountered during sample production, and assists in analyzing and resolving production line abnormalities. By 2025, there were 17 valid patents.

We continue to develop new derivative functions and process technologies based on existing products, including the development of high-performance coating processes, environmentally friendly electroplating processes, and low-hydrogen-embrittlement heat treatment processes. The funds invested in research and investment in recent years are as follows:

Year/Item	Unit: NT\$ thousand		
	2023	2024	2025
R&D expenses	10,600	11,343	10,843
Net operating income	2,323,605	2,322,475	1,952,424

Proportion	0.46%	0.49%	0.55%
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◆ Successfully Developed Technology or Products

Year	R&D achievements	Functions and effectiveness
2014	1. Improved Drywall screws 2. M472125 compound needle screws	1. Improved drywall screws design to enter the US market. 2. Versatile needle-type screws enhance convenience and versatility.
2015	High corrosion-resistant baking paint process	Enhanced corrosion resistance of screws to meet AC257 standards, expanding the US market.
2016	1. M516106 waterproof screws 2. High-performance gypsum board screws	1. Improved the waterproofing, corrosion resistance, and durability of roofing screws for snowy, high-latitude markets. 2. Designed high-performance gypsum board screws with unique shapes to stabilize the US market.
2017	Development of composite screws	Enhanced locking strength and flush installation in composite materials.
2018	Development of decking screws (wood screws)	Improved locking strength and flush installation in both soft and hard woods.
2019	Development of multifunctional screws	Enhanced application in composite materials.
2020	Development of high-strength building wood screws	Developed high-strength construction wood screws meeting ETA certification and market demands.
2021	Multidirectional design and development of new products	1. Designed and applied oval teeth for European hardwood. 2. Developed screws for American composite boards. 3. Designed and developed composite screw needles. 4. Designed and developed special drill points.
2022	R1 Self-drilling screws M626081	1. Special self-drilling tip can quickly drill through 20mm thick iron plates. 2. More stable and faster than competitors.
	Anti-slip decking screws M630005 (wood screws)	1. Developed special threaded decking screws to improve grip. 2. Increased pull-out strength and safety testing.
2023	Multi-drive recess development project	Developed a multi-bit-compatible product.
2024	Development of Multi-pocket chip-accommodating screws M658786	Designed for use in various fastening applications, the product ensures a perfectly flush fit every time.
2025	Multi-functional stainless steel reaming screws Reciprocating-blade self-drilling screws Wood screws and pointed-tip screws for masonry	1. Developed screws for chipboard boards. 2. Designed of a reciprocating two-stage self-drilling screw for the Vietnamese domestic market. 3. Designed and developed multi-application screws.

2.3 Corporate Governance

The Company attaches great importance to the integrity, timeliness, fairness and transparency of information disclosure. In addition to announcing various financial information, financial reports, annual reports and major information on the Market Observation Post System, relevant information can also be found on the Sheh Fung Screws website for the reference of domestic and foreign investors. Sheh Fung Screws will continue to pursue corporate governance and the transparency, timeliness and fairness of financial information.



Sheh Fung Screws Official
Website



2.3.1 Sustainable Development Strategy

Sheh Fung Screws adheres to the principle of integrity management and has officially established the "Sustainable Management Team," constructing a sustainable development strategy encompassing "green and low carbon, social inclusion, and sound governance." Facing global climate change and the international supply chain's trend towards carbon reduction, the Company has formulated internal carbon reduction strategy goals and obtained ISO 14001 Environmental Management System certification. At the same time, the Company actively participates in green electricity procurement programs. By gradually introducing renewable energy, vigorously promoting process energy conservation, optimizing the energy management framework, and implementing resource recycling mechanisms, the Company takes concrete actions in support of the United Nations Sustainable Development Goals (SDGs) on climate action and responsible production. At the same time, we have formulated a "Human Rights Policy," a "Code of Integrity Management," a "Code of Ethical Conduct," and a "Code of Practice for Sustainable Development" to actively prevent any fraud. On the environmental level, we are committed to promoting green manufacturing, improving energy efficiency, and implementing waste reduction to respond to the United Nations Sustainable Development Goals (SDGs) on climate action and responsible production. On the governance and social level, the Company regards human rights protection as an indispensable core element of business activities and commits to fully fulfilling corporate social responsibility and safeguarding the basic human rights of all employees. We recognize the internationally recognized spirit and basic principles of human rights protection, such as the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, and the ILO Declaration on Fundamental Principles and Rights at Work. We prohibit all forms of human rights infringement and treat all personnel with dignity and respect. This protection extends to formal employees, contract staff, temporary personnel, and interns. The relevant policies are disclosed on the Company's official website.



The above policy applies to the Company and the operational sites of its subsidiaries. We shall abide by the relevant laws and regulations on labor and gender equality in the place where we operate, formulate comprehensive human rights protection and labor policies, and actively implement diversity in the workplace. The Company upholds the principles of openness and fairness, strictly prohibits the employment of child labor, opposes any form of forced labor, and eliminates acts that infringe on the rights of Indigenous peoples, striving to eradicate employment and workplace discrimination. At the same time, we require suppliers to abide by the above standards. If a supplier is found to be in violation, we will immediately terminate our business relationship with that supplier.

The Company strictly abides by international human rights conventions and labor laws and regulations, actively implementing rights such as freedom of association, collective bargaining rights, caring for vulnerable groups, gender equality, and the right to work. To practice workplace equality, the Company regularly reviews human resources policies to ensure equal treatment in employment, terms and conditions of employment, compensation, benefits, training, performance evaluations, and promotion opportunities, regardless of gender, race, socio-economic status, age, marital status, or family status.

To implement human rights governance, the Company conducts a human rights audit promotion every six months and ensures the integration of human rights policies into daily operations through various channels such as regular labor-management meetings and two-way communication via internal e-mails. At the same time, the "Social Responsibility Commitment Letter" and the "Workplace Violence Prohibition Statement" signed by the General Manager have been placed on the internal website for employees to access at any time, demonstrating the senior management's strong emphasis on human rights governance.



To prevent and properly handle situations that endanger labor rights and interests, the Company strictly prohibits any violations of labor rights, illegal infringements, and unethical behavior that contravene business ethics. It provides an effective, equal, and transparent complaint mechanism. If employees suffer any illegal infringement, the Company has planned multiple complaint channels, allowing anonymous complaints through the "Illegal Infringement Behavior Response Form" on the internal website, opinion boxes, reporting hotlines, and reporting emails. External stakeholders can file complaints through the Stakeholder section on the official website. The Company has an independent investigation team and investigation procedures for all incidents involving illegal infringement and unethical business conduct. All complaint cases are treated with strict confidentiality to protect the rights of the complainant. In 2025, the Company received a total of 1 internal grievance case and 0 external grievance cases. After verification by the investigation team under the internal reporting procedures, disciplinary action was taken against the relevant personnel according to the work regulations. Additionally, legal compliance was reiterated to the supervisors of the relevant units, and the case has been officially closed.

Sustainable Management Team Organization Chart



中文	英文
召集人：陳駿彥	Convener: Chen, Chun-Yen
治理	Governance
公司治理	Corporate Governance
對外溝通	External Communication
法令遵循	Regulatory Compliance
客戶關係	Customer Relations
供應鏈管理	Supply Chain Management
永續報告書	Sustainability Report
數據平台管理	Data Platform Management
蘇亦凡	Su, I-Fan
李偉嘉	Li, Wei-Chia
陳秀珠	Chen, Hsiu-Chu
陳姿吟	Chen, Tzu-Yin
環境	Environmental

綠色製造	Green Manufacturing
能源管理	Energy Management
綠色生產	Green Production
節能技術	Energy-saving Technology
綠色營運數據	Green Operation Data
智慧能源管理	Smart Energy Management
蘇勇价	Su, Yung-Chieh
社會	Social
人才培育	Talent Development
社會公益	Social Welfare
健康職場	Healthy Workplace
公益推廣	Social Welfare Promotion
員工培育	Employee Development
友好社區	Community Engagement
福利制度	Employee Benefits

Reporting Channels	
Accepting unit	Administration Department
Address	No. 810, Fuxing W. Rd., Qiaotou District, Kaohsiung City 825007, Taiwan
Telephone	07-6116116#130
E-mail	nick_li@shehfun.com
Stakeholder grievance	Internal: "Illegal Infringement Behavior Response Form," opinion boxes, reporting hotlines, and reporting emails. External: Company website - Stakeholders section

Reporting QR code		
Taiwan	Indonesia	Vietnam
		

2.3.2 Governance Structure

Sheh Fung Screws is a TPEx-listed company in Taiwan, with the Board of Directors serving as its highest governance body. The Company has established a sound corporate governance system, followed the principles of relevant laws and regulations and corporate governance policies, formulated a suitable corporate governance structure and implementation practices, continuously improved management performance, and protected the rights and interests of investors and other stakeholders. The members of the Board of Directors are highly professional, and can effectively supervise and adjust the business direction to meet the long-term and short-term needs of the target market, so as to ensure the Company's operating results and sustainable operation. All directors of the Company adopt the candidate nomination system in accordance with the Articles of Incorporation.

➤ Board Members

The primary responsibilities of the Board of Directors include setting the Company's strategic direction, overseeing business performance, preventing conflicts of interest, and ensuring compliance with applicable laws and regulations. In board meetings, if a director has a personal interest related to a matter under

discussion, the director shall abstain from participating in the discussion and voting, and may not exercise voting rights on behalf of other directors, so as to prevent conflicts of interest.

In 2023, the Board of Directors convened seven meetings, in 2024, five meetings, and in 2025, nine meetings. In addition, the Board adopted the "Code of Practice on Corporate Governance" and the "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies." The Company implements its corporate governance practices, social responsibility initiatives, and ethical corporate management in accordance with the relevant codes. The status of implementation is reported to the Board of Directors.

The independent directors of the Company are all in compliance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and the directors and independent directors are in compliance with the provisions of the Securities and Exchange Act, ensuring the Board's independence. The professional qualifications and experience of directors and the independence of independent directors are as follows:

Title	Name	Gender	Age	Date of first appointment (election)	Main academic experience	Concurrently holds positions in the Company and other companies
Chairman of the Board	TU TAI YUAN	Male	51-60	2016.06.22	EMBA, National Kaohsiung University	Concurrently serving as the Chairman of SHEH KAI PRECISION CO., LTD., Director and General Manager of SHEH KAI Trading (Shanghai) Co., Ltd., Chairman of BYMIT INC., Chairman of CHAMPION ESSENCE INVESTMENTS LIMITED, Chairman of Long Yuan Investment Co., Ltd., Chairman of Lifestyles Co., Ltd., Chairman of HYE TECHNOLOGY CO., LTD., and Chairman of BI-METAL Ltd.
Director	CHEN CHUN YEN	Male	41-50	2023.03.06	EMBA, National Sun Yat-sen University Department of Mechanical Engineering, RMIT University	Concurrently serving as the General Manager of Sheh Fung Screws Co., Ltd., Chairman of Sheh Fung Investment Co., Ltd., Director of SHEH KAI PRECISION CO., LTD., and Director of CHAMPION ESSENCE INVESTMENTS LIMITED.
Director	DU KING LING	Male	71-80	2010.06.26	*Master's in Mechanical Engineering, University of Mississippi, USA *Financial Management, New York University, USA	Concurrently serving as the Corporate Director Representative of Green River Holding Co. Ltd.
Director	TU PO HAN	Male	21-30	2022.06.09	Master's in the Department of Architecture, Tunghai University	-
Independent Director	FANG HUI LING	Female	71~80	2019.06.18	Department of Accounting, National Cheng Kung University	Concurrently serving as an Independent Director of Jung Shing Wire Industrial Co., Ltd., an Independent Director of Sentien Printing Factory Co., Ltd.
Independent Director	HUNG CHUN YUNG	Male	41~50	2022.06.09	*Master's in Environmental Engineering, National Sun Yat-sen University *LL.M. in	Concurrently serving as the Principal Lawyer of Hung & Yeh Attorneys-at-Law, Director of the Taiwan Bar Association, Director of the Kaohsiung Bar Association, Convener of the Member Rights Committee of the Kaohsiung Bar Association,

Title	Name	Gender	Age	Date of first appointment (election)	Main academic experience	Concurrently holds positions in the Company and other companies
					Financial and Economic Law (Tax Law), National Chung Cheng University	Independent Director of Honor Seiki Co., Ltd., and Representative of Pan Yang Sustainable Development Consulting Co., Ltd.
Independent Director	TAI CHIU HUA	Female	51~60	2022.06.09	University of Manchester M.S in Finance and Accounting	Concurrently serving as an Independent Director of Higgstec Inc.
Notes:						
1. The current term of the Board of Directors is from June 5, 2025, to June 4, 2028.						

According to Article 20 of the Company's Code of Practice on Corporate Governance and Articles 2 and 4 of the Measures for the Election of Directors, the selection of directors shall consider the overall allocation of the Board of Directors. The composition of the Board of Directors should consider diversification, and formulate appropriate diversification policies according to their own operations, operation types and development needs. Directors should have the following abilities:

- A. Operational judgment.
- B. Accounting and financial analysis skills.
- C. Management ability.
- D. Crisis management ability.
- E. Industrial knowledge.
- F. International market outlook.
- G. Leadership.
- H. Decision-making ability.

Board Diversity and Independence								
Title	Name	Industry Experience				Professional Competence		
		Banking/Finance	Business Management	Sales and Marketing	Research and Development	Accounting and Financial Analysis	Information Technology	Risk Management
Chairman of the Board	TU TAI YUAN	✓	✓	✓	✓	✓	✓	✓
Director	CHEN CHUN YEN	✓	✓	✓	✓	✓	✓	✓
Director	DU KING LING	✓	✓	✓	✓	✓	✓	✓
Director	TU PO HAN		✓		✓	✓	✓	✓
Independent Director	FANG HUI LING	✓	✓	✓		✓	✓	✓
Independent Director	HUNG CHUN YUNG	✓	✓	✓		✓	✓	✓
Independent Director	TAI CHIU HUA	✓	✓	✓		✓	✓	✓





➤ Board Members' Training Hours

In order to enhance the functions of board members, board members are arranged to participate in refresher courses from time to time, so as to continuously strengthen their professional knowledge. In 2025, the number of refresher courses for directors of the Company was 45 hours, and all directors met the requirements of laws and regulations. The participation of directors in refresher training is as follows:

Title	Name	Training date	Course	Hours
Chairman of the Board	TU TAI YUAN	2025.08.07	Analysis of International IFRS Sustainability Disclosure Standards and Corporate Response Strategies	3 hours
		2025.08.07	Analysis of Legal Risks - Insider Trading and Prevention of Labor Disputes	3 hours
Director	CHEN CHUN YEN	2025.08.07	Analysis of International IFRS Sustainability Disclosure Standards and Corporate Response Strategies	3 hours
		2025.08.07	Analysis of Legal Risks - Insider Trading and Prevention of Labor Disputes	3 hours
Director	DU KING LING	2025.08.07	Analysis of International IFRS Sustainability Disclosure Standards and Corporate Response Strategies	3 hours
		2025.08.07	Analysis of Legal Risks - Insider Trading and Prevention of Labor Disputes	3 hours
Director	TU PO HAN	2025.09.24	Seminar on "Examining Business Contracts from the Perspective of the Business Cycle"	6 hours
		2025.04.18	Corporate Governance Upgrade: Creating a New Landscape for Talent Competitiveness, International Industry Talent Trends and Coping Strategies	3 hours
Independent Director	FANG HUI LING	2025.12.09	Performance measurement transparency! IFRS 18 - The future income statement is coming soon.	3 hours
		2025.08.29	Sustainable Development Promotion Conference - Kaohsiung Session	3 hours
Independent Director	HUNG CHUN YUNG	2025.08.13	Comprehensive Analysis of Internal Control Practices in Sustainable Information Management	6 hours
Independent Director	TAI CHIU HUA	2025.12.24	Continuing Education Course for Directors of TWSE/TPEX-Listed Companies: Applications of Generative AI and ChatGPT	3 hours
		2025.11.25	Business Operation and Crisis	3 hours

➤ Avoidance of Conflicts of Interest by the Board of Directors

Where a director has a personal interest, or represents a legal entity with an interest, in any matter discussed at a Board meeting, the director shall disclose the material details of such interest at that meeting. If the matter may be harmful to the interests of the Company, according to the recusal requirements in Article 16 of the Rules of Procedure for Board Meetings, the director shall recuse themselves from the discussion and voting and shall not exercise voting rights on behalf of another director.

Where a director's spouse, a blood relative within the second degree of kinship, or a company that has a controlling or subordinate relationship with the director has an interest in a matter referred to in the preceding paragraph, the director shall be deemed to have a personal interest in that matter.

With respect to Board resolutions, directors who are prohibited from exercising voting rights under the preceding two paragraphs shall be subject to Article 180, Paragraph 2 of the Company Act, as applied mutatis mutandis pursuant to Article 206, Paragraph 2 thereof.

Item	Stakeholders	Description
(1) The eighth Board of Directors meeting in 2025	Director Name: CHEN CHUN YEN	Proposal Content: * Review the salary and remuneration case for the representative of the Vietnam subsidiary, and submit for resolution.
Reason for Recusal: The above proposal involves the interests of the General Manager. In accordance with the relevant regulations, the General Manager recused himself from the discussion and voting.		
(1) The ninth Board of Directors meeting in	Director Name: TU TAI YUAN,	Proposal Content: * Discuss the distribution of year-end bonuses for managers for 2025,

2025	CHEN CHUN YEN	and submit for resolution. * Review the proposed salary and remuneration items for managers for 2026, and submit for resolution. * Review the salary and remuneration case for the representative of the Vietnam subsidiary for 2026, and submit for resolution.
Reason for Recusal: The first and second proposals involve the interests of the Chairman and the General Manager. In accordance with the relevant regulations, both individuals recused themselves from discussion and voting. The third proposal involves the interests of the General Manager, who therefore recused himself from discussion and voting.		

➤ Performance Evaluation of Board of Directors

The Company has formulated the Management Measures for Performance Appraisal of the Board of Directors to regularly evaluate the performance of the Board of Directors, which can strengthen the functions of the Board of Directors. The evaluation of the performance of the Board of Directors for 2025 was completed before December 31, 2025. The results indicated that the Board operated effectively in 2025, with no recommendations for improvement. The evaluation results were submitted to the first meeting of the Board of Directors in 2026. In addition, the performance evaluation results of the Board of Directors for 2025 confirmed that the overall performance was satisfactory, and the results were provided as a reference for the future selection or nomination of directors.

Evaluation of the objectives and implementation of strengthening the functions of the Board of Directors in 2025 and the most recent year:

(A) Implementing corporate governance	The operation of the Board of Directors of the Company follows the Rules of Procedure for Board Meetings. The Board of Directors has set up three Independent Directors with financial background or experts specializing in the industry of the Company, and set up an Audit Committee and a Remuneration Committee to assist the Board to perform its supervisory duties. Members also attend corporate governance-related courses according to the requirements of the Directions for the Implementation of Continuing Education for Directors and Supervisors.
(B) Deepening the performance evaluation of the Board of Directors	- In order to implement corporate governance and improve the operational efficiency of the Board of Directors, the Company has formulated the Management Measures for Performance Appraisal of the Board of Directors. At the end of the year, the executive unit of the Board of Directors (Finance Department) will record the implementation of the evaluation indicators and issue self-assessment questionnaires to the directors, and then get the scores according to the weighted average of the scores, and then send the scores to the Board of Directors for report. - Considering the Company's situation and needs, the measurement items for the performance evaluation of the Board of Directors shall include at least the following five aspects: - Degree of participation in the operation of the Company. - Improvement of decision-making quality of the Board of Directors. - Composition and structure of the Board of Directors. - Selection and continuing education of directors. - Internal control.
(C) Enhancing information transparency	Designate a person to be responsible for revealing information updates at the Market Observation Post System or the Company's website.
(D) Strengthening risk management	The operation of corporate governance, the performance of social responsibility and the performance of the Company's integrity management are all implemented in accordance with the code, and the implementation is reported to the Board of Directors, and the directors have been insured with liability insurance.

Functional Committee setting

In order to give full play to the functions of the Board of Directors and improve the decision-making quality of the Board of Directors, an Audit Committee and a Remuneration Committee are set up under the Board of Directors according to their functions and powers, which are responsible for discussing important proposals and important issues such as economy, environment, society and risks. The Audit Committee and the Remuneration Committee are composed of 3 independent directors and 3 directors, and Director Fang, Hui-Ling is the convener. According to the Company's Code of Practice on Corporate Governance, these responsibilities are currently assigned as additional duties to personnel from the Administrative Department and the Shareholder Services Unit.

Item	Description
Policy	In order to enhance corporate governance, strengthen the Board of Directors' function in compensation

Item	Description
purpose	management, and protect investors' rights and interests, the Company, in accordance with Item Article 14-6, Paragraph 1 of the Securities and Exchange Act and the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" promulgated by the Financial Supervisory Commission of the Executive Yuan under Order No. 1000009747 on March 18, 2011, adopted its "Remuneration Committee Charter" as approved by the Board of Directors in April 2012. The Company formally established the Remuneration Committee on April 20, 2012.
Salary structure	The Company's remuneration policy for directors is established in accordance with the Company Act and the Company's Articles of Incorporation. If the Company records a profit in the current year's final accounts, up to 6% of the profit may be allocated as directors' compensation.
Review process	In accordance with the Company's "Measures for Payment of Remuneration for Directors and Functional Committee Members", taking into account the Company's business strategy, profitability, future development and industrial environment, as well as the degree of individual directors' participation in the Company's operation and the value of their contributions (such as being a member of functional committees or being invited to attend important business meetings), reasonable remuneration will be given, which will be implemented after being reviewed by the Remuneration Committee and approved by the Board of Directors.
Risk connection	To ensure that managers' performance is closely aligned with the Company's strategies and that overall compensation remains competitive, the Company has formulated the "Measures for the Administration of Managers' Remuneration," which includes salary and bonus. The salary is based on the Company's business strategy and profitability, as well as factors such as managers' personal professional ability, scope of responsibilities and market competitiveness. The bonus will consider the results of personal performance evaluation, the Company's operating performance and the rationality of future risks, etc. However, if there are major risk events that can affect the Company's reputation, improper internal management, personnel abuses and other risk events, the bonus will be reduced or withheld.
Correlation between salary and performance	In order to ensure that managers' performance is closely related to the Company's strategy, and the overall salary and remuneration are competitive, the Company has formulated the "Management Measures for Managers' Salary" as the basis for managers' performance appraisal and remuneration payment. The policy sets out the policies, systems, standards, and structure governing manager performance evaluations and compensation, which are implemented after review by the Remuneration Committee and approval by the Board of Directors.

➤ Audit Committee

The Company has set up an Audit Committee composed of all independent directors, with at least three members. Since the establishment of the Audit Committee, the members of the Audit Committee shall be responsible for implementing the functions and powers of supervisors as stipulated in the Company Law, the Securities and Exchange Act and other laws and regulations. The responsibilities of the Audit Committee are as follows:

1. Formulate or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
2. Assess the effectiveness of the internal control system.
3. Formulate or amend procedures for handling major financial activities, such as acquiring or disposing of assets, engaging in derivatives trading, lending funds to others, or endorsing and providing guarantees for others, in accordance with Article 36-1 of the Securities and Exchange Act.
4. Review matters involving directors' own interests.
5. Review significant transactions in assets or derivatives.
6. Review major loans of funds, endorsements, or guarantees.
7. Review the offering, issuance, or private placement of equity-type securities.
8. Evaluate the appointment, dismissal, remuneration, independence, and competence of certified public accountants.
9. Appoint or remove financial, accounting, or internal audit supervisors.
10. Review financial reports signed or sealed by the Chairman, managers, and accounting supervisor.
11. Review other significant matters stipulated by the Company or the competent authority.

The operation of the Audit Committee of the Company is handled in accordance with the Company's Organizational Rules of the Audit Committee, and the meeting is held at least once every quarter. In 2025, the Audit Committee held seven meetings, with all members achieving a 100% attendance rate.



➤ Remuneration Committee

Under the Board of Directors, there is a remuneration Committee, with three members with professional qualifications and independence. Independent Director Ms. Fang, Hui-Ling serves as the convener, while Mr. Hung, Chun-Yung and Ms. Tai, Chiu-Hua serve as members. The Committee formulates recommendations through resolutions adopted at its meetings and submit them to the Board of Directors for approval. The operation of the Remuneration Committee is handled in accordance with the Company's Organizational Rules of Remuneration Committee, with at least two regular meetings held every year. In 2025, the Committee held four meetings, with all members achieving a 100% attendance rate.

Title	Name	Identity	Expected Attendance	Actual Attendance	Actual Attendance Rate (%)	Remarks
Convener	FANG HUI LING	Independent Director	4	4	100%	-
Member	HUNG CHUN YUNG	Independent Director	4	4	100%	-
Member	TAI CHIU HUA	Independent Director	4	4	100%	-

Notes:

1. Actual Attendance Rate = Actual Attendance / Expected Attendance.
2. Term of the current committee members: From June 5, 2025 to June 4, 2028.

Members of this Committee shall faithfully perform the following functions and powers with the attention of good managers, and be responsible to the Board of Directors, and submit their suggestions to the Board of Directors for discussion:

- (1) Regularly review the Organizational Rules of the Remuneration Committee and propose amendments.
- (2) Formulate and regularly review the performance evaluation standards of directors and managers, annual performance targets and policies, systems, standards and structures of remuneration.
- (3) Regularly assess the extent to which the Company's directors and executives have achieved their performance targets, and determine the components and amounts of their remuneration based on the results of such assessments.

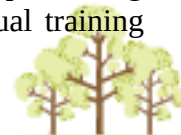
2.3.3 Moral Values and Honest Management

In order to build a corporate culture of integrity management, sound development and smooth business operation, the Company has formulated a Code of Integrity Management to regulate the ethical behavior of directors, managers and employees, and the implementation of the disciplinary and appeal systems for violations. The Company has established relevant systems for its business activities, with enhanced measures to prevent risks of unethical conduct. It also communicates its principles and policies of integrity management in various meetings, such as supervisor meetings and labor-management meetings, on both a regular and an ad hoc basis. Relevant policies are revised in response to changes in the operating environment.

In 2025, the Company recorded seven participant attendances in internal and external education and training related to integrity management, totaling 87 training hours. The programs covered regulatory compliance in ethical corporate management, code of ethical conduct, accounting systems, prohibition of insider trading, internal controls, and other related topics.

➤ Ethical Conduct and Integrity Standards

Although the Company has not conducted an anti-corruption risk assessment, its Code of Integrity Management and employee reporting procedures contain relevant provisions and guidance on preventing corruption. These requirements are communicated regularly to relevant personnel through annual training



programs to strengthen employees' awareness and understanding of the Company's integrity management policies.

The training courses for new employees include moral integrity, company regulations and discipline. In addition, supervisors and the Human Resources Department periodically reinforce ethical conduct, workplace discipline, and compliance with Company policies through routine meetings and internal announcements. These efforts encourage employees to act with integrity and prudence, foster a culture of integrity, and ensure that such training reaches all employees. Sheh Fung Screws had no corruption cases in 2025 and provided anti-corruption education and training to employees, with 56 attendances totaling 60.5 training hours.

2.3.4 Internal Audit System

The Company has a sound accounting system and internal control system. These systems are designed to identify and assess deficiencies in the implementation of internal controls, evaluate the effectiveness and efficiency of operations, the reliability of financial reporting, and compliance with applicable laws and regulations, and provide timely recommendations for improvement. This helps ensure the continued and effective operation of the internal control system and supports management in fulfilling its responsibilities. In order to ensure the continued effectiveness of the system's design and implementation, the Company's internal auditors have established and duly executed various audit plans and report to the Board of Directors regularly.



中文	英文
內部控制制度	Internal Control System
控制環境	Control Environment
風險評估	Risk Assessment
控制作業	Control Activities
資訊與溝通	Information and Communication
監督作業	Monitoring Activities

➤ Internal Audit Process



Internal Audit Plan

Based on risk assessment results, draft the "Internal Audit Plan"



Internal Audit Notification

After the "Internal Audit Plan" is approved by the Board of Directors, schedule audit units and issue "Internal Audit Notifications".



Internal Audit Working Papers

Collect, review, analyze, and record data



Audited Unit Improvement Report

Identify issues or anomalies during the audit, communicate with the audit unit, and issue an "Audit Unit Improvement Report"



Internal Audit Report

Submit the "Internal Audit Report" to the Board, follow up on anomalies quarterly until resolved, and complete the "Internal Audit Anomalies Improvement Tracking Form" to close the case.

2.4 Products and Customer Service

2.4.1 Sheh Fung Quality Assurance

To continuously enhance the manufacturing quality of Sheh Fung Screws, the Company has successively obtained international quality certifications, including ISO 9001, ISO 14001, and IATF 16949. In April 2019, the Company also earned A2LA laboratory accreditation in the United States. In addition, Sheh Fung Screws has been committed to the research and development of screw surface treatment technologies to strengthen customized service capabilities, increase product added value, and secure a competitive position in the development of high-end products.

The Company has also obtained other relevant certifications, such as CE-EN-14566, J-30-20181-12, J-30-20182-12, J-30-20183-12, J-30-20184-12, J-30-20185-12, and J-30-20186-12 in the European Union, ETA certification (ETA 18/0284), as well as Kaitex registration certificates from the European Union Intellectual Property Office, the Republic of China Trademark Office, and the United States Patent and Trademark Office. These achievements have strengthened the credibility of the Company's quality control practices and earned greater recognition in both domestic and international markets amid intensifying global competition.

Statistics of Safety Certification Items for Products or Services

Name of Product or Service Item	Safety Standards Certification	Proportion of Evaluated Products or Services Provided to Customers
Screws	European Union Construction Product Regulation (CPR) No. 305/2011/EU, Standard EN 14566	1.93
Screws	European Union Construction Product Regulation (CPR) No. 305/2011/EU, Standard EN 14592	4.03
Screw inspection (laboratory certification)	A2LA Accredited Laboratory ISO/IE 17025:2017	100.000

Note: Percentage = (Total amount of evaluated products or services provided to customers / Total amount of products or services provided to customers)*100.



2.4.2 Customer Satisfaction Survey

The service quality that has earned Sheh Fung Screws the reputation of being the "LV of the Screw Industry" has long been one of the Company's key competitive advantages. Sheh Fung Screws' professional and dedicated sales team provides timely support to meet customers' daily needs. In addition, the Company conducts an annual Customer Satisfaction Survey with key clients. The survey covers four major aspects: products, services, delivery, and quality, comprising a total of nine questions. In 2025, a total of 73 questionnaires were distributed to major customers, with 32 valid responses received, representing a response rate of 43.84%. Among them, 27 responses were from fastener customers and 5 from OEM customers.

The overall customer satisfaction score for 2025 was 8.53, with fastener customers scoring 8.60 and OEM customers scoring 8.11. Going forward, the Company will continue to monitor customer satisfaction, identify areas for potential improvement, and use the results as a basis for ongoing enhancement efforts to further increase customer satisfaction.

If the customer satisfaction is not up to the standard, we will immediately further communicate with customers and propose review and improvement for the missing parts to meet the needs of customers all over the world. The Company has a "Customer Complaint Handling Procedure," which pays attention to communication with customers and can achieve rapid and effective handling of customer complaints.





➤ **Customer Privacy and Confidentiality**

The Company places great importance on protecting customer privacy and intellectual property rights. In addition to signing confidentiality agreements with customers to safeguard their confidential information, the Company has also established internal standards to ensure that customer rights and interests are protected in the course of business operations. In 2025, there were no incidents of violation of customer privacy.



2.5 Supplier Management

Sheh Fung Screws is deeply rooted in Taiwan, adhering to a local operation philosophy. It fully leverages the geographical advantages of the screw industry cluster in the Greater Gangshan area to establish a comprehensive and professional collaboration system. The Company is in the screw manufacturing industry, and its procurement policy focuses on establishing a domestic supply chain. This chain covers raw materials such as wire rods and stainless steel wires, packaging materials, and subcontractors. The domestic procurement ratio has reached 99.9%, which not only helps enhance the stability of supply and the quality of screws but also reduces the carbon emissions generated by international transportation.

Sheh Fung Screws has established long-term and stable strategic partnerships with domestic suppliers and contractors. Through vertical integration between upstream and downstream, the Company fosters a shared vision for development, strengthens supply chain resilience, and collaboratively promotes sustainable industry development and local economic prosperity.

Sheh Fung's Supplier Procurement Statistics for the Past Three Years						
Procurement Region	2023		2024		2025	
	Number of Suppliers	Proportion of Total Procurement Amount (%)	Number of Suppliers	Proportion of Total Procurement Amount (%)	Number of Suppliers	Proportion of Total Procurement Amount (%)
Domestic	64	99.8	74	99.7	89	99.9
Overseas	3	0.2	6	0.3	2	0.1
Total	67	100%	80	100	91	100
Notes:						
1. Domestic refers to Taiwan; overseas refers to regions outside Taiwan.						
2. Starting from 2021, the presentation format was adjusted from procurement amount to the number of suppliers.						

Through domestic procurement and outsourced production, Sheh Fung Screws is able to closely monitor the quality, pricing, delivery schedules, and quantities of products supplied by its suppliers and contractors. Compared with overseas manufacturers, it is also relatively easier to obtain information related to environmental protection, occupational safety and health, and human rights, while legal requirements are more consistent. As a result, the Company's contracts with suppliers and contractors do not specifically include human rights screening or additional human rights clauses. Furthermore, in 2025, none of Sheh Fung Screws' suppliers received complaints related to human rights.



世豐螺絲 供應鏈管理流程圖



中文	英文
世豐螺絲供應鏈管理流程圖	Sheh Fung Screws Supply Chain Management Flowchart
步驟一：嚴格准入	Step 1: Strict Admittance
新供應商評鑑管理	New Supplier Evaluation Management
生管/品管/技術評鑑	Production Management/Quality Control/Technical Evaluation
簽署社會責任承諾書	Sign the Social Responsibility Commitment Letter
步驟二：日常稽核	Step 2: Routine Audits
供應商定期稽核	Regular Supplier Audit
半年度實地評估	Semi-annual On-site Assessment
落實 ISO 9001 規範	Implement ISO 9001 Standards
步驟三：風險評級	Step 3: Risk Rating
關鍵風險評估	Key Risk Assessment
五大面向審查	Five Aspects Review
劃分關鍵/非關鍵夥伴	Classification of Key or Non-key Partners

➤ New Supplier Management

The Company conducts evaluation procedures for all new suppliers. Only those that pass rigorous assessments in three aspects, including production management, quality control, and technology, are approved as qualified suppliers. Going forward, the Company will also place greater emphasis on reviewing suppliers' records of environmental and social impacts as part of the selection criteria.

The Company has established "Procedures for Development and Evaluation of Cooperative Factory" to evaluate suppliers in advance and regularly. When signing contracts with major suppliers, suppliers are required to submit relevant legal documents as evidence. Consideration is also given to whether suppliers pay attention to labor rights, workplace safety and health, pollution prevention and other items. Relevant compliance and breach provisions are incorporated into supplier contracts, and suppliers are required to sign a Supplier Social Responsibility Commitment Letter. The Company also communicates its expectations regarding labor rights, workplace safety and health, pollution prevention and other items, and conducts regular supplier evaluations. In 2025, a total of 1 new supplier was added, with 1 Supplier Social Responsibility Commitment Letter signed, achieving a completion rate of 100%.

➤ Regular Supplier Audit

A sound and resilient supply chain is the cornerstone of business operations. The Company has established the Supplier Management Measures, under which suppliers are assessed for quality, delivery timeliness, and document management. In terms of quality management, the Company strictly implements ISO 9001 standards, conducting on-site assessments of suppliers semi-annually. Suppliers are required to have comprehensive mechanisms for anomaly review and employee training to maintain supply chain resilience. In 2025, on-site audits were conducted for a total of 12 suppliers. The audit results showed a 100% pass rate. No corrective action was required, and no supplier relationships were terminated due to unsatisfactory evaluation results.

In addition to the aforementioned audits, the Company will conduct a "Corporate Social Responsibility Key Risk Assessment" for suppliers with transactions during the year to classify their risk levels. The review aspects cover five major assessment items: environment, labor practice, human rights assessment, social impact, and product liability impact. The criticality level is judged based on whether the supplier poses substantial harm to the environment and society, with key suppliers rated as 1 and non-key suppliers as 2. Suppliers are important partners in promoting the Company's sustainability efforts. Regardless of their criticality level, all suppliers are required to complete a self-assessment form. After the self-assessment is completed, internal personnel classify the risk levels based on the scoring results. The related evaluation reports are submitted online for internal review and approval, after which the identification results are publicly disclosed in the report. In addition, starting from 2026, the Company will randomly select suppliers from the identification list for on-site visits to ensure that supplier operations comply with sustainable standards and to jointly implement sustainable development for the environment and society.

The integrated results and scores for the 2025 assessment are summarized in the following table:

Evaluation questionnaire and explanation	Name of Evaluation Questionnaire: Supplier Corporate Social Responsibility Self-assessment Questionnaire Questionnaire Description: - Suppliers Evaluated: Material suppliers and processing partners - The questionnaire is designed for suppliers to carries out self-assessment on environment, labor practice, human rights, social impact and product liability impact. - For material suppliers, the questionnaire consists of 34 items, each worth 3 points. Suppliers complete the questionnaire based on their actual circumstances, and the scores are then aggregated internally. A total score of 78 or below is classified as A: High Risk, while a score of 81 or above is classified as B: Low Risk. The scoring standards are as follows: A1: Key Partner, High Risk, A2: Key Partner, Low Risk, B1: Non-Key Partner, High Risk, B2: Non-Key Partner, Low Risk. - For processing partners, the questionnaire also consists of 34 items, each worth 3 points. Suppliers complete the questionnaire based on their actual circumstances, and the scores are then aggregated internally. A total score of 60 or below is classified as A: High Risk; a score between 63 and 72 is classified as B: Medium-High Risk; a score between 75 and 87 is classified as C: Medium-Low Risk; and a score of 90 or above is classified as D: Low Risk.
Questionnaire results	Based on the two evaluation dimensions of suppliers with transactions from February 2025 to March 2026, the results are as follows: Material suppliers evaluation results: A1 Level: 0 key high-risk suppliers (For A1-level suppliers, the Purchasing Department must conduct on-site audits together with representatives from the Quality Control Department.) A2 Level: 0 non-key high-risk suppliers B1 Level: 39 key low-risk suppliers B2 Level: 94 non-key low-risk suppliers Processing suppliers evaluation results: A2 non-key high-risk suppliers: 3 B1 key medium-high risk suppliers: 2 B2 non-key medium-high risk suppliers: 3 C1 key medium-low risk suppliers: 9 C2 non-key medium-low risk suppliers: 22 D1 key low-risk suppliers: 32 D2 non-key low-risk suppliers: 26

➤ Green Transportation

The transportation of raw materials and products at Sheh Fung Screws is carried out in accordance with "Import and Export Management Procedure" of ISO 9001 management system. All vehicles entering the Company's premises must pass inspection before entry is granted. Drivers are required to possess adequate emergency response capabilities and comply with relevant laws and regulations, including road traffic safety rules. In 2025, no transportation-related accidents occurred, nor were there any negative environmental impacts.



The Company is deeply rooted in screw manufacturing expertise, considering "wire" as the most critical material for maintaining core operations and product quality. In recent years, the intensification of global geopolitical conflicts, extreme weather conditions, and the resulting maritime anomalies and transnational trade barriers have introduced uncertainties that pose significant challenges to the international steel supply chain. Since wire is a core material for the Company, any disruption in supply or transportation delays will directly impact the production schedule, leading to delayed customer order deliveries, and may even damage the Company's reputation and revenue performance. In addition, with the rise of global sustainability awareness, international transportation generates substantial carbon emissions. Based on a comprehensive assessment, in order to fully enhance the supply chain's resilience against international geopolitical and supply chain disruption risks, the Company is actively promoting a "local procurement strategy." In 2025, the Company maintained a very high proportion of local procurement, prioritizing the use of wire rod materials from Taiwan's China Steel Corporation. By shortening the logistics transportation distance, the Company actively practices local economic development and green low-carbon logistics.

In addition, the Company strictly implements the principles of responsible procurement and integrity management by conducting regular reviews of the supply chain for key materials. Based on its review and traceability checks, the Company has confirmed that its wire rod suppliers do not source conflict minerals. To ensure that the source of materials fully complies with international human rights, labor standards, and humanitarian regulations, Sheh Fung Screws will require suppliers to make relevant commitment in the future. Looking ahead, the Company will continue to deepen sustainable partnerships with local wire rod suppliers, steadily enhancing the application potential of low-carbon steel. Together, we aim to build a high-resilience, conflict-free, and environmentally friendly green steel supply chain.

2.6 Risk Management

The Company's risk management policy is established to identify and analyze the risks faced by the Company, set appropriate risk limits and controls, and supervise the risks and compliance with the risk limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's operation. The Company develops a disciplined and constructive control environment through training, management principles and operating procedures, so that all employees can understand their roles and obligations.

Industrial risk	1. The fluctuation of raw material prices affects the Company's revenue and profit performance. 2. The electroplating process has strict environmental protection specifications, the overall market capacity is relatively insufficient, and the outsourcing scheduling is difficult to control.
Operational risk	1. The price competition between domestic and foreign peers is fierce. 2. Risk of outsourcing quality and delivery stability.
Credit risk	The Company faces the risk of financial loss if customers or counterparties in financial instrument transactions fail to fulfill their contractual obligations.
Liquidity risk	The risk that the Company is unable to deliver cash or other financial assets to pay off its financial liabilities, which causes the Company to fail to fulfill its relevant obligations.
Market risk	This refers to the fair value risk of exchange rate changes and interest rate changes, which may cause the Company to suffer losses due to related transactions.

➤ Task Force on Climate-related Financial Disclosures (TCFD)

The Company follows the framework of the Task Force on Climate-related Financial Disclosures (TCFD) and became a TCFD Supporter in April 2022. By doing so, the Company seeks to identify and clarify the impacts of climate change risks at an early stage. These uncertainties, including both risks and opportunities, may bring positive or negative impacts on the business. Beginning with disclosures relevant to its core operations, the Company leverages existing programs and policies to formulate adaptation and mitigation measures, thereby shaping climate strategies that enable it to capture opportunities. Looking ahead, modular solutions will be developed under various scenario analyses to further strengthen organizational resilience and create new business opportunities. Guided by the sustainable objectives of risk



management and value creation, the Company continues to move forward steadily toward the sustainable management of natural resources.

Climate change affects both product development and business operations. We continue to pay attention to and practice the climate action objectives after the Paris Agreement and incorporate them into the sustainable development strategy.

Governance unit	As the top person in charge of the Group's sustainability issues, the Chairman promotes the management of climate action issues and objectives, including approving climate change response strategies. During the meeting, the Chairman reports the performance, impact assessment and progress in achieving the sustainability objectives of ESG and climate change-related issues.		
Risk category	Short-term Physical risks: 1. Changes in temperature and precipitation patterns lead to shortage of raw materials and price increase. 2. Water and energy supply uncertainty is rising. 3. Extreme weather leads to the destruction of factories and equipment, resulting in a decline in productivity. Energy shortage and price increase: With the rapid development of the global economy, countries all over the world compete to consume oil, coal mines and other resources, and energy conservation and carbon reduction have become a global trend.	Medium-term Operational risks: 1. The quality of outsourcing and the stability of delivery will affect whether the products finally sold by the Company can be delivered on time and in good quality. 2. The screw industry is expanding production to low-wage countries, intensifying market price competition.	Long-term Supervision, management and legal risks: Governments introduce a series of control tools to manage natural resources more effectively and reduce disaster risks. Energy shortage and price increase: Set up solar energy systems and plan to use renewable energy in the future.
Opportunity category	Short-term Market opportunities: Policy incentives for low-emission energy use, decentralized energy production, low-carbon products and services, and new product and service R&D and innovation.	Medium-term Market opportunities: Moving towards a more efficient market/country, obtaining public sector incentives, new market partnerships.	Long-term Market opportunities: More efficient production methods and distribution process.
Strategy	The Company has laid a solid foundation through its long-standing commitment to sustainability and has maintained close, trusted relationships with customers over the years. It actively uses core technologies and invests in research and development with market demand. Therefore, when the wave of sustainability rises, the Company is well positioned to win customers' favor and increase revenue.		
Risk Management	Incorporate climate change into the Company's material sustainability topics and key major risk projects, implement risk management plans in all factories, and plan countermeasures covering operation, product and supply chain management.		
	Short-term Physical risks: 1. Improve the proportion of local procurement of raw materials and find alternative suppliers to diversify supply sources. 2. The key auxiliary materials and spare parts needed for production shall be appropriately increased in	Medium-term Operational risks: 1. The purchasing strategy has been adjusted to diversify country-related risks, indirectly benefiting Taiwanese suppliers. 2. Strengthen basic research, develop key process technologies,	Long-term Supervision, management and legal risks: 1. Promote energy-saving and carbon-reducing measures in various factories, and monitor energy use and greenhouse gas emissions. 2. Regularly consult the

	inventory. 3. Production units and support functions conduct drills on various disaster response measures on an ad hoc basis. Energy shortage and price increase: 1. Plan, supervise and manage, effectively promote the Company's environmental protection, safety and health, energy saving, water saving and greenhouse gas management, so as to enhance the Company's sustainable management plan. 2. Implement ISO 14064-1 greenhouse gas inventory and ISO 14067 product carbon footprint guidance.	strengthen technology commercialization capabilities, and strengthen the supply chain connectivity and communication efficiency. 3. The overseas investment plan has been adopted to produce and manufacture screws in the Vietnamese subsidiary, so as to take advantage of local cost advantages and reduce operational risks.	Environmental Protection Agency's laws and regulations inquiry system, collect and identify relevant regulations for each department, and present proposed response measures at internal meetings.												
Indicators and goals	● In terms of climate change mitigation, the Company takes greenhouse gas emissions per unit revenue as the main key indicator for quantitative evaluation, and sets indicators such as the proportion of renewable energy use, electricity consumption per unit revenue and water consumption per unit revenue. ● The Company obtained an external verification statement in 2023 and has undergone external verification annually thereafter. In 2025, the inventory scope was expanded to include its subsidiaries. The parent company's greenhouse gas emissions in 2025 (tCO₂e) are as follows: <table><tr><th>Category 1</th><th>Category 2</th><th>Category 3-6</th></tr><tr><td>1,719.7286</td><td>5,783.0377</td><td>52,775.710</td></tr></table> ● The subsidiaries' greenhouse gas emissions in 2025 (tCO₂e) are as follows: <table><tr><th>Category 1</th><th>Category 2</th><th>Category 3-6</th></tr><tr><td>80.0315</td><td>2,994.9434</td><td>179,669.9792</td></tr></table>			Category 1	Category 2	Category 3-6	1,719.7286	5,783.0377	52,775.710	Category 1	Category 2	Category 3-6	80.0315	2,994.9434	179,669.9792
Category 1	Category 2	Category 3-6													
1,719.7286	5,783.0377	52,775.710													
Category 1	Category 2	Category 3-6													
80.0315	2,994.9434	179,669.9792													
External guarantee or assurance	The 2025 greenhouse gas inventory, including subsidiaries, was externally verified on March 9 and 10, 2026.														

➤ Information Security Management

To strengthen information security management, ensure the security of data, systems, and networks, and promote proper personnel operations, the Information Department is responsible for coordinating and implementing the Company's information security policies and management measures. The Department also disseminates information security messages, raises employees' awareness and understanding of information security, and reduces information security risks to business operations.

In order to improve the effectiveness of information security management and implementation, the Department carries out the following information security self-inspection items once a year. Additionally, internal auditors are responsible for auditing information security operations mid-year, followed by a self-assessment at year-end.

Information Security Self-inspection Items	
(1) Organization and responsibility operation	(2) System development control operation
(3) System application document processing operations	(4) System usage management operation
(5) Data input and output management operations	(6) Data processing operations
(7) Safe operation of files and equipment	(8) Procurement, use and maintenance of hardware and software equipment
(9) System recovery plan operation	(10) Information communication safety management operation
(11) Online declaration of public information	



In response to information security challenges such as Advanced Persistent Threat (APT) attacks, intrusion detection, vulnerability monitoring, DDoS attacks, ransomware and other malicious software, and theft of personal data, the Company continuously monitors global information security trends, strengthens employees' awareness of information security risks, and enhances the response capabilities of its information security personnel. These measures aim to prevent incidents in advance and to ensure effective detection and containment should an information security crisis occur.

Each year, the Company conducts "Information Security Inspections" and "Self-assessments of Internal Control of Information Systems" to reinforce the effectiveness of its information management system. In addition, semi-annual information security training sessions are held to raise employee awareness, including promoting the importance of personal data protection. In 2025, a total of 83 participants completed 83 training hours. No internal information leakage incidents occurred in 2025, and there were no complaints from external customers regarding data privacy deficiencies.

➤ Human Rights Risk Management

To demonstrate respect for human rights values and create a diverse, inclusive, and dignified work environment, the Company officially introduced SMETA (Sedex Members Ethical Trade Audit) starting in 2022, fully incorporating it into the Company's human rights risk identification and risk management mechanisms.

We delve into nine human rights issues: freedom of employment, respect for freedom of association and the right to collective bargaining, safe and healthy working environment, prohibition of child labor, living wage, working hours, protection against unlawful infringement, and fair labor relations. Through regular identification, risk assessment, and risk mitigation measures based on assessment results, we fulfill corporate social responsibility, ensuring that all employees enjoy a healthier, happier, safer, and more respectful workplace environment. At the same time, to prevent foreign migrant workers from falling into debt bondage due to high brokerage fees, the Company actively promotes and implements a "zero fee policy," with the Company bearing the full cost of airfare, brokerage fees, statutory service fees, residence permits, or passport fees, ensuring that migrant workers do not have to bear any costs.

The Company completed the external third-party SMETA-4P audit for 2025 on April 22, 2025. The audit scope covers four core areas: labor standards, health and safety, environment, and business ethics, symbolizing the recognition of the Company's efforts in labor rights and a friendly workplace, and further demonstrating our steadfast determination in sustainable management and integrity management.

Category	Potentially Affected Group	Relevant Content	Risk Mitigation Measures
Freedom of Employment	All Employees	Forced labor, deposits, working conditions, etc.	1. Adhere to labor laws for hiring, termination, and working conditions. 2. Employ persons with disabilities as required by law. 3. Comply with Employment Service Act, truthfully disclose job details in ads, do not hold employees' identification or property, and do not charge deposits. 4. Clearly explain working conditions before hiring; do not use involuntary labor.
Respect for Freedom of Association and Collective Bargaining Rights	All Employees	Labor-management meetings, freedom of association, right to speak	1. Establish labor-management meetings for communication. 2. Appoint employee representatives. 3. Assign management representatives to address employee needs. 4. Hold regular labor-management meetings to understand employee needs.
Safe and Healthy Working Environment	All Employees	Healthy and safe working environment	1. Provide a safe working environment as per regulations. 2. Take reasonable measures to reduce workplace hazards. 3. Hold quarterly occupational safety and health committee meetings to review workplace safety. 4. Regularly inspect drinking water, CO₂ levels, lighting, and fire equipment. 5. Conduct regular safety and health training to raise awareness of hazards.



Prohibition of Child Labor	Workers under 16 years old	Employees under 16 years old	1. Prohibit the employment of individuals under 16. 2. Require applicants to state their date of birth during recruitment and verify documents to ensure accuracy, and recheck ID upon reporting to work.
Living Wage	All Employees	Salary, working conditions	1. Ensure that employee rights, such as salary and leave entitlements, comply with applicable labor laws and regulations. 2. Provide employees with written notice of employment terms regarding wages before starting, and issue a written statement of wages for each pay period. 3. Strictly prohibit wage deductions as a form of disciplinary action, and do not permit any wage deductions without a legal basis and the employee's consent.
Reasonable Working Hours	All Employees	Working hours, overtime	1. Adhere to labor laws on working hours; regularly review and enforce company regulations. 2. Use attendance management systems to record working hours. 3. Review overtime regularly; pay overtime according to labor laws. 4. Obtain employee consent before overtime.
Non-Discrimination	All Employees	Discrimination, sexual harassment prevention	1. Employ persons with disabilities as required by law. 2. Establish grievance channels that allow employees to file complaints verbally or in writing, enabling them to express opinions in a timely manner. 3. Implement preventive, corrective, disciplinary, and handling measures to protect the rights and privacy of the parties involved.
Proper Labor Relations	All Employees	Contract legitimacy	1. Ensure that all employment is based on employment relationships recognized under local laws or established practices. 2. Avoid purely labor contracts, subcontracting, home-based work, or apprenticeship programs that are not intended to provide skills training or establish regular employment relationships. 3. Do not evade obligations to employees under labor or social security laws and regulations arising from regular employment relationships through the excessive use of fixed-term employment contracts.
No Harsh or Inhumane Treatment	All Employees	Abuse, assault	1. Establish complaint channels.

2.7 Compliance with Laws and Regulations

At present, the Company's factories engaged in production include Qiaotou Plant and Mituo Plant. Sheh Fung Screws strictly abides by the relevant laws and regulations of the competent authorities, such as corporate governance and integrity management, environmental protection and labor human rights, and implements the legal education within the organization. In 2025, Sheh Fung Screws violated the following environmental regulations; no other violations occurred:

Laws and regulations related to corporate governance	Laws and regulations related to labor rights and interests
● No violation of Company Act ● No violation of commercial law ● No violation of securities and financial laws and regulations ● No political contributions ● No corruption incident	● No violation of the Gender Equality in Employment Act ● No forced labor ● No use of child labor ● No infringements on freedom of association and collective bargaining ● No incidents of discrimination or human rights violations ● No violation of indigenous peoples' right
Laws and regulations related to products	Laws and regulations related to environmental protection
● No prohibited or controversial products ● No violation of marketing-related laws and regulations and voluntary codes	- Environmental protection law event ● Failure to appoint dedicated

● No significant fines were imposed for non-compliance with laws and regulations concerning the provision and use of products and services ● No legal proceedings arising from anti-competitive behavior, antitrust and monopolistic behavior ● No violation of customer privacy ● No violation of marketing communication laws and regulations	personnel for water treatment results in a fine of NT\$10,000. ● Effluent not meeting discharge standards results in a fine of NT\$84,000. ● Failure to report hazardous chemicals as required results in a fine of NT\$60,000.
Notes: 1. According to Article 26, Paragraph 3 of the FSC, a major penalty is defined as cumulative fines of NT\$1 million or more arising from a single incident.	



3 Sustainable Environment

Management Policy - Energy and Emissions Management

Energy and Emissions Management (*Energy Management and *Fuel Economy and Emissions)	
Significance	As a participant in the fastener industry, Sheh Fung Screws relies on several energy-intensive and potentially high-polluting processes in its manufacturing operations. The use of large amounts of energy, primarily electricity and natural gas, accounts for a significant proportion of operating costs. With the global push toward net-zero carbon emissions, the Company faces increasing pressures from carbon neutrality trends and carbon taxes. In addition, the implementation of the Carbon Border Adjustment Mechanism (CBAM) has made carbon emissions an emerging threshold for securing orders. Moreover, the transition risks brought about by climate change are becoming increasingly severe, exposing the Company to potential challenges such as rising costs, loss of orders, regulatory non-compliance, and risks to corporate reputation.
Impacts	Positive Economic Impacts: Investing in energy-saving initiatives and process improvements helps enhance production efficiency, reduce losses and energy waste, meet customers' carbon reduction requirements, and increase opportunities for securing orders. Negative Economic Impacts: Excessive carbon emissions may be subject to carbon tariffs such as the EU CBAM, affecting export competitiveness. Production efficiency and carbon intensity also influence customers' sustainability assessments in procurement. As the Company's core manufacturing processes are energy-intensive and rely heavily on electricity and fuel, fluctuations in energy prices and the implementation of carbon fee policies will directly affect the cost structure. Without timely adjustments to processes and emission reduction measures, the Company may face weakened price competitiveness and reduced order-taking capacity, while waste disposal costs and regulatory penalties pose additional financial risks. Positive Environmental Impacts: Pollution prevention measures and resource recycling initiatives effectively reduce environmental impacts, promote circular economy practices, and contribute to resource sustainability. Negative Environmental Impacts: Manufacturing processes generate significant carbon emissions and hazardous wastewater, which, if improperly managed, may pollute the air, water, and soil. Negative Environmental Impacts: Climate change may result in electricity shortages, production disruptions, or logistics delays, threatening delivery stability. The absence of robust climate adaptation plans may also increase the risk of operational interruptions. Positive Human Rights Impacts: Promoting energy efficiency, environmental protection, and clean production, combined with comprehensive employee training, enhances workplace safety and sense of belonging, improves corporate culture, and reduces labor-related risks. Negative Human Rights Impacts: Exposure to high temperatures, noise, and chemicals without adequate protective measures may harm employees' health, while environmental pollution incidents could also affect surrounding communities.
Policy	Energy saving is not an option but an integral part of our processes. From waste reduction at the source to energy conservation throughout manufacturing, we leave no link unattended.
Strategies	♦ Formulate an "Energy Conservation and Carbon Emission Management Policy" in line with ISO 14064-1 (greenhouse gas inventory) and ISO 50001 (energy management) standards, promote the purchase of green electricity, and ensure transparency in energy use. ♦ Optimize energy efficiency in manufacturing processes by upgrading energy-intensive equipment and establishing electricity monitoring systems to track energy consumption in real time. ♦ Strengthen waste and chemical management to increase resource reuse and recycling rates. ♦ Enhance climate risk adaptation by establishing plant emergency response procedures to prevent operational disruptions caused by disasters.



Targets and Objectives	Short-term Targets (2025–2027): 1. Complete company-wide energy and carbon emission inventories and achieve an annual energy reduction target $\geq 1\%$. 2. To support the energy conservation and carbon reduction goals under ESG, the Company implemented the following three energy-saving improvement measures: (1) Replace mercury lamps with LED lighting each year. (2) Reduce daytime lighting hours. (3) Retrofit the heat treatment tank circulation pump to improve energy efficiency. (4) Update heat treatment facilities. 3. Complete greenhouse gas inventories (Scope 1 and Scope 2) by the second quarter of each year, achieving a 1% carbon reduction from the baseline year in 2025. Medium-term Targets (2028–2030): 1. Continue steady improvement to achieve an annual carbon reduction of up to 5%, laying the foundation for the 2030 target. 2. Promote energy-saving projects, including the upgrade of high-efficiency equipment and the reduction of chemical usage. Long-term Targets (2031 and beyond): 1. Achieve a total carbon emission reduction of 25% ($\pm 1\%$) by 2030. Adjust the actual reduction rate flexibly according to production growth, availability of green electricity, and regulatory developments, with the core objective of "continuously reducing carbon emissions per unit of product."
Management Review Mechanisms	1. Conduct annual greenhouse gas inventories and carbon reduction management in accordance with the requirements of the Financial Supervisory Commission. Complete the inventories between the first and second quarters each year. After a preliminary review by the internal audit unit, engage external third-party verifiers to provide assurance, thereby enhancing the credibility and transparency of the data. Report the results at management meetings and implement continuous improvement through the PDCA (Plan–Do–Check–Act) management cycle. 2. Adjust carbon management policies based on operating conditions, energy market developments, and international carbon reduction policies. Strengthen internal tracking of energy-saving performance to ensure steady progress toward achieving the long-term carbon reduction target for 2030.
Performance and Adjustments	1. Report energy management performance annually, with an annual energy-saving achievement of at least 1%. 2. Complete ISO 14064-1 greenhouse gas verification each year, formally quantifying carbon emissions and incorporating them into inspection and disclosure processes. 3. Joined a green electricity bulk procurement program in 2024, with a total electricity purchase of 887,169 kWh in 2025, and a five-year purchase volume of 17 million kWh, helping to diversify electricity supply risks and reduce carbon emissions.

As an integrated manufacturer, Sheh Fung Screws has made substantial investments in high-quality production equipment and advanced, comprehensive pollution control systems, establishing a foundation for cleaner production throughout the process from raw materials to finished products. Through the implementation of its ISO 14001 environmental management system, the Company continues to improve its manufacturing processes and strengthen pollution prevention measures to minimize environmental impacts. We will continue to:

- ① Comply with environmental laws and regulations to ensure environmental quality.
- ② Carry out waste reduction activities and implement pollution prevention.
- ③ Improve the working environment and protect the health of employees.
- ④ Pay equal attention to the environment and technology to ensure sustainable operation.
- ⑤ Set goals and targets, and review them regularly.
- ⑥ Have an open environmental policy, and strive to promote positive relations with neighboring communities.



ISO 14001



3.1 Raw Material Management

The raw material mostly required for the main products of Sheh Fung Screws is wire rod. The raw material consumption statistics of Sheh Fung Screws in recent years are shown in the following table.

Sheh Fung Screws Raw Material Consumption Statistics in Recent Years					
Raw Material	Unit	Renewable or Non-renewable	2023	2024	2025
Thinners	Metric tons	Non-renewable	44.510	48.756	46.516
Lubricating oil	Kiloliter	Non-renewable	95.200	106.400	93.600
Zinc plates	Metric tons	Non-renewable	71.926	57.537	73.082
Wire rods	Metric tons	Non-renewable	18,044.590	18,222.336	16,480.814
Cardboard boxes	pcs	Renewable	919,521.000	1,164,954.000	1,069,160.000
Cartons	pcs	Renewable	2,208,021.000	2,686,657.000	2,809,309.000
Adhesive labels	pcs	Non-renewable	8,439,335.000	12,503,540.000	12,004,935.000
Pallets	sets	Renewable	34,475.000	32,852.000	28,479.000
Pallets	pcs	Renewable	6,380.000	9,461.000	7,659.000

Notes:

1. Material types include original natural resources, such as minerals, iron, wood and plastic pellets; lubricating oil used in machines, semi-finished components or parts; packaging materials.
2. Non-renewable refers to resources that cannot be replenished in the short term, such as coal, natural gas, metals, minerals, and oil; Renewable refers to resources that will grow back after being harvested.
3. The 2024 wire rod quantity was calculated incorrectly and was corrected when the 2025 data were entered.

3.2 Energy Management

In line with the national greenhouse gas reduction strategy and in support of sustainable energy development goals that emphasize resource efficiency, energy conservation, and environmental protection, Sheh Fung Screws has obtained material flow cost accounting (MFCA) verification. The Company continues to invest capital expenditures and allocate the necessary human and material resources for energy-saving initiatives to ensure the achievement of its environmental sustainability objectives. The Company implements energy management, expecting to control production cost and use energy effectively and appropriately. The Company's energy consumption over the past three years is as follows:

Energy Consumption of Sheh Fung Screws over the Past Three Years					
Item	Unit	2023	2024	2025	
Non-renewable Energy (electricity)	kWh/year	15,115,961	15,414,220	11,313,332.4	
	GJ	54,417.460	55,491.192	40,727.997	
Renewable Energy (electricity)	kWh/year	-	-	887,169	
	GJ	-	-	3,193.808	
Liquefied Petroleum Gas (LPG)	kg/year	84,560	45,450	44,510	
	GJ	4,270.532	2,061.500	2,030.383	
Gasoline Consumption	L/year	12,069.113	12,244.377	12,217.78	
	GJ	394.142	390.074	388.050	
Diesel Consumption	L/year	45,488.767	49,891.260	39,490	
	GJ	1,599.800	1,805.182	1,427.848	
Liquefied Natural Gas (LNG) Consumption	m ³	753,807	807,727	765,721.225	
	GJ	25,248.313	27,054.331	27,981.284	
Organization Specific Metric	Revenue (NT\$ thousand)	2,323,605	2,322,475	2,072,496	
Total Energy Consumption	GJ	85,930.246	86,802.279	43,921.805	
Energy intensity	GJ/Output (Kwh/Metric ton)	0.0370	0.0374	0.0365	

Notes:

1. The energy conversion factor used for electricity is 1 kWh = 0.0036 GJ.
2. The conversion factors for 2023 were calculated based on Version 6.0.4 of the Environmental Protection Administration's Greenhouse Gas Emission Factor Management Table. For 2024 and 2025, the fuel heating values were based on the greenhouse gas emission factors

announced on February 5, 2024.

In 2023, the fuel heating values were as follows: gasoline 7,800 kcal/L, diesel 8,400 kcal/L, natural gas 8,000 kcal/m³, and liquefied petroleum gas (LPG) 6,635 kcal/L. The conversion factor was 1 kcal = 4.1868 KJ.

In 2024, the fuel heating values were as follows: gasoline 7,609 kcal/L, diesel 8,642 kcal/L, natural gas 8,000 kcal/m³, and LPG 5,959 kcal/L. The conversion factor was 1 kcal = 4.1868 KJ.

In 2025, the fuel heating values were as follows: gasoline 7,586 kcal/L, diesel 8,636 kcal/L, natural gas 8,728 kcal/m³, and LPG 5,993 kcal/L. The conversion factor was 1 kcal = 4.1868 KJ.

➤ Energy-saving Measures

In line with national energy conservation goals, Sheh Fung Screws has continued to invest in a range of energy-saving initiatives and equipment for carbon reduction, pollution control, and resource reuse. The Company has also optimized its digital energy management platform, implemented comprehensive energy inventories, and ensured the efficient use of all energy consumption. Since 2019, a total of 468,687.85 kWh has been saved, with an additional 4,554 kWh saved in 2025. This equates to a reduction of approximately 1,687.28 GJ in energy consumption (calculated at 0.0036 GJ per kWh) and about 220.283 metric tons of CO₂ emissions (calculated at 0.47 kg of carbon emissions per kWh as per Taiwan Power Company standards).

Year	Description	Electricity Saved (kWh)
2019	Replaced factory lighting with energy-saving LED fixtures.	153,676.8
2020	Replaced office building lighting with LED fixtures.	7,650.72
2021	Replaced the lighting equipment on the third floor of the office building with flat-panel LED fixtures.	2,016
2022	- Replaced 80W fluorescent lamps in the office building with 36W flat-panel LED fixtures. - Replaced 51 units of 500W mercury lamps on the second floor of the work area with 100W LED fixtures.	147,677
2023	- Replaced 24 units of 500W mercury lamps in the warehouse work area with 200W LED fixtures. - Eliminated eight hours of daytime lighting for 20 units of 200W LED fixtures used in the coating process.	61,440
2024	- Replaced mercury lamps with LED fixtures. - Reduced daytime lighting hours. - Retrofitted the 15 HP pump motor of the heat treatment water tank circulation system.	91,673.333
2025	- Replaced the 5 HP sewage pump for heat treatment. - Replaced the 10 HP water pump for heat treatment. - Replaced two 7.5 HP circulation water motors for heat treatment - Replaced the 10 HP oil pump for heat treatment.	4,554
Total		468,687.85

3.3 Greenhouse Gas Management

To address global warming and mitigate the impacts of climate change, the Company adopted ISO 14064-1 organizational greenhouse gas (GHG) inventory standards in 2021. Through steps such as identifying emission sources, establishing activity intensity data, emission data, and formulating relevant management procedures for GHG inventory, we have constructed a reasonable and professional carbon inventory mechanism to calculate GHG emissions. In 2025, the Company expanded the scope of its greenhouse gas inventory to include its subsidiaries and successfully completed third-party verification covering both the parent company and its subsidiaries. The baseline year was defined as 2025.

In 2025, the parent company's total Category 1 greenhouse gas emissions amounted to 1,719.7286 metric tons of CO₂e, and Category 2 emissions totaled 5,783.0377 metric tons of CO₂e. Due to significant differences in Category 2 emissions compared to previous years, the 2024 electricity carbon emission factor was applied to ensure a consistent basis for calculation. Category 2 emissions decreased by 1,525.1360 metric tons of CO₂e compared with 2024 and by 1,381.9279 metric tons of CO₂e compared with 2023. The reductions were primarily attributable to adjustments in the production mix and the purchase of green electricity. The subsidiary's total Category 1 emissions amounted to 80.0315 metric tons of CO₂e, and Category 2 emissions totaled 2,994.9434 metric tons of CO₂e.



The Company joined the green electricity bulk procurement program in 2024, with a total electricity purchase of 887,169 kWh in 2025, and set a medium- and long-term goal of reaching a purchase volume of 17 million kWh over five years. This initiative will significantly help diversify electricity supply risks and reduce Category 2 carbon emissions. Looking ahead, the Company will continue to plan carbon reduction strategies for energy-saving equipment or processes, demonstrating its efforts in energy-saving measures, fulfilling corporate citizenship responsibilities, and contributing to the sustainable development of the planet.

Greenhouse Gas Inventory over the Past Three Years				
Item	2023	2024	2025	
	Parent company	Parent company	Parent company	Subsidiaries
Category 1	1,709.7029	1,813.4363	1,719.7286	80.0315
Category 2	7,482.4007	7,308.1737	5,783.0377	2,994.9434
GHG Emissions (Category 1 + Category 2)	9,192.1036	9,121.6100	7,502.7663	3,074.9749
Organization Specific Metric/Revenue (NT\$ thousand)	2,323,605	2,322,475	2,072,496	
GHG Emissions Intensity	0.0040	0.0039	0.0051	

Notes:

1. Category 1 covers direct emissions from sources owned or controlled by the Company, including stationary combustion sources, process emissions, mobile combustion sources from transportation, and fugitive emissions. Emission factors are calculated using version 6.0.4 of the latest data published by the Bureau of Energy, Ministry of Economic Affairs, based on the IPCC Sixth Assessment Report (AR6 2024).
2. Category 2 covers indirect emissions from imported energy, such as purchased electricity.
3. Types of greenhouse gas emissions: Carbon Dioxide (CO₂), Methane (CH₄), Nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), nitrogen trifluoride (NF₃).
4. Emissions from purchased electricity were calculated using the electricity emission factors announced by the Bureau of Energy under the Ministry of Economic Affairs. The factors were 0.494 kg CO₂e/kWh for 2023, and 0.474 kg CO₂e/kWh for 2024.
5. Greenhouse gas emission intensity = greenhouse gas emissions(Category 1 + Category 2) ÷ revenue (NT\$ thousand).
6. The emissions of Category 2 were reported without deducting purchased green electricity.
7. Restatements of information: The unit for revenue was incorrectly stated and should be in thousands.

3.4 Water Resources Management

Due to Taiwan's special geographical and climatic conditions, although rainfall is abundant, it is unevenly distributed. The allocation and management of water resources is also one of the important issues for sustainable management. The 2030 Agenda for Sustainable Development adopted by the United Nations, along with its Sustainable Development Goals (SDGs), includes key objectives related to sustainable water resource management. For example, Goal 6, "Ensure availability and sustainable management of water and sanitation for all." These goals aim to achieve universal access to safe and affordable drinking water, improve water quality, and address water scarcity.

Through the World Resources Institute's Aqueduct Water Risk Atlas tool for water risk assessment, Sheh Fung Screws found out its operating locations Qiaotou and Mituo Plants all were Low-Medium (1-2), which showed that the Company's water withdrawal has not caused any significant impact on the ecological environment.

Both of the Company's plants use tap water supplied by Taiwan Water Corporation. The Corporation sources water from the Kaoping River Weir, Agongdian Reservoir, Chengqing Lake Reservoir, and Fengshan Reservoir, which also serve agricultural, public, and industrial purposes. There are also backup water sources, including the interconnection pipeline connecting Tainan's Qingshui area with the Nanhua–Kaoping system. The Qiaotou plant uses water in accordance with its water pollution control permit, while the Mituo plant is supplied with municipal water for domestic use. As a result, neither plant has a significant impact on local water resources.

In 2025, Sheh Fung Screws' total water withdrawal amounted to 69.396 million liters, representing a 1.396% decrease compared with 2024.

Water Consumption Statistics of Sheh Fung Screws			
Item	2023	2024	2025

Water withdrawal (million liters)	80.723	70.379	69.369
Water discharge (million liters)	53.934	50.567	47.136
Water consumption (million liters)	26.789	19.812	22.233
Organization specific metric/Revenue (NT\$ thousand)	2,323,605	2,322,475	2,772,000
Water Use Intensity	0.000035	0.000030	0.0000335
Notes:			
1. Water consumption = water withdrawal - water discharge.			
2. Water use intensity = water withdrawal/Revenue (NT\$ thousand).			

Electroplating wastewater accounts for 72% of the Company's water consumption, while others account for about 28%. The electroplating department has used timers to control the electroplating wastewater to maximize water conservation. Other sources of wastewater include blowdown from scrubbers and cooling towers. Both systems are equipped with liquid-level controllers that replenish water when levels are low and stop supply when levels are full, preventing unnecessary water waste.

3.5 Pollution Prevention and Control

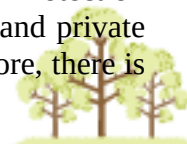
In promoting waste reduction activities and implementing pollution prevention, Sheh Fung Screws continuously improves its processes across the supply chain, production, and sales, while also considering the feasibility and benefits of energy conservation and waste reduction, moving toward greener operations and manufacturing practices. The Company also enforces disaster and pollution control measures to prevent occupational incidents and environmental pollution, thereby minimizing impacts on the environment, employee safety, and business operations.

In order to ensure that emissions comply with the laws, regulations and standards at all stages, provide safe and high-quality products, and reduce the impact on the environment, the Company reduces pollution emissions and wastes. The Company maintains all permits required by law for its plant operations and has designated qualified personnel to oversee regulatory compliance.

Permit	Expiration Date
Qiaotou Plant Waste (Sewage) Water Discharge to Surface Water Body Permit	December 29, 2028
Kaohsiung City Stationary Pollution Source Operating Permit for Other Metal Heat Treatment Process (M02)	July 18, 2028
Qiaotou Plant Stationary Pollution Source Operating Permit for Other Metal Heat Treatment Process (M08)	March 19, 2027
Qiaotou Plant Stationary Pollution Source Operating Permit for Metal Plating Treatment and Scrubbing Process (M03)	July 17, 2029
Qiaotou Plant Stationary Pollution Source Operating Permit for Metal Surface Coating Treatment Process (M07)	August 7, 2027
Qiaotou Factory Toxic Chemical Substance Approval Document	November 6, 2026

3.5.1 Prevention and Control of Air Pollution

The Company follows the ISO 14001 environmental management system, and makes continuous improvement in production, products and services to reduce the impact on the natural environment. Sheh Fung Screws continuously monitors and devotes itself to the prevention and control of air pollution, and adopts the Best Available Control Technology (BACT) to effectively reduce the discharge of particulate matter. The Company's Qiaotou Plant follows the air pollution discharge standard. The production processes at the Mituo Plant do not fall within the industries or processes listed in the Environmental Protection Administration's "The first batch to the eighth batches of stationary pollution sources at public and private premises that are required to apply for installation, modification, and operating permits." Therefore, there is



no need to carry out related tests such as volatile organic compounds, particulate matter, sulfur oxides and nitrogen oxides. Average monitored emission levels were in compliance with applicable air pollutant emission standards in all operating locations in 2025.

Air Pollution Emission Standard of Sheh Fung Screws over the Past Three Years						
Pollution Detection Category	2023		2024		2025	
	Discharge Amount (kg)	Annual Permitted Discharge	Discharge Amount (kg)	Annual Permitted Discharge	Discharge Amount (kg)	Annual Permitted Discharge
Volatile Organic Compounds (VOCs)	24,203.56	47,485	16,287.53	47,485	2575.85	32,807
Total Suspended Particulates (TSP)	268.94	3,306	72.24	3,306	289.15	557.4
Sulfur Oxides (SOx)	24.47	185	26.16	185	16.08	165.8
Nitrogen Oxides (NOx)	739.85	3,544	514.08	3,544	1,947.46	5149.69
Notes:						
1. Major air pollutants include nitrogen oxides (NOx), sulfur oxides (SOx), persistent organic pollutants (POPs), volatile organic compounds (VOCs), hazardous air pollutants (HAPs), suspended particulates (PM), and other categories of gaseous emissions specified in relevant regulations.						
2. Particulate matter is measured in units of mg/Nm ³ .						

➤ Ozone Depleting Substance (ODS) Emissions

The substances with ozone-depleting properties used by Sheh Fung Screws are mainly fugitive emissions, primarily from R22 refrigerants used in refrigeration equipment, followed by emissions during equipment maintenance and refilling. In 2025, the filling volume of R12 and R22 refrigerants was approximately 33.844 kilograms. Looking ahead, in compliance with the international Montreal Protocol and the phased replacement of equipment, the Company will prioritize the procurement of refrigerant systems using non-ozone-depleting substances and low-GWP, environmentally friendly refrigerants, in order to reduce damage to the ozone layer and mitigate greenhouse gas emissions.

Ozone Depleting Substances (ODS) Statistics				
ODS	2023	2024	2025	Unit: kg
R12	0.184	0.184	0.184	
R22	239.06	31.26	33.66	
Notes:				
1. Ozone-depleting substances (ODSs) include chlorofluorocarbons (CFCs), R11, R12, R22, hydrochlorofluorocarbons (HCFCs), halons, carbon tetrachloride (CCl ₄), 1,1,1-trichloroethane, hydrobromofluorocarbons (HBFCs), and methyl bromide.				
2. The calculation of R12 refrigerant filling quantity in 2024 was incorrect and was updated together in 2025.				

3.5.2 Prevention and Control of Water Pollution

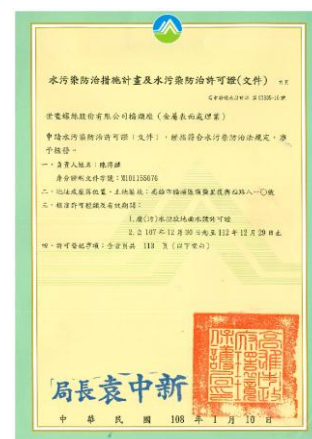
Each plant of Sheh Fung Screws has established relevant wastewater treatment procedures and applied for operation discharge permits according to water pollution prevention and control. In addition, chemical oxygen demand (COD) and suspended solids (SS) are in compliance with local discharge standards, and there are no special habitat land-related requirements for wastewater discharge.

Wastewater Discharge Amount and Discharge Standard of Sheh Fung Screws						
Pollution Detection Category	2023		2024		2025	
	Discharge Standard (mg/L)	Annual Average Monitoring Value (mg/L)	Discharge Standard (mg/L)	Annual Average Monitoring Value (mg/L)	Discharge Standard (mg/L)	Annual Average Monitoring Value (mg/L)

Chemical Oxygen Demand (COD)	100.000	46.825	100.000	46.825	100.0	74.525
Suspended Solids (SS)	30.000	12.225	30.000	12.225	30.0	7.625
Nitrate-nitrogens	50.000	0.685	50.000	0.685	50.0	0.2275
Arsenic (As)	2.000	0.007	2.000	0.007	0.50	0.0075
Copper (Cu)	1.500	0.008	1.500	0.008	1.0	0.00525
Lead (Pb)	0.500	0.02	0.500	0.02	0.5	0.0114
Oil & Grease	10.000	1.925	10.000	1.925	10.0	1.9
Cadmium	0.020	0.001	0.020	0.001	0.02	0.0008
Total Chromium	1.500	0.009	1.500	0.009	1.5	0.004275
Nickel	0.700	0.005	0.700	0.005	0.7	0.006
Zinc	3.500	1.079	3.500	1.079	3.5	0.506925
Tin	1.000	0.028	1.000	0.028	1.0	0.016
Molybdenum	0.600	0.008	0.600	0.008	0.6	0.010725
Hexavalent Chromium	0.350	0.002	0.350	0.002	0.35	0.0024
Dissolved Iron	10.000	0.056	10.000	0.056	10.0	0.057
Fluoride	15.000	0.11	15.000	0.11	15.0	0.405
Boron	1.000	0.243	1.000	0.243	1.0	0.18
Ammonia Nitrogen	10.000	6.525	10.000	6.525	60.0	8.5675
Cyanide	1.000	0.004	1.000	0.004	1.0	0.02
Remarks						
1. The units for monitoring values in 2023 and 2024 were incorrectly stated and should be mg/L. The error was corrected when the 2025 data were entered, and the reported monitoring results were not affected.						

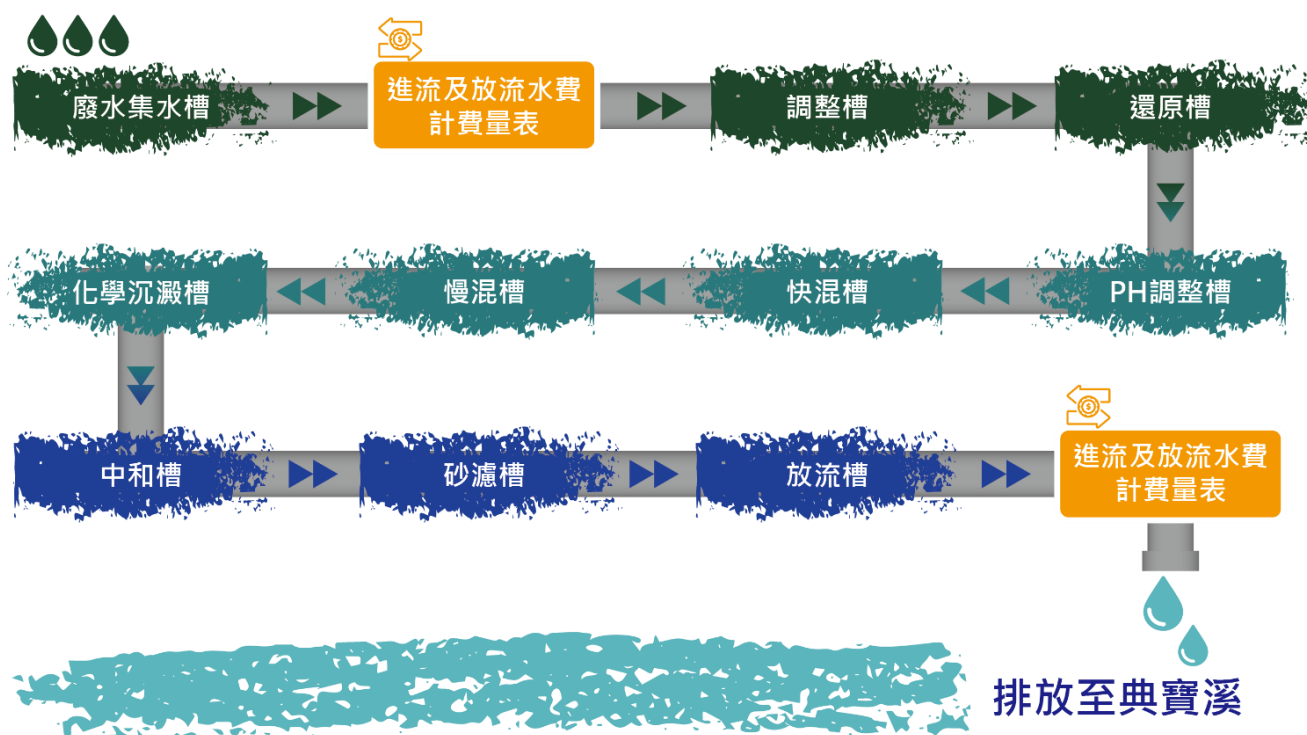


Sheh Fung Screws' Qiaotou Plant is the only facility subject to legal requirements mandating water pollution prevention measures and the appointment of dedicated personnel for wastewater treatment. All wastewater from the Qiaotou Plant is strictly treated before discharge. The manufacturing processes at the Mituo Plant do not generate hazardous wastewater subject to discharge regulations. As the plant discharges only domestic wastewater, testing and reporting are not required.



Water Pollution Prevention Plan and Water Pollution Prevention Permit

◆ Chrome Plating Rinsing Process



中文	英文
廢水集水槽	Waste water collection tank
進流及放流水費計費量表	Inflow and discharge meter for fee calculation
調整槽	Equalization tank
還原槽	Reduction tank
PH 調整槽	PH adjustment tank
快混槽	Rapid mixing tank
慢混槽	Slow mixing tank
化學沉澱槽	Chemical precipitation tank
中和槽	Neutralization tank
砂濾槽	Sand filter tank
放流槽	Discharge tank
排放至典寶溪	Discharge to Dianbao Creek



3.5.3 Waste Management

The principle of waste management at Sheh Fung Screws is to first improve manufacturing processes to reduce waste generation, then prioritize waste recycling, and finally adopt other treatment methods such as incineration and sanitary landfilling. The Company abides by environmental laws and regulations. All waste generated from its operations is handled by qualified third-party waste collection and disposal contractors, and all waste is treated off-site.

Composition of Waste				
Item	Amount of Waste Produced (tons)			Processing Methods
Year	2023	2024	2025	
Sludge	47.95	0	0	Other processing operations (solidification)
Sludge	48.46	108.01	72.71	Use waste as raw materials for reuse
Subtotal	96.41	108.01	72.71	-
Composition of Waste				
Item	Amount of Waste Produced (tons)			Processing Methods
Year	2023	2024	2025	
Waste oil mixtures	31.58	37.66	46.28	Incineration (without energy recovery)
General waste	84.95	88.5	92.56	Incineration (with energy recovery)
Waste wood pallets	14.55	22.39	38.54	Recycling
Waste lubricating oil	112.09	0	0	Recycling
Waste lubricating oil	0	94.96	75.33	Physical processing
Subtotal	243.17	243.51	252.71	-
Total	339.58	351.52	325.42	-



3.6 Environmental Protection Expenditure and

Investment

In order to fulfill its social responsibility to the environment, Sheh Fung Screws has invested funds to deal with related environmental protection work. Its pollution control equipment undergoes annual servicing and maintenance, as well as regular inspections. In 2025, environmental protection expenditures amounted to approximately NT\$11,002 thousand in recurrent expenses and NT\$5,930 thousand in capital expenditure depreciation, for a total of NT\$16,932 thousand.

Unit: NT\$ thousand

Environmental Protection Expenditure of Sheh Fung Screws in 2025			
Item	Qiaotou Factory	Mituo Factory	Total
Environmental capital expenditure (depreciation)	2,076	3,854	5,930
Environmental recurrent expenditure	10,454	548	11,002
Subtotal of environmental protection expenditure by plant	12,530	4,402	16,932



4 Friendly Workplace

Management Policy - Talent Development and Training

Talent Development and Training	
Significance	Employees are an enterprise's most valuable asset. In addition to providing comprehensive welfare programs and a safe working environment, enterprises should also prioritize talent cultivation and development to foster employee growth, strengthen loyalty, and build a stable and cohesive team. These efforts form a cornerstone of sustainable development.
Impacts	Positive Human Rights Impacts: Enhancing employee capabilities and emphasizing career development help strengthen employees' sense of recognition and loyalty, foster a stable and efficient work environment, and support the achievement of sustainable operations. Positive Economic Impacts: Developing diverse talent expands the enterprise's knowledge base, enabling effective responses to market changes and prompt solutions to customer needs, thereby ensuring continued market share. Positive Economic Impacts: Talent cultivation enhances employees' sense of identification with the enterprise, strengthens engagement, reduces turnover, and improves retention, which in turn lowers recruitment and staff replacement costs. Negative Economic Impacts: Failure to continuously cultivate employees' professional skills and knowledge may result in declining competitiveness or insufficient capabilities, leading to an inability to meet customer needs, potential customer loss, or knowledge gaps caused by employee attrition, all of which could hinder business development.
Policy	Implement company policies with an emphasis on talent development and encouragement of innovation.
Strategies	1. Respond to industry changes by regularly reviewing training directions, continuously offering education and training programs, and encouraging employees to enhance their skills and professional competencies. 2. Formulate training plans and achieve a 100% course launch rate, regularly assess training effectiveness, and continuously track program outcomes. 3. Cultivate talent and encourage employees to acquire diverse professional knowledge, expand the enterprise knowledge base, and actively promote knowledge sharing to ensure internal knowledge transfer. 4. Regularly review requirements for professional skills or certification training, as well as refresher arrangements.
Targets and Objectives	Short-term Targets (2025–2027): ◆ Achieve a 90% course launch rate for training programs. ◆ Achieve a 90% retraining rate for certification. Medium-term Targets (2028 and beyond): ◆ Achieve a 100% course launch rate for training programs. ◆ Complete TTQS evaluations on a regular basis. ◆ Achieve a 100% retraining rate for certification.
Management Review Mechanisms	1. Conduct quarterly onboarding training programs to help new employees quickly adapt to the corporate culture and become familiar with company regulations. 2. Provide employees with professional and diversified internal training programs, and regularly review the implementation of courses across departments. 3. Encourage employees to pursue continuous learning and enhance professional knowledge to expand the enterprise knowledge base and strengthen skills. 4. Establish communication mechanisms to collect employee feedback, serving as a basis for adjustments to training programs and career development.
Performance and Adjustments	1. Achieved a 100% course launch rate for training programs 2. Total training hours: 2,903 hours 3. Employee turnover rate: 16.897% 4. Annual performance appraisal coverage: 100%

Management Policy - Occupational Health and Safety

Significance	As a fastener manufacturer, the Company's production processes include metal forming, heat treatment, and electroplating, all of which involve high-risk working conditions, including machinery operations, high-temperature work, chemical usage, and exposure to high noise level. To ensure employees' occupational safety and health, Sheh Fung Screws has identified "Occupational Health and Safety" as a highly material topic. The Company is committed to implementing occupational injury prevention and incident management, health promotion and disease prevention, as well as safety culture and training programs, with the goal of creating a zero-accident, zero-hazard workplace.
Impacts	Negative Economic Impacts: The Company's manufacturing lines are mostly continuous mechanical operations. When occupational accidents occur, they are often accompanied by personal injury, machine downtime, and delays in customer delivery, resulting in significant financial losses. Positive Economic Impacts: A comprehensive occupational safety system can reduce the risk of accidents, avoid compensation and penalties, stabilize production, and enhance customer trust. Negative Environmental Impacts: Hazardous chemicals such as heavy metals, if not properly managed and contained, may leak and cause water or soil pollution. Positive Environmental Impacts: Promoting occupational safety also helps improve chemical management processes and raises the level of environmental practices within the plant. Negative Personnel Impacts: Enterprises have the responsibility to safeguard employees' "right to a healthy and safe working environment." Occupational accidents may directly affect employees' physical integrity and work dignity. Positive Personnel Impacts: The Company regards occupational safety as a fundamental employee protection measure and is committed to safeguarding every worker's life and dignity through training, protective facilities, and a strong safety culture.
Policy	Establish "Accident Prevention, Health Protection, and Continuous Improvement" as the three core principles.
Strategies	◆ Prevention-Oriented: Implement a risk assessment system to identify hazards in high-risk work areas and strengthen protective measures. ◆ Education and Training: Require new employees to complete safety training before starting work, and ensure that existing employees receive at least two refresher training sessions each year. ◆ Health Promotion and Disease Prevention: Provide employees with annual health checkups and conduct regular health monitoring for those engaged in special operations.
Targets and Objectives	Short-term Targets (2025–2027): ◆ Reduce occupational injury rates, record no major occupational safety incidents, maintain zero major occupational safety incidents, and strengthen daily inspections. ◆ Conduct at least two emergency drills annually, covering risks such as fires and chemical spills, to improve practical response capabilities and minimize disaster losses. Medium-term Targets (2028–2030): Obtain and maintain ISO 45001 certification to enhance the level of systematic management. Long-term Targets (2031 and beyond): Achieve "zero major occupational safety incidents" for three or more consecutive years, demonstrating the effective implementation of a safety culture.
Management Review Mechanisms	◆ Assess the implementation of inspections and discuss potential risks during weekly management meetings. ◆ Establish occupational safety scoring standards and use monthly evaluation results as the basis for improving safety measures. ◆ Convene the Occupational Safety and Health Committee quarterly to review incident reports, track improvement progress, and monitor implementation.
Performance and Adjustments	◆ Average employee safety training hours per person: 7.6 hours. ◆ Recorded zero major occupational accidents for the third consecutive year. ◆ While overall performance has continued to improve, some potential risks and areas for improvement remain. At the institutional level, the Company has established an occupational safety performance evaluation system and incorporated it into departmental assessments to strengthen each department's sense of responsibility for workplace safety.



4.1 Join Sheh Fung

Sheh Fung Screws adheres to the principle that employees are the most important assets of the Company and provides employees with competitive salaries to attract and retain the best talent. The Company designed the salary system to ensure the stable income of employees, and try to motivate them to challenge themselves for higher salaries. The overall salary includes the basic salary, work awards and employee bonuses. The employee's salary is determined based on education, past experience, professional competence, and job performance, and is never influenced by gender, religion, race, nationality, political affiliation, or any other factors. The compensation and working conditions of all Sheh Fung employees fully comply with applicable local labor laws and international human rights conventions.

4.1.1 Manpower Structure

Sheh Fung Screws upholds a merit-based approach, ensuring that all recruitment and employment are conducted through open and transparent channels. In addition to the primary 104 and 1111 Job Banks, the Company flexibly adopts different recruitment methods depending on the position. Direct recruitment channels include newspaper advertisements, flyers, electronic billboards, and employment service stations. For specialized or senior positions, the Company engages professional headhunting agencies. Other approaches, such as university job fairs, referrals from professional organizations, and employee recommendations, all of which help the Company attract a strong and diverse pool of qualified candidates.

The Company places great emphasis on gender equality and strives for non-discriminatory treatment in recruitment and promotion. In 2025, the Company had 206 full-time employees, with women accounting for 50% of the workforce. In the traditional metal manufacturing industry, this achievement breaks the stereotype that the machinery and manufacturing sector is predominantly male, fully demonstrating Sheh Fung Screws' concrete efforts in promoting gender equality and creating a diverse and inclusive workplace.

Driven by a strong commitment and sense of mission to Taiwan, Sheh Fung Screws has consistently upheld the principle that local production scale and labor demand in Taiwan should continue to grow rather than decline. Currently, the proportion of supervisors of Taiwanese nationality remains as high as 100%, as a tangible action to give back to the local society. In addition, due to shortages in the grassroots labor market in Taiwan, the Company follows legal recruitment procedures before supplementing with foreign migrant workers as needed.

Number of Employees				
Region / Type		Female	Male	Total
Taiwan	Total employees	108	190	298
	Number of full-time employees	103	103	206
	Number of temporary employees (foreign)	0	84	84
	Part-time employees	5	3	8

Notes:

1. Domestic refers to Taiwan; Foreign refers to areas outside Taiwan (such as the United States, Vietnam, etc.).
2. Employees: Individuals who have a labor-employer relationship with the organization in accordance with national laws or its relevant applicable requirements (in Taiwan, this refers to employees enrolled in labor insurance).
3. Full-time: An individual who signs an indefinite-term contract.
4. Part-time:
5. Temporary: Foreign migrant worker who signs a fixed-term contract.
6. This table is calculated using the headcount / full-time equivalent method.



The non-employee workers reported by Sheh Fung Screws primarily consist of security and cleaning personnel stationed at the Company's premises. Security personnel are responsible for maintaining safety and security at the Company's two plants and receive training twice a year. Cleaning personnel are mainly responsible for cleaning the office areas.

Company Non-employee Worker Information		
Worker type	Contractual relationship with the Company	Number of workers
Security personnel	Contracted	6
Cleaning personnel	Contracted	2

In order to strengthen harmonious relationships with the community and maximize the stability of employment, the Company primarily hires residents of Taiwan. All senior management positions, consistent with the managerial personnel disclosed in the annual report, are held by local residents (100%). The distribution of employee positions in 2025 is as follows:

Year			2023	2024	2025
Category / Gender		Number	Number	Number	Number
Supervisory Employees	Male	Under 30	0	0	0
		30-50	17	15	14
		Over 51	2	3	5
	Female	Under 30	0	0	0
		30-50	10	8	7
		Over 51	6	6	8
Total Supervisory Employees			34	32	34
Non-supervisory Employees	Male	Under 30	51	46	41
		30-50	95	108	105
		Over 51	19	20	22
	Female	Under 30	7	8	6
		30-50	51	47	53
		Over 51	28	31	29
Total Non-supervisory Employees			251	260	256
Total Number of Full-time Employees			286	292	290

Notes:

- The Company's supervisory personnel include: (Deputy) Section Chief, (Deputy) Manager, Associate Manager, Deputy General Manager and General Manager.



➤ Employee Diversity

In its recruitment practices, Sheh Fung Screws complies with all applicable laws and regulations, and strictly prohibits the employment of child labor under the age of 16 or any form of forced labor. The Company has had no incidents involving the violation of indigenous peoples' rights. Sheh Fung is committed to equal treatment of all individuals regardless of region, gender, religion, race, nationality, or political affiliation, and actively complies with regulations on the mandatory employment quota for persons with disabilities.

Year		2023	2024	2025
Category / Gender	Age	Number	Number	Number
Minority or Disadvantaged Groups	Male	Under 30	0	0
		30-50	3	2
		Over 51	3	4
	Female	Under 30	0	0
		30-50	1	2
		Over 51	1	1
Foreign Migrant Workers	Male	Under 30	41	36
		30-50	37	48
		Over 51	0	0
	Female	Under 30	0	0
		30-50	0	0
		Over 51	0	0
Indigenous Peoples	Male	Under 30	0	0
		30-50	0	0
		Over 51	0	0
	Female	Under 30	0	0
		30-50	0	0
		Over 51	0	0

Note: Minority or disadvantaged groups refer to groups with specific conditions or characteristics (such as economic, physiological, political, or social) that may make them more vulnerable to negative impacts from organizational activities compared with the general population.



4.1.2 Personnel Turnover Rate

Sheh Fung Screws recruits new employees from time to time for business development needs. The total new hire rate for 2025 was 16.207%, an increase of 5.933% compared with 2024. The total turnover rate for 2025 was 16.897%, an increase of 8.676% compared to 2024. Although both the turnover rate and the new hire rate increased significantly compared to the previous year, the two rates remained broadly aligned, indicating that the overall workforce structure remained stable.

The increase in this year's turnover rate is mainly due to some individuals leaving because of mismatched interests and personal career plans, as well as an increase in the number of foreign workers in Taiwan returning to their home countries upon completion of their contracts. In the future, Sheh Fung Screws will continue to fill vacancies by recruiting new employees and will plan workforce deployment in advance for migrant workers returning to their home countries upon completion of their contracts. These measures will help mitigate potential staffing shortages and maintain operational stability.

Sheh Fung Screws New Employment Rate over the Past Three Years												
Year	2023				2024				2025			
Gender	Male		Female		Male		Female		Male		Female	
Age\Cat egory	Num ber	New Employ ment Rate (%)	Num ber	New Employ ment Rate (%)	Num ber	New Employ ment Rate (%)	Num ber	New Employ ment Rate (%)	Num ber	New Employ ment Rate (%)	Num ber	New Employ ment Rate (%)
Under 30	16	5.594	1	0.349	8	2.740	2	0.685	12	4.138	1	0.345
30-50	25	8.741	6	2.097	14	4.795	6	2.055	19	6.552	12	4.138
Over 51	2	0.699	1	0.349	0	0.000	0	0.000	3	1.034	0	0.000
Total Number of New Recruits	51				30				47			
Total Employee es	286				292				290			
Total New Employ ment Rate (%)	17.832				10.274				16.207			
Notes:												
1. The number of new employees does not exclude those who left midway through the year.												
2. The new employment rate of male (female) employees in an age group = the number of new male (female) employees in the age group during the year / the total number of people in the operating location at the end of the year.												
3. Total new employment rate = number of new employees in the year / total number of employees in the operating location at the end of the year.												
4. The new employment rate does not include part-time employees.												



Sheh Fung Screws' Turnover Rate over the Past Three Years												
Year	2023				2024				2025			
Gender	Male		Female		Male		Female		Male		Female	
Age\Category	Number	Turnover Rate (%)	Number	Turnover Rate (%)	Number	Turnover Rate (%)	Number	Turnover Rate (%)	Number	Turnover Rate (%)	Number	Turnover Rate (%)
Under 30	9	3.146	3	1.048	2	0.685	0	0.000	8	2.759	1	0.345
30-50	29	10.139	4	1.398	13	4.452	8	2.740	29	10.000	7	2.414
Over 51	5	1.748	3	1.048	0	0.000	1	0.342	2	0.690	2	0.690
Total Number of Resignations	53				24				49			
Total Employees	286				292				290			
Total Turnover Rate (%)	18.531				8.219				16.897			

Notes:

- Categories of employees who have left the Company include those who resigned, were dismissed, retired, or passed away due to work-related causes.
- The turnover rate of male (female) employees in the age group = the number of male (female) employees in the age group who resigned in the current year / the total number of employees in the operating location at the end of the year.
- Total turnover rate = number of employees who resign during the year / total number of employees at the operating location at the end of the year.
- The turnover rate does not include part-time employees.

➤ Minimum Announcement Period for Operational Changes

The Company complies with the Labor Standards Act, and the notice period for termination of the labor contract is as follows:

- Employees who have worked continuously for more than 3 months and less than 1 year shall be notified 10 days in advance.
- Employees who have been working continuously for more than 1 year but less than 3 years shall be notified 20 days in advance.
- Employees who have worked continuously for more than 3 years shall be notified 30 days in advance.

4.1.3 Salary System

Sheh Fung Screws' salary system is designed to ensure employees a stable income while encouraging them to pursue higher compensation. The overall salary includes the basic salary, work awards and employee bonuses. The employee's salary is determined based on education, past experience, professional competence, and job performance, and is never influenced by gender, religion, race, nationality, political affiliation, or any other factors. The compensation and working conditions of all Sheh Fung employees are fully protected under applicable local labor laws and international human rights conventions.

To ensure market competitiveness, the Company conducts an annual international salary survey and adjusts compensation according to the market level of each position and individual performance. The standard salaries for both male and female entry-level employees are higher than the local minimum wage.

Sheh Fung Screws Salary Ratio in 2025				
Salary Ratio by Job Category	Number		Ratio	
	Female	Male	Female	Male
Management position	8	14	1	1.032
Non-	101	190	1	1.836

management position				
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Notes:

1. The female-to-male compensation ratio (annual salary ratio) is calculated as the average annual salary of females in a given category divided by the average annual salary of males in the same category.
2. If there is a large difference in the basic salary ratio between females and males, the Company shall explain the reason.

Salary Structure of Full-Time Employees in Non-Management Positions

Sheh Fung Screws				
				Unit: NT\$ thousand
Item	2023	2024	2025	Difference from Previous Year (%)
Number of full-time employees in non-management positions	274	288	278	-3.47%
Total compensation of full-time employees in non-management positions	175,550	188,831	163,631	-13.35%
Average compensation of full-time employees in non-management positions	640	677	589	-13.10%
Median compensation of full-time employees in non-management positions	557	588	545	-7.31%

Notes:

1. The primary disclosure scope covers Sheh Fung Screws (parent company only, excluding subsidiaries).
2. The difference from the previous year (%) is disclosed.
3. The difference from the previous year (%) is calculated using the formula: $(2025 - 2024) / 2024$.

4.1.4 Performance Management

The performance management structure of Sheh Fung Screws is quite complete. New employees who have completed three months of service undergo an end-of-probation assessment to evaluate their work performance and adjustment to the workplace and to provide any necessary support. All current employees undergo annual performance appraisals in June and December each year. The Company's annual performance appraisal emphasizes "objectivity," "fairness" and "two-way communication." Apart from evaluating individual performance, the achievement of departmental KPIs is also taken into account. Through fair, transparent, and consistent appraisal standards, combined with direct two-way communication between supervisors and employees, the Company seeks to foster consensus among its workforce. Only by aligning individual and organizational goals and working together can a win-win outcome be achieved.

In addition, individual performance appraisal results serve as a basis for training and development and are directly linked to promotion and compensation incentives. Together, these three elements form a mutually reinforcing framework that helps sustain employee motivation. In 2025, all employees, except migrant workers and new hires with less than three months of service, were covered by the performance appraisal, achieving a 100% assessment rate.

Item	Management position	Non-management position
Proportion of male employees who received appraisals	100.00	100.00
Proportion of female employees who received appraisals	100.00	100.00

Note: If the performance appraisal coverage rate does not reach 100%, the Company shall specify the excluded groups and the reasons (for example, the Chairman of the Board or employees with less than three months of service).



4.1.5 Employee Benefits

Sheh Fung Screws has established an Employee Welfare Committee in accordance with the law, which is elected by all employees and meets regularly to re-elect members. Employee benefits include bonuses for the three major festivals, birthday gifts, scholarships for employees and their children, bicycle club subsidies for cycling club members, aerobic course subsidies, etc. The Company also organizes annual activities such as employee trips, departmental gatherings, subsidies for weddings, funerals, and other significant occasions, a year-end banquet, and outstanding employee recognition. These benefits and activities are intended to strengthen relationships among employees and promote a healthy work-life balance.

The Company regards employees as the most important partners in mutual growth. Since 2021, we have officially established the "Employee Stock Ownership Trust System," inviting all employees to participate and share in the Company's operational successes. To implement financial support for employees, the Company has introduced a 100% matching contribution mechanism, where the Company contributes an amount equal to the funds that participating employees invest. Through this system, not only are employees encouraged to actively participate in company development, but it also helps enhance employees' cohesion and strengthens company recognition.

In 2025, Sheh Fung Screws organized a variety of recreational activities for employees, including a cycling tour around Taiwan, domestic travel, and company outings. The Company also installed bicycle training stands in the workplace and regularly offered aerobics and popular dance classes to provide diverse fitness options. In 2023, Sheh Fung Screws earned the Sports Enterprise Certification from the Ministry of Education. These initiatives not only foster camaraderie among employees but also strengthen teamwork and inject vitality into the corporate culture. Sheh Fung Screws will continue its efforts to create a happy workplace and enhance employee well-being.



2025 Cycling Tour Around Taiwan



2025 Cycling Tour Around Taiwan



2025 Overseas Employee Trip - Japan



2025 Overseas Employee Trip - Japan



2025 Overseas Employee Trip - Australia



2025 Overseas Employee Trip - Australia



2025 Blessing Event at Fu'an Temple

2025 Blessing Event at Fu'an Temple

● Employee Retirement System and Implementation Status

To safeguard employees' financial security after retirement, Shih Fung Screws applies the relevant standards of the new and old pension system according to both the Labor Standards Act and the Labor Pension Act to take care of the lives of retired employees.

The Company has clearly defined the employee retirement system in the Retirement Management Regulations in accordance with the Labor Standards Act, and allocates pension funds every month and deposits them in a special account at the Bank of Taiwan. Furthermore, in accordance with paragraph 2 of Article 56 of the Labor Standards Act, the Company conducts an actuarial calculation every year to determine the required pension for employees eligible for retirement in the following year, and fully allocates the difference into the special account to ensure the retirement rights and interests of employees under the old system. In addition, since the implementation of the Labor Pension Act on July 1, 2005, the Company has made monthly contributions of no less than 6% of each eligible employee's wages to the employee's individual labor pension account under the new pension system.

According to the Company's personnel management system, employees who have any of the following circumstances should retire immediately:

- (1) Those who are over sixty-five years old.



(2) The person is mentally disabled or physically disabled and is unable to perform their jobs.

In addition, in order to provide employees with greater financial security after retirement, the Company implemented an Employee Stock Ownership Trust in April 2021. In accordance with the regulations of the Company's employee stock ownership association, participants make monthly contributions, which are entrusted to a financial institution to purchase and manage the Company's shares through a dedicated account. Participants receive the shares held in trust upon retirement or termination of employment, providing them with an additional layer of financial security.

● **Implementation Status of Parental Leave and Suspension of Pay**

According to the Gender Equality in Employment Act, female employees are entitled to leave without pay during pregnancy and childbirth, maternity leave, and male employees are entitled to paternity leave when their spouses give birth. According to the Gender Equality in Employment Act and the Regulations for Implementing Parental Leave Without Pay for Raising Children, the Company should provide leave without pay for employees who need to provide child care, and actively assist employees to reintegrate into the workplace after the leave without pay expires. In 2024, a total of three employees of Sheh Fung Screws applied for parental leave without pay: two employees were reinstated in 2025, and one employee resigned after their leave period ended due to career planning and not accepting the Company's retention offer. In 2025, a total of one employee applied for parental leave without pay and was reinstated in the same year.

Statistics of Sheh Fung Screws' Parental Leave Without Pay over the Past Three Years

Year	2023			2024			2025		
Gender/Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Employees eligible for parental leave without pay (A)	2	2	4	0	5	5	1	1	2
Employees who took parental leave without pay during the current year (B)	0	0	0	0	3	3	0	1	1
Employees scheduled to return from parental leave without pay during the current year (C)	0	0	0	0	0	0	0	1	1
Employees who returned from parental leave without pay during the current year (D)	0	0	0	0	0	0	0	1	1
Employees who returned from parental leave without pay during the previous year (E)	0	0	0	0	0	0	0	2	2
Employees who returned from parental leave without pay during the previous year and remained employed for one year (F)	0	0	0	0	0	0	0	0	0
Return-to-work rate for the current year (%) (D/C)	-	-	-	-	-	-	-	100	100
Retention rate for the current year (%) (F/E)	-	-	-	-	-	-	-	0	0-

Notes:

1. The number of employees scheduled to return = employees whose parental leave without pay is expected to end during the year.
2. The number of employees retained in Year N is defined as the actual number of employees who returned from parental leave in Year N-1 and remained employed as of December 31, Year N.
3. Return-to-work rate for the current year (%) = Employees who returned from parental leave without pay during the current year / Employees scheduled to return from parental leave without pay during the current year (D/C).
4. Retention rate for the current year (%) = Employees who returned from parental leave without pay during the previous year and remained employed for one year / Employees who returned from parental leave without pay during the previous year (F/E).
5. Only employees who apply for maternity leave or prenatal checkup leave in the current year are counted for parental leave without pay.

4.2 Cultivation and Development

The sustainable operation of an enterprise is based on effective employee training and adaptive development, so Sheh Fung Screws is committed to planning and promoting its education and training system, with a view to strengthening the organizational capabilities, simultaneously enhancing the career competitiveness of employees, and achieving shared growth and mutual success with employees. In addition to the annual departmental on-the-job training plan, the Company promoted second language learning in 2022 by offering a free Vietnamese course, which was continued in 2025. Incentives were provided to those



who passed the certification exam. Scholarships and subsidies were also offered to support employees' continuing education and encourage their participation in diverse learning opportunities.



中文	英文
新人訓練	Newcomer training
在職訓練	On-the-job training
多元化管道	Diversified pipeline
輔導實作	Tutoring
輪調制度	Rotation system

Career Development and Training of Sheh Fung Screws Employees

Training Channel	Content Description
Newcomer training	- General training: Company profile, salary and welfare, rules and regulations, industrial safety training, and workplace orientation. - Online work instruction: Operation instruction and work safety requirements in special areas. - Cross-departmental training: Training schedules and content are arranged based on job requirements.
On-the-job training	In line with the Company's policies and based on hierarchical levels and functional needs, an annual training plan is developed. The scope covers supervisor training, professional training in production, sales, human resources, R&D, and finance, as well as certification programs and training on laws and regulations.
Tutoring	Through projects or system implementation, external consultants provide hands-on guidance that enables employees to acquire new knowledge and enhance their professional competencies. Examples include training related to SAP, ISO 9001, ISO 14000, ISO 14064-1, IATF 16949, ISO 45001, ESG, and TTQS.
Rotation system	For employees identified for priority development, career plans are formulated based on their professional skills and development potential. Their career breadth is expanded through rotations across departments within the planned development areas.

● Education and Training

Sheh Fung Screws is well aware that talent is the core cornerstone of corporate sustainability. We are committed to building diverse and rich learning resources and, through a well-established education and training system, helping employees realize their potential and develop in roles suited to their abilities. This not only effectively enhances employees' workplace competitiveness but also provides the Company with a steady pipeline of talent, achieving mutually beneficial outcomes for both employees and management and supporting sustainable business operations.

The course content includes orientation training for new recruits, various vocational, technical training, and management training for supervisors at all levels, as well as general education courses in languages, arts and humanities, etc. It is hoped that every employee will be able to adapt to their job through a sound education and training system, so as to enrich the Company's human resources.

On-the-job external education and training: The Company encourages employees to break away from existing frameworks and actively acquire new external knowledge and professional skills to strengthen the organization's long-term innovation and	- Professional skills and certification compliance: Arrange for employees to participate in qualified external training unit courses, including skills enhancement for various functions, special professional qualifications that must be obtained according to the law, and refresher training for occupational safety and health-related certifications. - Core competencies and management skills: Provide professional management skills training for supervisors and middle to senior executives at all levels, establishing a common management language and holistic development comprehensively.
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adaptability.	
2. Internal on-the-job training: The Company's daily operations and production practices are at the core, and through practical experience transfer, the workplace competitiveness of all employees and the overall organizational effectiveness are comprehensively strengthened.	● Practical skills and knowledge succession: Senior internal supervisors or experienced professionals serve as mentors, providing guidance on daily work practices and the transfer of process optimization techniques to ensure that critical skills and core knowledge are sustainably ingrained within the enterprise. ● Conduct statutory occupational safety and health training for all employees: Regularly organize company-wide fire drills and occupational safety and health education internally to implement a "safety first" production culture, and invite professional vendors to provide internal seminars as needed to ensure high quality and practicality of the courses. ● Promotion of human rights
3. New employee education and training: In addition to training and introduction on organizational basic environment, HR rules and regulations, and environmental safety and health, relevant personnel training is arranged according to job content to help employees smoothly transition into their roles.	

In 2025, the total hours of employee education and training amounted to 2,900 hours, with an average of approximately 10 hours per employee. Sheh Fung Screws places strong emphasis on employee education and training and has established appropriate reward mechanisms to encourage continuous self-learning. Through diverse learning channels and sound career development planning, the Company seeks to provide all employees with opportunities to apply their knowledge, grow within the workplace, and develop together with the Company.

Average Education and Training Hours of Sheh Fung Screws Employees									
Category / Type		Management Position		Non-management Position		Direct Employees		Indirect Employees	
Unit / Gender		Male	Female	Male	Female	Male	Female	Male	Female
Total number	Number	19	15	168	88	128	25	59	78
Total training hours	hours	303	243	1328	1026	830	141	801	1128
Average training hours	Hour/ Number	15.947	16.200	7.905	11.659	6.484	5.640	13.576	14.462
Total training cost	NT\$	113,318	100,640	60,355	141,492	23,270	1,143	150,403	240,989
Notes:									
1. (Total number of management employees + Total number of non-management employees) = Total number of employees at the operating site.									
2. (Total number of direct employees + Total number of indirect employees) = Total number of employees at the operating site.									

The Company also conducts periodic awareness campaigns on anti-corruption, sexual harassment prevention, and counter-terrorism to strengthen employees' understanding of human rights and corporate social responsibility and raise their awareness of their rights and interests. Disaster preparedness training is also provided regularly to enhance employees' risk awareness and ability to protect themselves.





Self-defense firefighting drill in the first half of 2025



Introduction to screw manufacturing: Types and uses of screws



How much do you know about illegal infringement?



How to convert product images into heading molds images



Sustainability Disclosure Standards

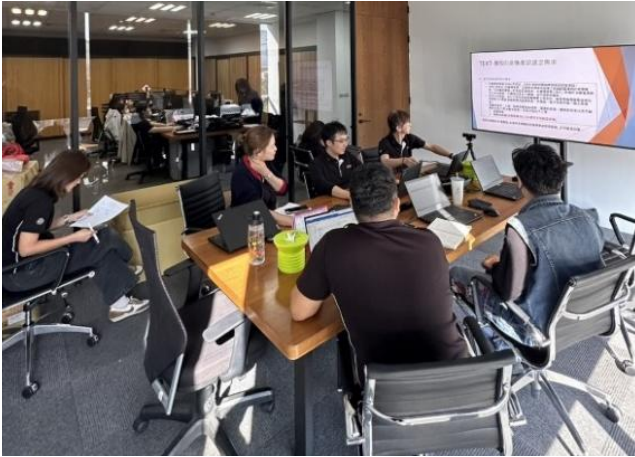


Occupational safety and emergency response drill





SMETA Ethical Trading Initiative (ETI) code briefing



BIS Overview



4.3 Occupational Safety and Health

In order to ensure the safety of employees in the workplace, Sheh Fung Screws has adopted zero accidents as its disaster management goal and as a benchmark for improving safety initiatives across its plants. The Company also supports zero-accident activities through incentive programs and recognizes units with outstanding performance. The Company provides employees with essential personal protective equipment, including work clothes, safety helmets, safety shoes, earplugs, and masks, and requires strict compliance with usage regulations to prevent injuries. In addition, safety and health training is conducted for both new hires and current employees to enhance safety awareness. Regular disaster prevention drills are also held to strengthen preventive measures and ensure effective emergency response in the event of an accident.

This scope covers all production and non-production workplaces, areas, equipment, and routine and non-routine activities under the Company's control. It also includes activities carried out by external parties entering the Company's plants, the operation of facilities and equipment provided by external parties on Company premises, and all activities performed by contractors, including cleaning and security personnel, within areas under the Company's control. Total employees is 290, accounting for 100% (denominator: 290); non-employees total is 8, accounting for 100% (denominator: 16).

● Occupational Safety and Health Committee

The Company has established an Occupational Safety and Health Committee in accordance with the Occupational Safety and Health Management Act to make recommendations on the safety and health policies and management systems formulated by the Company, and to review, coordinate and recommend safety and health-related matters. There are 4 management representatives and 2 labor representatives, with the following responsibilities:

- (1) Formulate, plan, promote and supervise occupational safety and health-related matters.
- (2) Formulate, plan and promote emergency response matters.
- (3) Plan and implement employee safety and health training.
- (4) Conduct, compile, and report occupational accident statistics in the monthly occupational accident report. Meetings shall be held at least once every three months, and ad hoc meetings may be held when necessary.

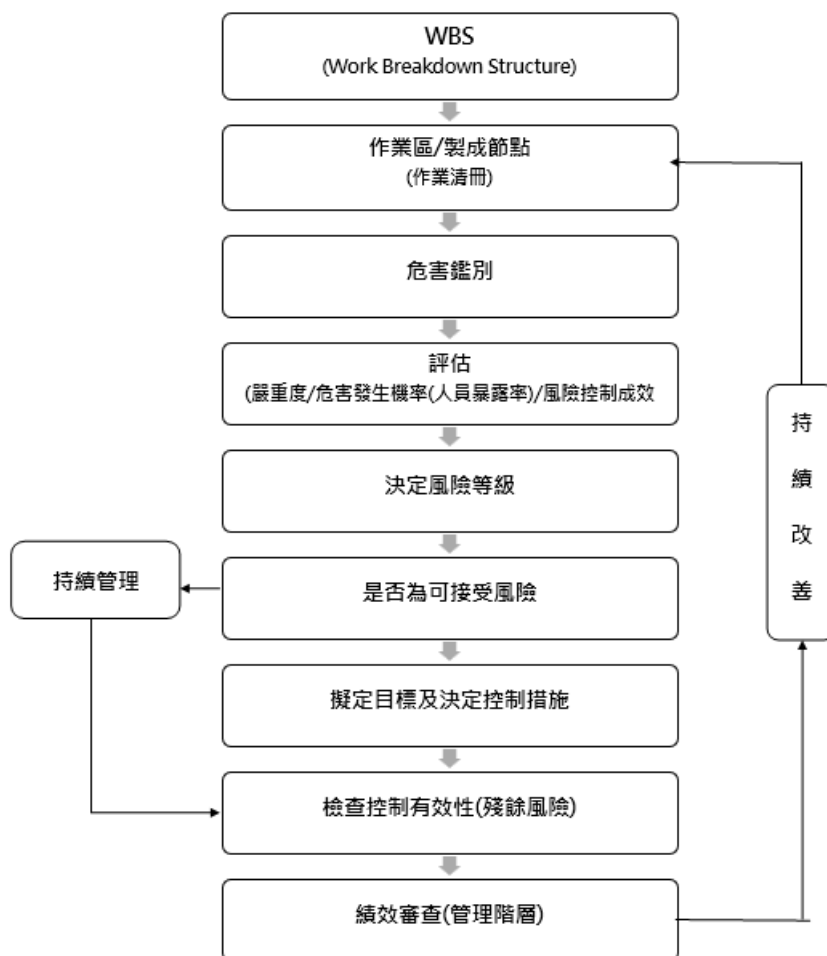
● Risk Assessment, Hazard Identification and Incident Investigation Procedures

In order to continuously identify and evaluate various types of physical, chemical, biological and human engineering hazards that may be caused by the raw materials, machinery and equipment, operating environment and employee operating activities involved in the Company's various operations or services, the Company adopted reasonable, effective and feasible control measures to reduce the impact on the safety and health of the Company's employees, contractors' labor and related third parties. The Company has specially formulated Hazard Identification and Risk Assessment Control Procedures to continuously identify, assess, control, and minimize risks. The status of safety and health implementation is reported to the monthly factory-level safety and health committee and the quarterly company-level safety and health committee, and is explained to the labor representatives of each organization within the company every quarter.

For activities carried out by employees, workers, contractors, and visitors at each plant, including the operation of machinery and equipment and the use of chemicals, hazard identification and risk assessment are conducted in accordance with the Hazard Identification and Risk Assessment Control Procedures. Assessments are performed annually, as needed, after an accident, and whenever changes occur in the workplace. Quantitative risk scores are determined based on the potential severity and likelihood of accidents arising from work activities, machinery and equipment operation, or chemical use.

When the risk score ranges from 153.6 to 320 points, it is considered a "high risk." Existing protection measures should be reviewed and improvements should be prioritized to reduce the risk. If the risk score is higher than 153.6 points, it is considered an "unacceptable risk." It is then necessary to stop operations and

immediately review the integrity of existing protection measures or carry out improvement plans or strengthen response capabilities. Executives are qualified as occupational safety and health administrator technicians and receive 12 hours of on-the-job occupational safety and health education and training every two years.



Hazard Identification, Risk Assessment and Decision-Making Process for Control Measures

中文	英文
作業區/製成節點(作業清冊)	Work area/Process node (Operation inventory)
危害鑑別	Hazard identification
評估(嚴重度/危害發生機率(人員暴露率)/風險控制成效)	Assessment (Severity/Hazard occurrence probability (personnel exposure rate)/Risk control effectiveness)
決定風險等級	Determine risk level
是否為可接受風險	Is it an acceptable risk?
擬定目標及決定控制措施	Formulate goals and decide on control measures
檢查控制有效性(殘餘風險)	Check control effectiveness (residual risk)
績效審查(管理階層)	Performance review (management level)
持續管理	Continuous management
持續改善	Continuous improvement

● Continuous improvement

The Company conducts risk assessments, hazard identification, and occupational safety and health education and awareness programs to enhance employees' risk awareness and safety knowledge. It has also formulated the Safety and Health Work Code and submitted it to the competent occupational safety and health authority for approval. The Occupational Safety and Health Committee meets quarterly to provide

recommendations and coordination regarding the occupational safety and health policies proposed by the employer, recommend occupational safety and health management plans, and review related matters. These matters include safety and health education and training implementation plans; work environment monitoring plans, monitoring results, and corresponding measures; health management, occupational disease prevention, and health promotion; safety and health proposals; self-inspections and safety and health audits conducted by business units; preventive measures for hazards associated with machinery, equipment, raw materials, and other materials; occupational accident investigation reports; and safety and health management of contracted operations. The Committee also evaluates on-site safety and health management performance, promotes the continuous improvement of relevant issues, and addresses other occupational safety and health management matters.

If employees encounter an imminent hazard while performing their work, they may stop or leave the operation immediately. Should any issues arise during work, employees can report them directly to the supervisor on duty, submit feedback through the Company's suggestion box, or scan the QR code to access the online form and file a report.



● Occupational Safety Training Program

The Company formulated an annual education and training plan to ensure the safety of labor operations. In addition, in order to enhance the occupational safety and health knowledge and management capabilities, persons in charge of occupational safety and health training at all levels must participate in occupational safety and health training that meets their needs. The internal occupational safety-related education and training courses had a total of 348 training hours in 2025, and external training totaled 86 hours.

Occupational Safety and Health Training Project Statistics			
Training Project Name	Number of Trainees	Course Hours	Training Costs (NT\$)
On-the-job education and training for safety and health managers	1	12	0
On-the-job safety and health education and training for first responders	1	3	381
Safety and health education and training for supervisors working with specific chemical substances	0	0	0
Grade A air pollution control specialist	1	6	0
On-the-job education and training for fixed crane operators	7	3	2,667
On-the-job education and training for fire prevention managers	1	6	1,429
On-the-job training for operators of high-pressure gas specific equipment	1	3	381
On-the-job training for forklift operators	8	3	3,048
Unannounced on-site drill for extremely hazardous chemical substances (internal training)	11	1	0
Self-defense firefighting drill in the first half of the year (internal training)	114	1	0
Occupational safety and emergency response drill (internal training)	11	1	0
45001 Hazard identification and risk assessment (internal training)	24	1	0
Self-defense firefighting drill in the second half of the year	189	1	0

(internal training)			
Emergency response drill for sudden air pollution incidents (internal training)	10	1	0
Notes: 1. Including employees and non-employee workers whose work and/or workplace are controlled by the organization. 2. Non-employee workers whose work and/or workplace is controlled by the organization include contractors and outsourced personnel, such as security guards, cleaning staff, construction workers. 3. The occupational safety and health-related education and training here include general training or training for specific occupational hazards and dangerous situations.			

● Health Checkups

Sheh Fung Screws promotes a strong culture of health and safety, strives to reduce workplace safety and health risks, and actively assists employees in achieving work-life balance. To build a healthy, safe, and employee-friendly workplace, we plan annual health checkups that surpass regulatory requirements. Regular general health examinations and special operation health examinations are provided for employees who have been in employment for over a year, and operation environment monitoring is implemented. Occupational physicians carry out health management and statistical analysis based on the health check reports. All employee health check data are managed and kept confidential by the Human Resources Department to ensure the confidentiality of employees' health information.

In addition, Sheh Fung Screws adheres to the principle of "prevention is better than cure" to create a safe and risk-free working environment, comprehensively identifying potential health hazard risks. Work environments with higher disease incidence or potential risks are regularly monitored for specific hazards, including noise, chromic acid, and chromates. This enables the Company to accurately monitor employees' health and provides employees with a basis for managing their own health. High-risk operations covered by this management approach include electroplating, wastewater treatment, and coating operations at the Qiaotou Plant, as well as heading, point forming, and thread rolling operations at the Mituo Plant.

Statistical Summary of the Number and Cost of Employee Health Checkups

General Health Examination	
Item	General examination, urinalysis, complete blood count, liver, gallbladder, and kidney function tests, blood glucose, glycated hemoglobin (HbA1c), blood lipids, cholesterol, arteriosclerosis risk factors, cancer screening, cardiovascular and metabolic assessments, electrocardiogram (ECG), arteriosclerosis assessment, body fat analysis, quantitative colorectal cancer screening, ultrasound, X-ray, and other examinations.
Number (people)	138
Fee (NT\$)	317,200
Special Health Examination	
Item	Noise exposure assessment and testing for chromic acid and salt chromate.
Number (people)	48
Fee (NT\$)	115,200

● Health Promotion

Sheh Fung Screws arranges for contracted occupational health physicians and occupational health nurses to provide on-site services, assist in health guidance and consultations, so as to promote employees' physical and mental health. The following specific measures have been implemented:

In order to ensure the safety of employees in the workplace, the Company has adopted zero disaster as its disaster management goal and as a benchmark for improving various safety activities in the factory area. It also supports zero-accident initiatives through incentive programs and recognizes units with outstanding performance. The Company provides employees with essential personal protective equipment, including work clothes, safety helmets, safety shoes, earplugs, and masks, and requires strict compliance with usage regulations to prevent injuries. In addition, safety and health training is conducted for both new hires and current employees to enhance safety awareness. Regular disaster prevention drills are also held to strengthen preventive measures and ensure effective emergency response in the event of an accident. The Company also arranges for contracted occupational health physicians and occupational health nurses to provide on-site services, including health guidance and consultations, to promote employees' physical and mental well-being. The Company implements the following specific measures:

Item	Content
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Employee health management	● Annual general and special operation health examination. ● Regular follow-up, health management, and guidance by contracted occupational health physicians and occupational health nurses according to employees' health checkup results. ● Professional nursing staff visit the factory six times a month to provide health care services and health consultation for employees. ● Professional occupational safety and health physician visit the factory once every two months to provide professional consultation for employees and assist in assessing workplace health hazards.
Operation environment monitoring	● Workplace noise levels and concentration of sulfuric acid, chromic acid, and methanol are monitored every six months.
Environmental disaster training	● Disaster prevention drills are conducted regularly, so that employees can have clear contingency steps when accidents happen. ● Automated external defibrillators (AEDs) are installed at each factory area, and AED education and training is incorporated into disaster prevention drills.
Access control security	● The Company has signed a 24-hour security contract with the security company. ● Comprehensive surveillance systems are installed at each factory area and administrative office building to protect the safety of employees.

In addition to reminding employees to pay attention to follow-up diagnosis and treatment of abnormalities, the results are also used to plan health promotion initiatives for the following year, helping employees manage their own health and providing them with comprehensive health care.

● Occupational Injury Statistics

Shih Fung Screws' occupational accident statistics are based on important occupational accident statistical disclosure items announced by the Occupational Safety and Health Administration. No such thing happened in 2025. The Company will continue to strengthen education, training and on-site inspections, and do a good job in safety and health management to prevent the recurrence of major occupational disasters. The Company continues to provide occupational safety training and enhance physical safety measures to further reduce the risk of employee injuries.

In addition, for contractors and outsourcers, workers are managed according to the Safety and Health Management Measures for Contracted Operations. There were no occupational injuries or diseases among non-employee workers in 2025.

Occupational Injuries to Employees			
Category	Item	Employees	Non-employee
Total working hours	Female total working hours	181,328	21,300
	Male total working hours (hours)	292,000	
	Total working hours (hours)	473,328	
Number of fatalities caused by occupational injuries	Number of female fatalities	0	0
	Number of male fatalities	0	0
	Total number of fatalities	0	0
Number of serious occupational injuries (excluding fatalities)	Total number of serious occupational injuries for females (times)	0	0
	Total number of serious occupational injuries for males (times)	0	0
	Total number of serious occupational injuries (times)	0	0
The number of recordable occupational injuries (including the number of fatalities and the number of serious occupational injuries)	Total number of occupational injuries for females (times)	0	0
	Total number of occupational injuries for men (times)	1	0
	Total number of occupational injuries (times)	1	0
Fatality rate % caused by occupational injuries		0	0
Serious occupational injury rate %		0	0
Recordable occupational injury rate %		2.11	0

Notes:

1. Fatality rate caused by occupational injuries = $(\text{Number of fatalities caused by occupational injuries} \div \text{total working hours}) \times 1,000,000$.
2. Serious occupational injury rate = $[\text{Number of serious occupational injuries (excluding fatalities)} \div \text{total working hours}] \times 1,000,000$.
3. Recordable occupational injury rate = $[\text{Number of recordable occupational injuries (including fatalities and serious occupational injuries)} \div \text{total working hours}] \times 1,000,000$.
4. Serious occupational injuries are defined as injuries that cannot be fully recovered within six months.
5. Recordable occupational injuries do not include occupational injuries caused by commuting to and from work.
6. Category of work-related injuries: Cuts



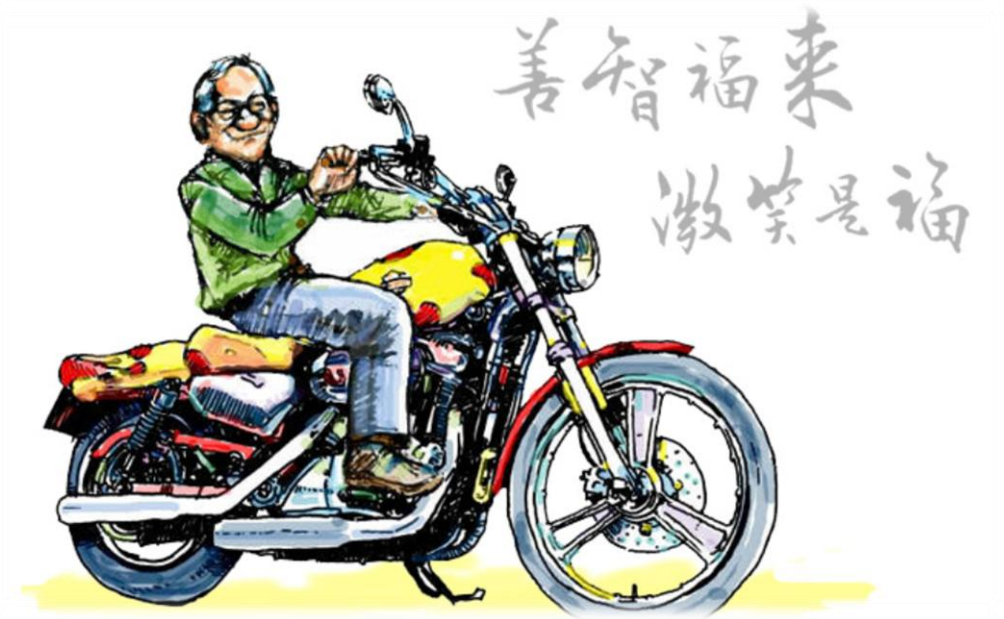
Occupational Diseases of Employees		
Category	Item	2025
Number of fatalities caused by occupational diseases	Number of female fatalities	0
	Number of male fatalities	0
	Total number of fatalities	0
Recordable number of occupational diseases	Total number of occupational diseases in females	0
	Total number of occupational diseases in males	0
	Total number of occupational disease cases	0
Fatality rate due to occupational diseases %		0
Recordable occupational disease rate %		0

Notes:

1. Occupational disease rate = (Total number of occupational diseases ÷ total working hours) × 1,000,000.
2. Fatality rate due to occupational diseases = (Number of fatalities caused by occupational diseases ÷ total working hours) × 1,000,000.
3. Recordable occupational disease rate = (Number of recordable occupational diseases ÷ total working hours) × 1,000,000.



5 Social Care



Sheh Fung Screws' founder, Mr. Lucky Tu, despite his hardships due to limited education, was grateful for his physical health, which allowed him to work diligently. Achieving some success, he frequently donated to charities and considered establishing a workplace for the physically disabled to help them become self-reliant. His desire to give back was reinforced during a gathering with other successful professionals. Remembering his own childhood experience of longing for an education but being unable to pursue one, Mr. Tu wanted to give all underprivileged children in Taiwan the opportunity to study and advance themselves, without imposing any conditions or obligations. He further hoped that they would one day achieve success and contribute to society, creating a virtuous cycle of compassion.

This is not only a record of Mr. Tu's personal journey of success, but also the reason why he felt happiest during that period, as he fulfilled his lifelong aspiration to put into practice his philosophy of Goodness and Wisdom of Lucky. He first founded the Sheh Fung Goodness and Wisdom Association as an initial platform to promote this philosophy, and in 2006, he formally established the Sheh Fung Good Deed and Wisdom Foundation to give back to society and support underprivileged families in remote areas of Taiwan.

The Sheh Fung Good Deed and Wisdom Foundation, upholding the spirit of its founder, Mr. Lucky Tu, continues each year to organize scholarships for underprivileged students, winter relief grants, and lunch meal subsidies for disadvantaged students.

Besides being the largest sponsor of the Sheh Fung Good Deed and Wisdom Foundation, every employee at Sheh Fung Screws has made every effort to contribute to the Foundation in their own role and to the best of their ability. They believe that small drops can eventually converge into a big river. Serious cultivation will surely produce beautiful flowers on the wasteland. It is also this earnest and persistent heart that makes us learn "the True Happiness in Goodness and Wisdom".

- Donated 280 residential fire alarms in 2023 to enhance residents' disaster prevention awareness and provide a safer living environment.
- Donated surveillance camera systems to help maintain community security.
- Donated 270 books on the SDGs in 2024 to 15 elementary schools to strengthen underprivileged children's understanding of sustainability, environmental protection, and gender equality.
- Collaborated with Taiwan His Hands Christian Home in 2024 to support child rescue initiatives, enabling disadvantaged children to grow and thrive in a caring environment.
- Sincerely invited the Amitofo Care Centre (ACC) International Organization to visit in 2025. Through cross-border field exchanges, it is hoped to lead African orphanage children to broaden their international perspectives and feel the development potential of industrial technology. Sheh Fung Screws also upholds the original intention of corporate social responsibility, using this



opportunity to deepen public welfare connections and transform corporate influence into practical actions to safeguard lives.

- Donated a total of 255 theme books to 15 elementary schools in 2025. This donation focuses on introducing the concepts of a sustainable environment and gender equality, aiming to bridge resource gaps and enhance underprivileged children's understanding and attention to important contemporary issues.

Public Welfare Activity Name	Amount (NT\$)
Donated Sheh Fung Good Deed and Wisdom Foundation	1,600,000
Donated one-year subscriptions of Global Kids Junior Monthly and Global Kids Monthly, as well as books on the SDGs	180,000
Total	2,400,000



Donation of Firefighting Equipment - Certificate of Appreciation



Donation of Scholarships for Underprivileged Students - Certificate of Appreciation



Donation of Scholarships - Certificate of Appreciation



Donation of Scholarships for Underprivileged Students - Certificate of Appreciation

CERTIFICATE OF APPRECIATION

感謝狀

感謝 財團法人世豐善智慈善事業基金會

在愛中支持兒童保護服務，用恩手托住希恩寶寶的需要，守護他們健康成長！

WE SINCERELY THANK YOU

謹致謝忱

董事長 Chairperson

周林錦 莊
Annie L. Chan

西元 2024 年 05 月 11 日

看顧新生・在愛裡重生 Saving Babies Lives · Rebirth in Christ



Certificate of Appreciation - Taiwan His Hands Christian Home



Photo of the ACC International Organization Visit



Photo of the ACC International Organization Visit

【給孩子一個大未來：世豐善智基金會公益專案】
受贈雜誌 ☐ 未來少年 ☒ 未來兒童 問卷調查 2025.1.10
學校：新陸國小 班級：四年 姓名：吳心慧

1. 您認為《未來兒童》《未來少年》雜誌是否能夠提供學生的閱讀興趣？
☐ 非常同意 ☒ 同意 ☐ 尚可 ☐ 不同意 ☐ 非常不同意
實例分享：
學生在閱讀雜誌時，有更大的興趣時間，學生會主動去尋求未來兒童雜誌，雜誌的內容豐富，內容多，也是吸引學生閱讀的動力。

2. 學生在閱讀雜誌後，是否展現出更多的學習動機或好奇心？
☐ 非常同意 ☒ 同意 ☐ 尚可 ☐ 不同意 ☐ 非常不同意
實例分享：
學生在閱讀雜誌時，會主動去尋求未來兒童雜誌，雜誌的內容豐富，內容多，也是吸引學生閱讀的動力。

3. 您覺得雜誌的內容是否貼近課程學習，能作為教學或延伸討論的輔助？
☐ 非常適合 ☒ 適合 ☐ 不太適合 ☐ 完全不適合
實例分享：
由於內容豐富多樣，因此能適合做閱讀課後的延伸內容，有時在課堂上補充資料時，我們也會選擇的雜誌內容。

4. 學生在閱讀雜誌後，是否更樂於與師長或同學分享所學內容？
☐ 經常如此 ☒ 偶爾如此 ☐ 很少如此 ☐ 幾乎沒有 ☐ 完全沒有
實例分享：
學生在閱讀雜誌時，會主動去尋求未來兒童雜誌，雜誌的內容豐富，內容多，也是吸引學生閱讀的動力。

Book Feedback Questionnaire

【給孩子一個大未來：世豐善智基金會公益專案】
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Book Feedback Questionnaire

學校回饋 六年來贈閱雜誌，學生的閱讀情況分享



瑞芳國小 401 許玉芬老師

感謝世豐善智基金會長期關注孩子的閱讀能力，孩子們除了可以吸取內容裡的知識，更重要的是讓孩子能夠養成自我閱讀的習慣，這習慣是孩子終身受用。



瑞芳國小 403 吳珮嫻老師

感謝世豐善智基金會提供少年兒童供孩子們閱讀，以每日晨讀及小組討論的方式，讓孩子更有好奇心，建立閱讀好習慣，提升更多元的學習動機。



彌陀國小 303 鍾宜凌老師

同學於閱讀課或下課時間常會翻閱未來兒童，分享書中的內容，還會書寫閱讀心得，將書中精采的內容記錄下來，並寫出閱讀後的感想。每當上課提到某些課程，同學會發表在雜誌上看到的相關知識與資訊，與大家分享。



猴硐實小 501 邱佩真老師

雜誌的內容豐富多元，孩子們因喜愛閱讀，經常閱讀而養成閱讀習慣，每一次的專題研究報告重要的資料來源多是雜誌內探討的各個主題，孩子們將蒐集到的資訊整理歸納作成自己的研究報告，對學生而言，這兩份雜誌極為重要。



學校回饋 學生閱讀雜誌的心得與感想

彌陀國小 301 學生

未來兒童的封面故事，讓我學到很多知識，其中我最喜歡看的是第129期的封面故事，因為它的内容關於麵粉，我從故事中了解到原來麵粉可以做成那麼多東西！謝謝世豐基金會送我們這麼好看的書！我每次看未來兒童時，最喜歡封面故事，因為封面故事很好看，也很有趣。從這裡面我學到很多知識。另外，科學100問也很好看，值得閱讀。

梓官國小 105 學生

1. 謝謝您的書，真好。
2. 謝謝您送的書，很有趣。
3. 書本很好看。
4. 謝謝您的書，太有趣了。
5. 我很喜歡。

瑞芳國小 403 學生

小蟻咬如果傷口在小腿附近，蟻咬醫生就會趕緊把傷口擦乾淨避免感染；如果靠近大腿，就會用口器當手術刀咬斷傷肢。他們很團結合作，同伴受傷唯一會幫同伴動手術，而且他們還「看診」，選擇不一樣的治療方式。謝謝世豐善智基金會，贈送我們未來兒童，讓我學到很多東西。



學校回饋

學生閱讀雜誌的心得與感想⁰⁰



新隆國小 五甲 學生

未來兒童讓我學到了很多的動物知識，比如說鰐嘴獸雖然是哺乳類，但是牠們會生蛋！真有趣！～豫恩。

我喜歡未來兒童它讓我學到了穿山甲的魚片很像盔甲保護了牠，讓穿山甲不會受傷。變勝我覺得未來兒童是一本很神奇的雜誌，看了一次就會停不下來，感覺被未來兒童施了魔法，是開心的魔法～以恩。



冬山國小 四愛 學生

我很喜歡看未來兒童，因為它用有趣的方式介紹很多知識。它的圖案也都很好看，補充課本學不到的東西，讓我變得很有趣。每個月我都很期待新的一期未來兒童。謝謝世豐基金會的贊助，讓我們有這麼好的資源。



甲圖國小 五忠 學生

我讀的未來少年的主題是有關於鬼的，大家對於鬼總是懷著敬畏的心，每個人對鬼的定義都不同，我是寧可信其有啦！許多電影都把鬼演的可怕，邪惡，但鬼也是人變的，我認為牠們也有善良的一面。

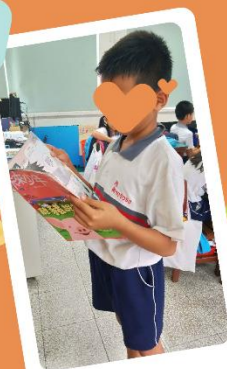


鳳凰國小 圖書館 學生

我很喜歡看未來兒童，有很多內容我都有興趣，我還會問家人文字好好玩的謎題，讓他們也動動腦。看到未來兒童介紹的新書，我也很想看，因為我超級想知道書本裡的故事。謝謝世豐基金會的叔叔、阿姨們贈送雜誌給我們學校，我會好好利用時間去閱讀這些書。

學校回饋

多年來的贈閱，讓孩子可以透過閱讀認識全世界，降低城鄉差距、弭平學習障礙！這是我們最重視的事，也感謝企業夥伴的一路相挺！



學校回饋

五年來贈閱雜誌，學生的閱讀情況分享



新隆國小 六甲 黃吟如老師

學生已養成習慣每當晨讀或課餘時間，由書架上挑選一本「未來兒童」，津津有味的沉浸在知識的國度中，有時看到有趣的內容，還會迫不及待的拿著書跟同學分享呢！自從有了「未來兒童」，孩子的定性較好了，視野也開闊了，感謝世豐基金會的贊助！



彌陀國小 102 林秀娟老師

感謝世豐善智基金會贈閱雜誌，讓3C盛行的現在，還有最新的兒童紙本雜誌放在教室，讓孩子能隨時可以翻看，雖然一年級的孩子大都還不認識國字，但培養閱讀習慣，還是有益的。



冬山國小 二忠 游莉玫老師

學童每每都會期待「未來兒童」的寄來，原因是：
1、題材新穎，總能勾起孩子的興趣。
2、即便是過期的，他們也是樂在其中的沉浸書海。
3、只要從小讓他們接觸本讀物，必能養成生活中的正確觀念。



梓官國小 205 圖書館 黃士芬老師

二年輪替一次不同的學生且新生是從幼兒進入小學的新階段，每每看到一年級時介紹本雜誌，僅有少部份的學生眼睛泛著亮光。到了二年級時，便可看到本雜誌匯聚眾多的目光。

學校回饋《未來兒童》是100%孩子們 閱讀時的首要選擇？



彌陀國小 303 鍾宜凌 老師

閱讀課時，同學非常喜愛閱讀未來兒童，會一起分享書中的內容。



猴硐實小 301 蔡羽筑 老師

未來兒童的字體大小、用字遣詞，算是對3年級的孩子比較好入手閱讀，孩子們都可以達到自己閱讀，而不會造成閱讀困難。



平溪國小 三仁 陳妍蓁 老師

刊物主題多元，能滿足各類學生需求，學生能就自己喜愛或有興趣的主題，進行閱讀；學生能與同學分享自己在書中學習到的知識內容。



學校回饋 長期閱讀雜誌，100%對學生拓展知識有益？



梓官國小 403 蘇蕊雅 老師

在上課過程中，有用心閱讀的孩子，在課堂上分享跟主題相關的資訊給同儕聽，對老師來說也是一種學習。



鳳凰國小 二甲 陳兼樺 老師

對於生活上獲取不到的知識，學生曾經拿雜誌來詢問，並一起討論相關知識點，拓展了學生的更多知識盲區！



猴硐實小 501 邱佩真 老師

雜誌的內容非常豐富多元，上至天文，下至地理，人文社會、動物、植物、自然生態都涵蓋在內，非常適合學生閱讀，增廣見聞。



學校回饋 六年來贈閱雜誌，100%有助於閱讀習慣的培養？



梓官國小 105 黃士芬 老師

雖然一年級新生對未來兒童尚顯陌生，但開學以來可以看到孩子們慢慢地喜歡未來兒童，喜歡閱讀。



鳳凰國小 二甲 陳兼樺 老師

讓偏鄉地區學生能有更多機會去得到新知識，學生在閱讀後能將所學所知分享給家長或班上學生互相去討論。



猴硐實小 301 蔡羽筑 老師

雜誌算是有別於學校課外書籍，不同類別的一種刊物，而且主題多元，孩子早上一到校，做完自己手邊的事，就會想去翻雜誌閱讀，算是開起他們閱讀興趣的動機。



教育推廣成果

學生閱讀雜誌的心得與感想



彌陀國小 302 學生

內容生動有趣，有很多不同的主題，很適合閱讀，感謝世豐基金會的愛心捐書，幫助孩子們學到許多課外知識又可以提高識字量，讓自己變得更喜歡看書了。

梓官國小 303 學生

看完雜誌後我學到了很多東西，像是太陽的秘密，做個溝通好高手等等，我想跟世豐基金會說：謝謝你們給我們這麼好的書。

瑞芳國小 403 學生

謝謝世豐基金會提供這麼好的資源供我們閱讀，內容都用有趣的方式呈現，我們學到很多課本上沒有的知識，每個月都非常期待雜誌的到來。



問卷回饋

<未來兒童>、<未來少年>雜誌是否有效提升學生的閱讀興趣？



雙溪國小 二甲 江佩珍老師

孩子們在閱讀未來兒童時，特別的享受其中的內容，有時候還會看見小朋友哈哈大笑，或是被圖片的顏色或設計等所吸引而發出驚嘆的聲音。引起學生願意拿起雜誌閱讀的動機，喜愛閱讀，就是開啟成長的第一步，如此的重要！



梓官國小 205 黃士芬老師

小朋友在提問時或發表不再空泛，而是具體意像的組織發言，可見未來兒童讓小朋友具一定基礎能力，更進一步擁有的思考素養，而不是隨意胡掰一通。



彌陀國小 202 鄭玉敏老師

提高學生閱讀的動機及興趣，並提升學生的識字量，增進語文的能力，學生會互相邀請共同閱讀<未來兒童>的內容並討論。



教育推廣成果 學生在閱讀雜誌後，是否展現出更多的學習動機或好奇心？

鳳凰國小 全校 陳兼樺老師

會在課餘和老師分享生活中遇到的符號，也能向家長說明什麼是紫外線，對身體有什麼危害，需要怎麼去防護，也希望家長能買防曬乳讓他能在體育課前使用，以免變黑。

雙溪國小 二甲 江佩珍老師

當老師跟全班分享最新一期未來兒童時，孩子們很專心聆聽老師的分享，想要知道最新一期的內容有哪些。

彌陀國小 202 鄭玉敏老師

未來兒童有提到〈昆蟲大變身〉，教室的前面就是花園，小朋友可以依據〈昆蟲大變身〉的內容去對應花園裡的昆蟲，以滿足學生的好奇心。

新隆國小 五甲 林佳敏老師

學生在雜誌中吸收了新知之後，常常提出更多衍生的問題及討論對於好奇心及自主學習很有幫助。



教育推廣成果 學生在閱讀雜誌後，是否更樂於與師長或同儕分享所學內容？

新隆國小 五甲 林佳敏老師

孩子們各自有不同的興趣主題閱讀後喜歡互相分享，甚至也會在聯絡簿中和老師分享。

梓官國小 205 黃士芬老師

下課時，最多的討論就是未來兒童的內容；上課時，小朋友時常發表和課程相關且是雜誌上曾閱讀過的內容。如："我這裡冬天，你那裡是夏天"的主題。

平溪國小 三仁 謝皓衡老師

學生喜歡在下課時間將閱讀完的知識變成謎題，來「考」老師。

雙溪國小 二甲 江佩珍老師

小組分享未來兒童時，孩子們能清楚的表達自己剛剛讀到哪些有趣的內容。



教育推廣成果 雜誌的內容是否貼近課程學習，能作為教學或延伸討論的輔助？

坪林國小 三忠 廖季瑄老師

就SDGS的書籍部分有很多可以跟學生在上課討論或是教材補充。

梓官國小 104 翁麗容老師

2025.9俞嚴苛，愈要團結該主題剛好介紹國王企鵝，可作為校訂課程讀本一國王駕到的輔助教材。

彌陀國小 202 鄭玉敏老師

未來兒童的內容貼近課程的學習，如小朋友分心的問題，可以參考〈我想要專心〉的介紹，分享專心的好處讓分心的學生可以效仿。

新隆國小 四甲 關庭慧老師

由於內容時常會跨領域，因此很適合作為閱讀素養的討論內容。有時在課堂上補充資料時孩子們會興奮的分享自己在未來兒童中有看到。



6 Future Development

Amid intense competition from domestic and foreign industry peers, Sheh Fung Screws continues to enhance production equipment automation and optimize production scheduling as part of its operational management efforts. These initiatives improve production efficiency and delivery time to better meet customer needs. The Company is also accelerating new product and function development projects and continuing to expand into comprehensive solution services.

The Company's Future Development Strategy

Item	Short-term business development plan	Long-term business development plan
Operational strategies	(1) In 2025, the global screw industry faced multiple challenges arising from market competition, regulatory changes, and the overall macroeconomic environment. Low-price competition has become increasingly fierce, placing heavy pricing pressure on Taiwan's screw industry. At the same time, geopolitical crises such as the U.S.–China trade war, the Russia–Ukraine war, and the Israel–Palestine conflict have persisted, showing no sign of easing. In response, the Companies is turning to new markets, new products, and new business areas to boost operational momentum and mitigate the impact of external conditions. (2) Through product innovation, market positioning and other strategies, enhance product competitiveness and market share, and achieve revenue growth and profit improvement. (3) Formulate environmental protection measures, such as reducing energy consumption, optimizing waste management, improving resource utilization efficiency, etc., to reduce the negative impact of the environment. (4) By analyzing the situation of each supply chain, identify and eliminate the bottleneck process, develop new suppliers and coach the original suppliers to upgrade, so as to improve the efficiency of the supply chain. (5) Adopt automatic production technology to reduce labor costs and improve production efficiency and product quality. (6) Expand the international market, actively participate in international competition, increase the market share of products, and explore new marketing channels. (7) Identify and evaluate various internal and external risks, and formulate corresponding risk management measures to reduce the impact of risks on the Company's operations. (8) Conduct in-depth research on different markets, understand local culture, needs and trends, and adjust products and marketing strategies according to the local market environment. (9) Establish standardized processes so that the Company's production processes in different regions can follow the same standards and improve the Company's operational efficiency. (10) Continuously analyze the gross profit of products and improve the cost, so as to create a win-win future for Sheh Fung and customers. (11) Conduct in-depth research on different markets, understand local culture, needs and trends, and adjust products and marketing strategies	(1) By introducing new products or services, expanding product lines, supplemented by product and process certification of international organizations, opening up new market areas to meet the needs of different customer groups. (2) Strengthen the product diversity and competitiveness of Vietnam production base, and reduce the influence of geopolitical risks on order intake. (3) Pay attention to the cultivation of international talents and team building, and establish a team with cross-cultural communication skills and international vision to meet the requirements of the global business environment. (4) Continue to invest in product research and development, technological innovation, constantly enhance the competitiveness of products and services, and attach importance to the protection of intellectual property rights, and apply for product patents to ensure the uniqueness and competitive advantage of research and development results. (5) Pay close attention to market demand and trends, connect with market demand, develop new products and services that meet market demand, and improve market adaptability and competitiveness of products. (6) Expand the market scale: strengthen marketing, expand more potential customer groups, find new sales channels, expand the market scale, and improve brand awareness. (7) Adopt advanced production technology, optimize production process, improve production efficiency, reduce production cost, improve product competitiveness, ensure products meet international standards and customer requirements, strengthen quality management system, detect and control product quality, improve customer satisfaction, and enhance market competitiveness. (8) By increasing production capacity in different regions, improve the Company's product supply, further increase its market share, and reduce the influence of political risks. (9) Strengthen the concept of sustainable management, implement carbon reduction and net zero emission measures, and improve the green degree of products. (10) Promote the optimization of information communication, improve the Company's management and production efficiency, and enhance market competitiveness. (11) Adopt a people-oriented approach to workforce development across the Company, encourage all employees to participate in corporate governance, strengthen employees' sense of identification with the Company, and enhance talent retention through a well-designed incentive system, realizing the vision of

Item	Short-term business development plan	Long-term business development plan
	according to the local market environment. (12) Continuously analyze the gross profit of products and improve the cost, so as to create a win-win future for Sheh Fung and customers. (13) Strengthen the management of working capital, strengthen financial management and capital flow monitoring, ensure sufficient and reasonable use of funds, and allocate the capital demand required by market changes with sound financial allocation. (14) Foster a team-based operating model to enhance alignment and collaboration across departments, while cultivating T-shaped talents capable of working across multiple functions.	sustainable growth, shared prosperity, and mutual benefit.
Operational management and financial planning	(1) To support its future operational development, the Company will make overall plans for the allocation of company resources through sound financial planning and operational management to maximize their overall effectiveness. (2) Maintain good relationships with correspondent financial institutions, master the pulse of the financial market, flexibly allocate funds, improve financial operation performance, and reduce interest expenses.	(1) Establish a sound management system, implement the Company's business philosophy, shape an excellent corporate culture, and realize the vision of sustainable management. (2) Leverage diversified financing channels in the capital market to strengthen the Company's financial structure and overall resilience, cultivate long-term development strength, expand the management team in line with the growth of operations, and enhance the Company's visibility and corporate image.
Product strategies	(1) Maintain cooperation with customers to develop customized products, and propose competitive solutions that are ahead of peers. (2) Help to enhance the value and innovation of customized products. (3) Reduce the operational risk of products, strengthen the development principle of product line balance, and enhance the value of products.	(1) Enhance the leading position in technology and strengthen the research and development of key technologies. (2) Integrate related technologies, expand product line breadth, and deepen technical level. (3) Focus on customers' core products and provide value-added services.
Marketing strategies	(1) Strengthen the existing customer service and play the role of long-term strategic partner. (2) Develop new markets and customers, and establish partnerships in marketing channels. (3) Improve market share and profit. (4) Provide one-stop shopping service to simplify the customer's workflow and burden. (5) Strengthen online visibility and print advertising efforts. (6) Following the reopening of borders, resume participation in international exhibitions and customer visits, increase opportunities for face-to-face engagement, and maintain strong customer relationships.	(1) Strengthen the competitiveness in the international market and enhance strategic cooperation with international customers. (2) Create new market demand and strengthen communication and cooperation with strategic partners. (3) Strengthen the ability of market analysis, gain insight into opportunities, provide better services to customers, and establish long-term and loyal partnerships. (4) Enhance technical capabilities, serve as a problem-solving partner for customers, and jointly develop niche markets. (5) Strengthen the link with customer information flow, and reduce the operation delay caused by national boundaries and time difference through real-time transparent databases. (6) Collect customer and transaction information, and find the target customer through data analysis. (7) Expand into new businesses and new application fields, and diversify operations.



Short-term, Medium-term and Long-term R&D Objectives of Sheh Fung Screws

The Company's future research and development direction is moving towards products with higher technical threshold, and it is expected to obtain higher profits through the development of new products. The future research and development direction is:

 Short-term goal	A. Continue developing ICC-certified construction screws and other large-size carbon steel stainless steel long screws for ICC certification. B. Develop diamond tip construction screws. C. Develop Sheh Fung's patented composite board screws using stainless steel 305 material. D. Develop sample of racing tip self-drilling screws. E. Enhance trivalent iridescent passivation technology for electroplating. F. Upgrade equipment and improve quality in the coating process, and add a manual coating line to reduce the amount of paint required for each batch. G. Improve heat treatment processes, install electrostatic oil mist treatment, and reduce waste generation for carbon reduction in manufacturing.
 Medium-term goal	A. Continue developing automotive fasteners and optimize production quality stability. B. Develop collated fastener strips for power tools. C. Develop multi-stroke, multi-station formed products.
 Long-term goal	A. Develop specialized anti-crack screws for premium European hardwood. B. Develop extra-long and large-diameter self-drilling screws.



7 Appendix

Appendix I: Verification Statement



保證聲明書

致: **世豐螺絲股份有限公司** 的管理階層與利害關係人

優麗國際管理系統驗證股份有限公司(DQS) 接受**世豐螺絲股份有限公司(世豐)** 委託, 依據AA1000AS v3 2020保證標準與GRI永續性報導準則 (GRI通用準則2021) 執行**世豐**2025年度永續報告書保證(以下稱永續報告書)。

此次保證的目的是除了對有關報告書報導流程做出獨立性結論, 並對報告書質化與量化的驗證聲明, 以減少利害關係人的誤解, 提高報告資訊數據的整體可信度。

聲明書範疇及依循標準

DQS永續報告書之保證作業, 根據AA1000AS v3 2020保證標準及全球永續性標準理事會(GSSB)發布的GRI永續性報導準則(GRI通用準則2021)執行。

本聲明書包含下列:

- 1) 依照當責性原則AA1000AP 2018年版本包容性、重大性、回應性與衝擊性的相關準則, 衡量**世豐**的永續性框架。
- 2) **世豐**的經濟、環境與人群(包括人權)指標報告; 此永續報告書所涵蓋的活動年度自 **2025 年 1 月 1 日** 到 **2025 年 12 月 31 日**。
- 3) 報告書範疇:
 - 財務數據與公司年報合併財務範疇一致。
 - 環境及社會面向之資訊績效, 以**世豐**台灣廠區為揭露範疇。
- 4) **世豐**負責發行、回應、績效數據、案例研究及下列管理永續發展相關數據與資訊系統相關的資訊。
- 5) 本報告書乃**參考 GRI 通用準則 2021** 版本編製並宣告。

保證等級

依照AA1000AS v3 2020保證標準**第一應用類型**, 中度保證等級的要求。

限制性

本保證的內容不包含**世豐**的**財報數據來源、溫室氣體盤查、建築物設備與製造流程或其他不涉及永續性的資訊等**。

獨立聲明與保證單位的職能

DQS集團是一個提供基於GRI、CDP及其他特定管理與報導機制的獨立專業服務機構, 與**世豐**為相互獨立的組織, 在執行永續報告書保證時並無與**世豐**或利害關係人利益衝突。關於**世豐**的永續報告書, DQS除了對報告書保證事實報告書內的資料蒐集、分析、彙整與呈現由**世豐**負責, DQS執行此項報告保證作業的責任係依據與**世豐**議定之範疇及參數準則規定, 保證的委任範圍係乃**參考GRI** 準則為依據, 該報告書內所提供之數據與資訊, 做出聲明外, 不負有或承擔任何有關法律或其他之責任。

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DQS集團確保保證團隊擁有所需的能力，在整個參與過程中保持中立，並遵守道德規範。更多資訊，包括公正聲明，請參閱DQS公司網站: www.dqsglobal.com

保證方法

本次保證所採用的保證規範乃參考AA1000AS v3 2020年版本及DQS所發展的方法如以下步驟:

1. 鑑別報告書所陳述的內容與資料，根據相關資料提供者和保證過程所需的證據類型進行分類。
2. 審查永續報告書的重大議題的鑑別，乃依照程序文件適當揭露。
3. 與世豐位於高雄市彌陀區文安路東段180號的主要相關經理及資訊提供者面談。
4. 評估收集到的資料並提供建議，以供在需要時立即修正，或改善將來報告書內容。

意見聲明

包容性 - 人們應在影響到他們的決定中擁有發言權。

世豐利害關係人鑑別和議合過程，世豐的利害關係人鑑別應採用有系統的方法論，且應定期對各類利害關係人進行深度與廣度的議合，關注的議題收集將更具全面性。

重大性 - 決策者應識別並清楚明白重要的永續發展議題。

世豐報告中所包含的永續性資訊，已完整納入本報告書範疇內，涵蓋所有與永續議題相關的永續績效指標。世豐未來的報告書應加強供應鏈盡職調查與監督的深度與廣度的揭露。

回應性 - 組織應就重大性永續發展議題及其相關衝擊上採取透明的行動。

世豐對其鑑別為重大的議題雖做出回應，但在訂立重大議題的中長期可量測目標時，在未來報告書應更聚焦相對應的主題準則。

衝擊性 - 組織應對其行為如何影響更廣泛的生態系統進行監測、衡量和問責。

世豐採用參考GRI準則進行績效指標揭露，透過系統有效監控與評估其在經濟、環境與人群(包括人權)領域各項影響執行狀況，但在相關生態影響及對應措施應多所揭露。

結論

基於上述保證的活動，依據AA1000AS v3第一應用類型中度保證的條件，DQS保證團隊沒有發現到任何在本次保證業務範圍內的揭露訊息存在重大錯誤。收集和整合資料的過程已完成本次獨立保證。

代表保證團隊

DD.MM, 2026

Taiwan





Bob Chen
Managing Director

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document no.: TF-0064

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Appendix II: GRI Sustainability Reporting Standards (GRI Standards) Chart

Statement of Use	Sheh Fung Screws Co., Ltd. has reported in accordance with the GRI Standards for the period from January 1, 2025 to December 31, 2025. Information is referenced in the GRI Content Index.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	N/A

"*" indicates a material topic

GRI Standard Category / Topic	No.	GRI Disclosure	Corresponding Section	Page No.	Omission / Remarks
1. The organization and its reporting practices					
GRI 2: General Disclosures 2021	2-1	Organizational details	2.1.1 Company Overview		
	2-2	Entities included in the organization's sustainability reporting	About this Report		
	2-3	Reporting period, frequency and contact point	About this Report		
	2-4	Restatements of information	About this Report		
	2-5	External assurance / confirmation	About this Report		
2. Activities and workers					
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	2.2 Business Development		
	2-7	Employees	4.1.1 Manpower Structure		
	2-8	Workers who are not employees	4.1.1 Manpower Structure		
3. Governance					
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	2.1.4 Company Organizational Structure		
	2-10	Nomination and selection of the highest governance body	2.3.2 Governance Structure		
	2-11	Chair of the highest governance body	2.3.2 Governance Structure		
	2-12	Role of the highest governance body in overseeing the management of impacts	2.3.2 Governance Structure		
	2-13	Delegation of responsibility for managing impacts	2.3.2 Governance Structure		
	2-14	Role of the highest governance body in sustainability reporting	2.3.2 Governance Structure		
	2-15	Conflicts of interest	2.3.2 Governance Structure		
	2-16	Communication of critical concerns	2.3.2 Governance Structure		
	2-17	Collective knowledge of the highest governance body	2.3.2 Governance Structure		
	2-18	Evaluation of the performance of the highest governance body	2.3.2 Governance Structure		
	2-19	Remuneration policies	2.3.2 Governance Structure		
	2-20	Process to determine remuneration	2.3.2 Governance Structure		
	2-21	Annual total compensation ratio	Salary information is confidential and will not be disclosed.		
4. Strategy, policies and practices					
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	Message from the Chairman		
	2-23	Policy commitments	2.3.1 Sustainable Development Strategy		
	2-24	Embedding policy commitments	2.3.1 Sustainable Development Strategy		
	2-25	Processes to remediate negative impacts	2.3.1 Sustainable Development Strategy		
	2-26	Mechanisms for seeking advice and raising concerns	1.3 Communication Channels		
	2-27	Compliance with laws and regulations	2.7 Compliance with Laws and Regulations		
	2-28	Membership associations	2.1.5 Participation in External Organizations		

5. Stakeholder engagement					
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	1.1 Identification and Communication of Stakeholders		
	2-30	Collective bargaining agreements	There is no established labor union, hence no collective bargaining agreements are signed.		
GRI 3					
GRI 3: Material Topics 2021 Management Approach	3-1	Process to determine material topics	1.1 Identification and Communication of Stakeholders		
	3-2	List of material topics	1.2 Identification of Material Issues		
*Operational and financial performance					
GRI 3: Material Topics 2021 Management Approach	3-3	Management of material topics	2. Sustainable Management		
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	2.1.3 Operational Performance		
	201-3	Defined benefit plan obligations and other retirement plans	4.1.5 Employee Benefits		
	201-4	Financial assistance received from government	2.1.3 Operational Performance		
*Energy and greenhouse gas emissions (*Energy management and *fuel economy and emissions)					
GRI 3: Material Topics 2021 Management Approach	3-3	Management of material topics	3. Sustainable Environment		
GRI 302: Energy 2016	302-1	Energy consumption within the organization	3.2 Energy Management		
	302-3	Energy intensity	3.2 Energy Management		
	302-4	Reduction of energy consumption	3.2 Energy Management		
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	3.3 Greenhouse Gas Management		
	305-2	Energy indirect (Scope 2) GHG emissions	3.3 Greenhouse Gas Management		
	305-4	GHG emissions intensity	3.3 Greenhouse Gas Management		
	305-5	Reduction of GHG emissions	3.3 Greenhouse Gas Management	-	
	305-6	Emissions of ozone-depleting substances (ODS)	3.5.1 Prevention and Control of Air Pollution		
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.5.1 Prevention and Control of Air Pollution		
*Supplier management					
GRI 308: Supplier Environmental Assessment 2016 Topic-specific Disclosures	3-3	Management of material topics	2.5 Supply Chain Management		
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	2.5 Supply Chain Management		
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	2.5 Supply Chain Management		
	308-2	Negative environmental impacts in the supply chain and actions taken	2.5 Supply Chain Management		
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	2.5 Supply Chain Management		
	414-2	Negative social impacts in the supply chain and actions taken	2.5 Supply Chain Management		
*Occupational health and safety (*Employee health and safety)					
GRI 3: Material Topics 2021 Management Approach	3-3	Management of material topics	4. Friendly Workplace		
GRI 403: Occupational Safety and Health 2018	403-1	Occupational health and safety management system	4.3 Occupational Safety and Health		
	403-2	Hazard identification, risk assessment, and incident investigation	4.3 Occupational Safety and Health		
	403-3	Occupational health services	4.3 Occupational Safety and Health		
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.3 Occupational Safety and Health		
	403-5	Worker training on occupational health and safety	4.3 Occupational Safety and Health		
	403-6	Promotion of worker health	4.3 Occupational Safety and Health		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3 Occupational Safety and Health		
	403-8	Workers covered by an occupational health and safety management system	4.3 Occupational Safety and Health		
	403-9	Work-related injuries	4.3 Occupational Safety		

	403-10	Work-related ill health	and Health 4.3 Occupational Safety and Health		
*Talent development and training					
GRI 3: Material Topics 2021 Management Approach	3-3	Management of material topics	4. Friendly Workplace		
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	4.2 Cultivation and Development		
	404-2	Programs for upgrading employee skills and transition assistance programs	4.2 Cultivation and Development		
	404-3	Percentage of employees receiving regular performance and career development reviews	4.1.4 Performance Management		
GRI 413: Local Communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities	5. Social Care		

Custom Topic					
*Corporate governance and integrity					
GRI 3: Material Topics 2021 Management Approach	3-3	Management of material topics	2. Sustainable Management		
	205-1	Operations assessed for risks related to corruption	2.3.3 Moral values and honest management		
	205-2	Communication and training about anti-corruption policies and procedures	2.3.3 Moral values and honest management		
	205-3	Confirmed incidents of corruption and actions taken	2.3.3 Moral values and honest management		
*Customer service management					
GRI 3: Material Topics 2021 Management Approach	3-3	Management of material topics	2. Sustainable Management		



Appendix III: Sustainability Disclosure Topics and Metrics (SASB)

Comparison Table

(Resource Transformation_Industrial Machinery & Goods)

Disclosure Topic	Code	Metric	Category	Corresponding Chapter	Page No
Energy Management	RT-IG-130a.1	Total energy consumption, share of grid electricity, share of renewable energy	Quantitative	Total energy consumption: 75,749.3697 GJ Share of grid electricity: 57.98% Share of renewable energy: 7.27%	
Labor Health and Safety	RT-IG-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees	Quantitative	Recordable incident rate: 0% Fatality rate: 0% Near-miss frequency rate: 0%	
Fuel Economy & Emissions in Use-phase	RT-IG-410a.1	Sales-weighted fuel efficiency of medium and heavy-duty vehicle fleets	Quantitative/ Liter per 100 ton-kilometers	Screw and fastener manufacturing industry, therefore not applicable.	
	RT-IG-410a.2	Sales-weighted fuel efficiency of non-road equipment	Quantitative/ Liters per hour	Screw and fastener manufacturing industry, therefore not applicable.	
	RT-IG-410a.3	Sales-weighted fuel efficiency of stationary generators	Quantitative/ Kilojoules per liter	Screw and fastener manufacturing industry, therefore not applicable.	
	RT-IG-410a.4	Sales-weighted emissions of (1) nitrogen oxides (NOx) and (2) particulate matter (PM) from (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium and heavy-duty engines, and (d) other non-road diesel engines ¹	Quantitative/ Grams per kilojoule	Screw and fastener manufacturing industry, therefore not applicable.	
Material Sourcing	RT-IG-440a.1	Description of risk management related to the use of key materials	Discussion and analysis/Not applicable	- The Company classifies "wire" as a key material. - To address supply disruption risks caused by geopolitical and climate change factors, the Company actively implements a "local procurement strategy," prioritizing the procurement of	

				materials from Taiwan's China Steel Corporation to ensure supply resilience. 3. Strictly implement supplier management to ensure that key materials do not contain conflict minerals.	
Remanufacturing Design and Services	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services ²	Quantitative/Reporting currency	Screw and fastener manufacturing industry, therefore not applicable.	
Activity Metrics					
Number of Production Units	RT-IG-000.A	Number of units produced by product category	Quantitative/Quantity	Shipment volume: 19,195 metric tons	
Number of Employees	RT-IG-000.B	Number	Quantitative/Quantity	Number of employees: 290	
Notes: 1. For RT-IG-410a.4, entities should discuss how they manage risks and opportunities related to fleet fuel economy and emissions. 2. For RT-IG-440b.1, disclosures should include a discussion of efforts to acquire end-of-life products and components for remanufacturing.					

Appendix IV: Sustainability Disclosure Indicators – Steel Industry

+	Indicator	Indicator Type	Annual Disclosure	Unit	Remarks
1	Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy/total energy), and total self-generated and self-use energy (Note 1)	Quantitative	Total energy consumption: 75,749.3697 GJ Percentage of purchased electricity: 57.98% Utilization rate of renewable energy and total self-generated energy for self-use: 7.27%	Gigajoules (GJ), percent (%)	
2	Total fuel	Quantitative	Total fuel consumption: 27,981.2839 GJ	Gigajoules, percent (%)	



	consumption, percentage of coal, percentage of natural gas, and percentage of renewable fuels		Percentage of coal: 0% Percentage of natural gas: 36.94% Percentage of renewable fuels: 0%		
3	Total water withdrawn and total water consumption	Quantitative	Total water withdrawal: 69,369 thousand m ³ Total water consumption: 22,233 thousand m ³ Total water discharge: 47,136 thousand m ³	Thousand cubic meters (1,000 m ³)	
4	Total waste generated, percentage of hazardous waste and percentage recycled	Quantitative	Total waste generated: 354.42 metric tons Percentage of hazardous waste: 22.34% Percentage of hazardous waste recycled: 100%	Metric tons (t), percent (%)	
5	Number of employees in and rate of occupational accidents	Quantitative	Number: 0; Rate: 0%	Percentage (%), number	
6	Production by product category	Quantitative	19,195 metric tons	Varies by product type	

Appendix V: Climate-related Information of OTC Companies

Risks and opportunities posed by climate change to the Company and relevant countermeasures taken by the Company.		Corresponding Chapter		Page No.
1.	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	2.6	Risk Management	
2.	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	2.6	Risk Management	
3.	Describe the financial impact of extreme weather events and transformative actions.	2.6	Risk Management	
4.	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	2.6	Risk Management	
5.	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	-		-
6.	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and goals used to identify and manage physical risks and transition risks.	-		-
7.	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	-		-
8.	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	-		-
9.	Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below)	3.3	Greenhouse Gas Management	





1-1 The Company's Greenhouse Gas Inventory and Verification for the Most Recent Two Years

Specify the greenhouse gas emissions (metric tons of CO₂e), intensity (metric tons of CO₂e per NT\$ million), and data coverage for the most recent two years.

The Company introduced the ISO 14064-1 greenhouse gas organizational inventory in 2021. This process includes identifying emission sources, establishing activity intensity data and emission data, and formulating relevant management procedures to calculate greenhouse gas emissions. In 2025, the total GHG emissions amounted to 7,502.7663 metric tons of CO₂e for the parent company and 3,074.9749 metric tons of CO₂e for the subsidiaries. The Company continues to plan and implement energy-saving equipment and process improvements to reduce carbon dioxide emissions, demonstrating its commitment to energy conservation and contributing to global sustainability.

		2024			2025		
		Emissions (tCO ₂ e)	Operating revenue (NT\$ million)	Intensity (tCO ₂ e/NT\$ million)	Emissions (tCO ₂ e)	Operating revenue (NT\$ million)	Intensity (tCO ₂ e/NT\$ million)
Parent company	Scope 1: Direct Greenhouse Gas Emissions	1,813.4363	2,322.4757	0.7808	1,719.7286	1952.4232	0.8808
	Scope 2: Indirect Greenhouse Gas Emissions	7,308.1737	2,322.4757	3.1467	5,783.0377	1952.4232	2.9620
	Scope 3: Other Indirect Emissions (tCO ₂ e)	-	-	-	-	-	-
	Total Emissions / Subtotal	9,121.6100	2,322.4757	3.9275	7,502.7663	1952.4232	3.8428
Subsidiaries	Scope 1: Direct Greenhouse Gas Emissions	71.3501	2,322.4757	0.0307	80.0315	120.0722	0.6665
	Scope 2: Indirect Greenhouse Gas Emissions	1,692.2982	2,322.4757	0.7286	2,994.9434	120.0722	24.9428
	Scope 3: Other Indirect Emissions (tCO ₂ e)	-	-	-	-	-	-
	Total Emissions / Subtotal	1,763.65	2,322.4757	0.759	3,074.9749	120.0722	1.4837
Parent + Subsidiaries (Total)		19,926.8683	2,322.4757	4.687	10577.7412	2072.4954	5.1039

Note 1: Direct emissions (Scope 1, which comes directly from the emission sources owned or controlled by the Company), indirect emissions of energy (Scope 2, which comes from the indirect greenhouse gas emissions caused by the input of electricity, heat or steam) and other indirect emissions (Scope 3, which comes from the emissions arising from the Company's activities, other than indirect emissions of energy, from sources owned or controlled by other entities).

Note 2: The coverage of data on direct emissions and indirect energy emissions shall be handled according to the time schedule stipulated in Article 4-1, Paragraph 2 of the Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies (hereinafter referred to as these Measures), and other indirect emissions information may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standard: ISO 14064-1, issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions may be calculated based on revenue (NT\$ million).



1-1-2 Greenhouse Gas Assurance Information

Describe the assurance status for the two most recent years, including the assurance scope, assurance institutions, assurance criteria and assurance opinions.

Beginning in 2025, Sheh Fung Screws expanded the scope of its greenhouse gas inventory and assurance to include its subsidiary. By March 10, 2026, the external assurance report for the greenhouse gas inventory was completed, conducted by KPMG Taiwan. The inventory identifies direct and indirect greenhouse gas emission sources within the operational scope to meet the carbon disclosure requirements of customers and other stakeholders.

Note 1: It shall be handled in accordance with the time schedule specified in Article 4-1, Paragraph 3 of these Measures.

Note 2: A certification institution shall comply with the relevant provisions of the sustainability report certification institution formulated by Taiwan Stock Exchange Corporation and the Taipei Exchange.

Note 3: For the disclosure, please refer to the best practice reference example on the website of Corporate Governance Center of Taiwan Stock Exchange.

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

Greenhouse Gas Reduction Targets

In terms of climate change mitigation, the Company takes greenhouse gas emissions per unit revenue as the main key indicator for quantitative evaluation, and sets indicators such as the proportion of renewable energy use, electricity consumption per unit revenue and water consumption per unit revenue.

Achievement of Emission Reduction in 2025

In line with national energy conservation goals, Sheh Fung Screws has continued to invest in a range of energy-saving initiatives and equipment for carbon reduction, pollution control, and resource reuse. The Company has also optimized its digital energy management platform, implemented comprehensive energy inventories, and ensured the efficient use of all energy consumption. Since 2019, these efforts have resulted in total energy savings of 466,687.85 kWh, a reduction of about 220.283 metric tons of carbon dioxide emissions.

- A total of 2,554 kWh of electricity was saved in 2025.
- Since 2019, a cumulative total of 468,687.85 kWh of electricity has been saved, equivalent to a reduction of approximately 1,687.28 GJ in energy consumption and about 220.283 metric tons of CO₂ emissions.
- In 2025, the total water withdrawal amounted to 69.369 million liters, representing a decrease of 1.396% compared with 2024.
- In 2025, the parent company's total greenhouse gas emissions amounted to 7,502.7663 metric tons of CO₂e, a reduction of 1,618.8437 metric tons compared with 2024.

Note 1: It shall be handled in accordance with the time schedule specified in Article 4-1, Paragraph 4 of these Measures.

Note 2: The base year shall be the year for which the greenhouse gas inventory has been completed based on the consolidated financial reporting boundary. For example, pursuant to Article 4-1, Paragraph 2 of these Measures, a company with paid-in capital of NT\$10 billion or more is required to complete the greenhouse gas inventory for its 2024 consolidated financial reporting boundary in 2025. Accordingly, its base year shall be 2024. If a company completes the inventory for its consolidated financial reporting boundary ahead of schedule, it may use that earlier year as the base year. Base-year data may be calculated using data from a single year or the average of multiple years.

Note 3: For the disclosure, please refer to the best practice reference example on the website of Corporate Governance Center of Taiwan Stock Exchange.





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