Sustainability
Policy and Goal

- Policy: Our development framework originated from the United Nations SDGs (Sustainable Development Goals). In addition to cultivating 17 development goals in the corporate culture, the 15th item "protects, maintains, and promotes the sustainable use of terrestrial ecosystems" Managing forests, combating desertification, ending and reversing land degradation, and curbing the loss of biodiversity" is the focus of our diligent efforts in product development/raw material procurement/process optimization
Our sustainable development achievements and goals

- **Goal executed**
  1. Pass FSC certification
  2. Pass OEKO-TEX certification
  3. Passed LCA product life cycle carbon footprint inspection
  4. Recycled cotton introduction experiment
  5. Executive peace plan
  6. Solar power generation construction in the factory
  7. Equipment energy-saving frequency conversion modification
  8. Donate community fire alarm devices to assist in holding firefighting meetings
  9. Donate masks and charity groups

- **Recyclable raw materials account for more than 50% of the total**
- **Solvent recovery rate is over 99%**
- **Cellulose Develope**
- **The origin of the raw material complies with the limit of the risky forest**
- **Cost down consumption of electric and steam**
- **Participate in forest protection activities**
- **Assess the sustainability of major suppliers**
- **Assess the risk of major suppliers’ origin**
- **Recyclable raw materials account for more than 50% of the total**
- **Recyclable raw materials account for more than 70% of the total**
- **Wastewater emission reduction, the target is reduced by 20%**
- **Ensure sustainable consumption and production models**
- **Recyclable raw materials account for 100%**
- **Participate in forest protection activities**
- **Assess the sustainability of major suppliers**
- **Recyclable raw materials account for 100%**
• Purchasing policy: We hope that any raw materials we purchase will not affect the sustainable development of the earth’s forests. Therefore, in the supplier evaluation, the supplier’s wood source will be listed as the focus of the score, based on including but not limited to Canopy Forest Mapper, joining FSC Certification, continue to increase the proportion of recycled raw materials added, our policy is in line with the United Nations Sustainable Development Goals.

• The scope of our responsible procurement includes: supplier safety and environment, legal compliance, ethics, human rights and fair wages related risk management. We hope that our supplier partners will move towards the goal of sustainable development together.

• We are committed to procuring pulp from sustainable sources and adding recycled raw materials. Therefore, suppliers are prohibited from purchasing under the pulp raw material procurement regulations:
  - Illegally harvested timber
  - Wood from high conservation value forests
  - Timber harvested in ancient and endangered forests or habitats of endangered species
  - Timber harvested in violation of traditional and human rights
Supplier Code of Conduct: Our Supplier Code of Conduct aims to have a positive impact on sustainable practices throughout the value chain. Suppliers should fully understand the requirements of this Supplier Code of Conduct.

- human rights
- EHS environment, health and safety
- Laws and regulations
- Business ethics

Acegreen requires the pulp we purchase to be FSC certified or from recycled Next Generation alternative sources. Our goal is to maximize the recycled cotton content of the pulp we purchase and strive toward FSC forest management certified fiber for pulp we cannot source from recycled cotton. In addition to ensuring that it does not come from endangered, high conservation value or protected forests, we also continue to increase the addition of recycled materials.
We have the world's leading solvent-based long-fiber fiber mass production method, and cultivated an excellent production team based on this leading technology, and continue to optimize and improve continuously, improve product quality and yield, and continue to pursue the improvement of solvent recovery rate. Provide high-quality environmentally friendly materials with the most environmentally friendly production methods.
Process: Our excellent production team improves the environmental protection of the process under continuous optimization

Solvent recovery rate: The most important thing in the solvent method is the treatment of solvents. Through our recycling and regeneration process, we can achieve the environmental protection result of solvent reuse.


- Continuous improvement project
- Energy-saving production: reduce steam consumption in the process and reduce water consumption in the process
- Tests for the introduction of recycled cotton, and tests for increasing the proportion of recycled cotton
Features of GreenCell:

- It has the high strength and wrinkle resistance of synthetic fibers, and at the same time has the high moisture absorption and affinity of cellulose fibers, and has silk-like luster.

- The smooth fabric surface has high reflectivity and absorbs less radiant heat energy. It is suitable for summer clothing fabrics with a smooth outer surface and has better cooling and comfort.

**Raw material selection:**

- Properly managed farming forests
- Cellulose raw material with FSC certification
- Not cause environmental impact

**Manufacturing:**

- The cellulose is directly dissolved in a non-toxic solvent for spinning
- Recycling and reuse of solvent extracted with water
- Reduce the impact of chemicals on the environment

**Performance:**

- Good air permeability and perspiration, can quickly absorb sweat on human skin, and restore body temperature to a normal state
- The pH value is not irritating to the skin, and has a strong affinity for the skin, which meets the needs of human health
- Antistatic, no free charge, reduce the irritation of clothes to the human body

**Biodegradable:**

- Naturally
- Product is compostable
Partners—create a sustainable future together

• We believe that: Only all partners in the value chain work together for a win-win situation, not just based on transactions or contract-based relationships, is the strategic goal of our company's long-term development.

• Partners in the value chain include suppliers, employees, channels, consumers, communities, and investors. By understanding each other’s expectations and obligations, we can establish a meaningful, long-term and mutually beneficial partnership.

• Therefore, interaction with partners in the value chain is one of the key aspects of the partnership. After fully establishing the relationship of trust, communication, transparency and regular participation, it forms the foundation of our value chain system.

• The goal of sustainable development is not only a challenge for us, but a great challenge for partners at all stages of the entire value chain. Therefore, we are willing to share and develop solutions with all partners, especially for the protection of natural resources, Energy saving and carbon reduction, environmental protection, promotion of working environment, etc., while achieving the above principles, create profits at the same time.
Social Responsibility

- Maintaining the safety and health of the factory and the surrounding communities is our constant first priority.
- Protect human rights, work rights, gender equality rights, and avoid workplace bullying, and avoid discrimination based on race/religion/nationality/political party/disability, etc.
- Create more employment opportunities for local communities and provide sustainable livelihoods to improve and enhance local living standards.
- Donate to regional cultural activities (such as Ershui Township Water Running Festival, etc.), donate to various charitable organizations, and assist the local fire protection system (community family alarm system, etc.).
- Establish a labor union to maintain good and smooth communication between the company and employees.
- Comply with the government's various labor policies.
All the Pulp of Acegreen are certified for FSC CoC as below.

<table>
<thead>
<tr>
<th>Certification System</th>
<th>Facility Name</th>
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<tbody>
<tr>
<td>Forest Stewardship FSC CoC</td>
<td>Domsjö Fabriker, Sweden (FSCC124657)、Oji Paper Co., LtdSGSHK-COC-002027</td>
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Statement of support for Conservation and Canopy

Acegreen is committed to conserving the world’s Ancient and Endangered Forests. We work collaboratively with Canopy and the brand partners of the CanopyStyle Initiative to reduce our impact on forests and to eliminate fibre from Ancient and Endangered Forests and other controversial sources. In cooperation with Canopy, we support the large-scale conservation of Ancient and Endangered Forests, and robust plans to ensure that species, ecosystems, the climate and communities are safeguarded. As members in good standing of the Initiative, we have developed a procurement policy with Canopy (http://www.acegreen.com.tw/upload/files/20201030.pdf), have conducted our CanopyStyle (http://www.acegreen.com.tw/news/news_page_detail-365) audit and transparently publish our list of suppliers. Our goal is to continuously reduce our impact on forests globally. We are also working to displace forest fibres in our products with low impact next generation fibres made from recycled cotton.