

2024

永續報告書

Sustainability Report

2024 Baolong Intl.

寶隆國際 股份有限公司

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Message from the Chairman

We have been focusing on the distribution and agency of industrial paper for a long time. As the global e-commerce market rapidly expands, demand for logistics and packaging has increased significantly, driving growth in the paper market for cardboard boxes. The market still holds development potential in the future.

Looking back at 2024, despite ongoing geopolitical risks, the global economy maintained growth, driven by easing global inflationary pressures and improvements in the labor markets of major economies. The annual economic growth rate reached 3.2%. In terms of export markets, export demand has rebounded since the fourth quarter, leading to a stable recovery in carton prices and demand. However, the recovery in the third quarter was not as strong as expected. Annual sales volume decreased by 1.7% compared to last year, and annual revenue reached NT\$3.212 billion, a decrease of NT\$180 million from 2023. Gross profit also declined slightly due to the slowdown in export demand, with annual gross profit reaching NT\$240 million and operating income of NT\$6.92 million. Despite this, benefiting from non-operating income of NT\$29,638 thousand, the final net income reached NT\$37.75 million, with basic earnings per share of NT\$0.25, maintaining steady profitability.

Looking into 2025, as major economies in the U.S. and Europe potentially enter an interest rate cutting cycle, this is expected to drive a rebound in global consumption and investment. The development of e-commerce and emerging technologies – such as AI and big data – will further expand logistics demand, contributing to growth in the paper box market and positively impacting the Company's operations. The Company is expected to continue to benefit from the market opportunities brought by the growth of e-commerce, thanks to its deep cultivation in the industrial paper sector and solid foundation over the years.

Baolong also cares about its environmental and social responsibility. In terms of the environment, the Company adheres to the principles of energy conservation, carbon reduction, and resource recycling, promoting upgrades to energy-saving facilities and the recycling and reuse of waste paper to minimize its environmental impact during operations. In terms of society, Baolong values its connection with local communities and continuously participates in charitable activities, providing its former paper mill as a venue for road running events. We hope to give back to society through concrete actions and create a sustainable development model of mutual prosperity between the enterprise, the environment, and

Baolong International Co., Ltd. Chairperson, Fu-Yuan



Editing Policy

Baolong International Co., Ltd. (hereinafter referred to as "Baolong") explains to stakeholders through the issuance of the 2024 Sustainability Report (hereinafter referred to as "the Report") the Company's actions and performance in ethical governance, green environmental protection, and social engagement. We hope that stakeholders will continue to pay attention and offer valuable advice to help the Company make significant strides towards sustainable business practices.

ESG Information Disclosure

Disclosure Category	Scope of Coverage
Period	2024 Full Year
Restatements of information	There are no restatements of information in this report.
Operating Locations	Taiwan
Financial data	Consistent with the data of the consolidated (or individual) financial statements.
Environmental safety and health data	Taiwan
Employee data	Taiwan

Basis of preparation and information confirmation method

- The report's framework is based on the Global Reporting Initiative (GRI) Standards 2021, as published by the Global Reporting Initiative (GRI).
- The financial data disclosed in this report has been audited and certified by a CPA firm in accordance with the International Financial Reporting Standards (IFRS), with units in thousands of New Taiwan Dollars. Data regarding environmental protection, employees, and occupational safety is self-compiled and aggregated by the responsible departments and confirmed by department heads, presented using internationally accepted indicators.
- In order to improve the quality of the report's disclosure, we have commissioned Reanda International to provide limited assurance for certain information in this report, in accordance with Assurance Standard No. 3000, "Assurance Engagements for Historical Financial Information." Please refer to the appendix of this report for the limited assurance report.

Frequency of issuance

- Issued once a year.
- Date of publication: August 2025.
- Next Release Date: August 2026.

Feedback

If you have any suggestions or advice regarding the contents of this report, please feel free to contact us.

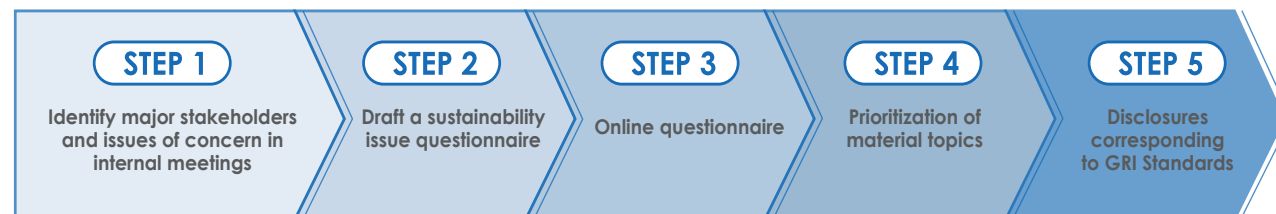
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Chapter1

Stakeholder Engagement

Stakeholder and Material Topics Identification Process

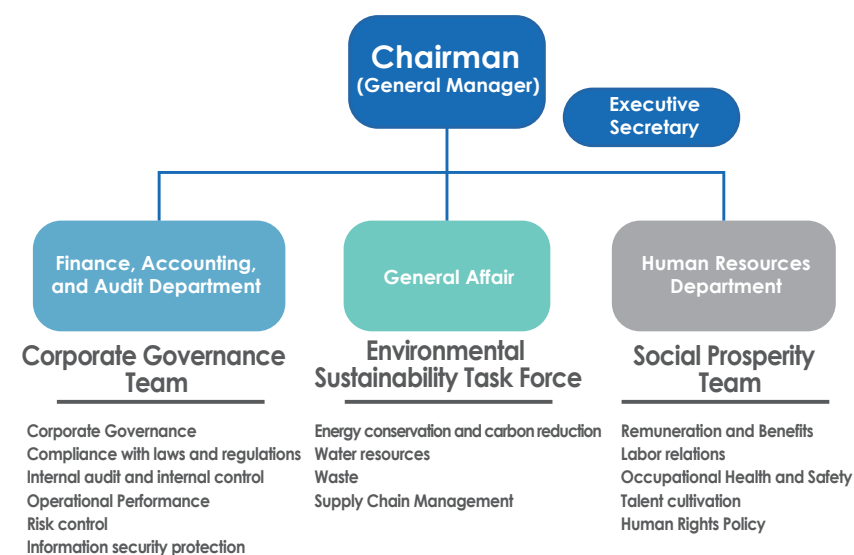


1.1 ESG Sustainability Promotion Team

The Board of Directors of Baolong has approved the Sustainable Development Best Practice Principles. The Board has authorized the General Manager to establish an ESG Sustainability Promotion Team, with the General Manager serving as chairman. The ESG Sustainability Promotion Team will formulate sustainable development guidelines and be responsible for their implementation within the Company, gradually integrating sustainable management concepts into Baolong's corporate culture.

In response to sustainable development encompassing environmental, social, and governance (ESG) factors, the ESG Committee has established a task force to gather stakeholders' concerns regarding environmental protection, occupational safety, supply chain management, labor rights, operational performance, and corporate governance. Respecting the rights and interests of stakeholders, the Company has created a dedicated stakeholder section on its website to appropriately address their issues. We have established procedures for compiling and verifying the sustainability report and incorporated them into the internal control system. We report the implementation status of ESG for the previous year to the Board of Directors annually, including Baolong's material topics and subsequent risk response, material topic goals, and implementation status. The Board of Directors listens to the team's report every year, evaluates the feasibility of policies and goals related to material topics, reviews the degree of ESG implementation, and urges the Company to make adjustments when necessary.

Organization of ESG Sustainability Promotion Team



1.2 Stakeholders Identify Major Stakeholders

Identify Major Stakeholders



Stakeholders are groups that have a mutual impact relationship with Baolong. Each department initially screens the types of stakeholders, frequency of interaction, degree of impact, and level of importance encountered in routine business dealings. After internal discussion, six categories of stakeholders important to Baolong are identified, including employees, neighboring communities, government agencies, customers, investors/shareholders, and banks.

Stakeholder Communication Channels and Issues of Concern

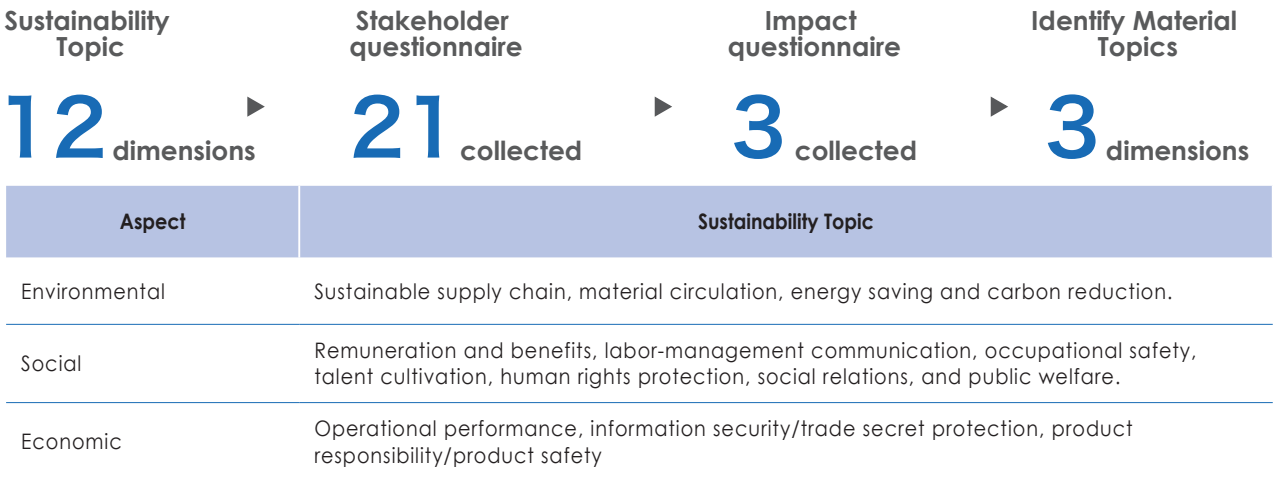
The identity of Baolong's key stakeholders varies, leading to differing concerns. Baolong's departments proactively engage with stakeholders through a variety of channels to ensure they understand the Company's operations and to address their requirements and expectations. The company reports on its two-way communication with key stakeholders to the Board of Directors at least once a year. Each department of Baolong collects the issues of concern to major stakeholders, which are compiled by the ESG Committee, referencing the 2021 edition of the GRI Standards and current industry status. These are then summarized into various sustainability issues covering economic, environmental, and social aspects, ensuring Baolong's disclosed sustainability information meets the completeness and diversity requirements of the GRI Standards.

Stakeholders	Significance of Stakeholders to Baolong	Issues of Concern	Communication Method and Frequency	Communication Results
Employees	Employees are Baolong's most valuable asset and key stakeholders in its ongoing growth and sustainable operations.	Employment relationship	Care Mail Address (real-time) Internal employee site announcements (as needed) Welfare Committee (quarterly)	1. Zero messages received 2. One ESG questionnaire conducted
		Diversity, Inclusion, and Equality		
		Environmental Safety and Health		
		Operational Performance		
Neighboring Communities	Communities near Baolong's operational sites are highly attentive to its sustainability performance and engage with the Company most frequently.	Air Pollution Control	Community meetings (as needed) Neighborhood Activities (as needed) School activities (irregularly scheduled)	1. Sponsored one local road run
		Water Resource Management		
		Social Prosperity		
Government agencies	Government bodies are key stakeholders concerned with Baolong's ESG regulatory compliance and are instrumental in policy and industrial development.	Social Prosperity	Regulatory filings (annually) Public hearings on regulations (as needed) Official correspondence and phone communication (as needed) Seminars (as needed)	1. Held three seminars 2. Two phone consultations
		Diversity, Inclusion, and Equality		
		Environmental Safety and Health		
Customers	Customers are central to Baolong's product development and services, and they are essential economic stakeholders in long-term, trust-based partnerships.	Customer Service	Care Mail Address (real-time) Company website, phone, and email (real-time)	1. One ESG questionnaire conducted
		Information security and customer privacy		
		Operational Performance		
		Environmental Safety and Health		

Stakeholders	Significance of Stakeholders to Baolong	Issues of Concern	Communication Method and Frequency	Communication Results
Investors/ Shareholders	Shareholders are Baolong's foundation and primary capital source, as well as key stakeholders in shaping the Company's direction.	Operational Performance	Dedicated investor relations contact (real-time) Shareholders' meeting, annual report (yearly) Investor Conference (annually) Attending investor conferences held by securities firms or exchanges (as needed) Public Disclosure via MOPS: Consolidated revenue (monthly) Financial reports (quarterly) Material disclosures (real-time) Dedicated investor relations contact (real-time)	1. One shareholders' meeting 2. Two institutional investor conferences 3. Monthly disclosure of previous month's revenue (12 times) 4. Quarterly CPA-audited financial reporting (4 times) 5. Twenty material announcements in Chinese/English in 2024
		Risk management		
Bank	Banks support Baolong financially and monitor its financial and ESG performance, serving as vital enablers of sustainable growth.	Compliance with laws and regulations	Dedicated treasury contact window (real-time) Domestic and foreign bank visits, telephone conferences, and participation in investor conferences organized by securities firms or exchanges (as needed). Credit review (anytime) Public Disclosure via MOPS: Consolidated revenue (monthly) Financial reports (quarterly) Material disclosures (real-time) Dedicated treasury contact window (real-time)	1. Twenty bilingual material announcements in 2024 2. Bank routine visits: 35 times 3. Two institutional investor conferences 4. Monthly disclosure of previous month's revenue (12 times) 5. Quarterly CPA-audited financial reporting (4 times)
		Operational Performance		
		Corporate Governance		

1.3 Identify Material Topics

Material Topic Identification Process



Note: Corporate governance, risk management, and ethics and integrity are within the scope of necessary disclosure in the 2021 edition of the GRI Standards (GRI Standards: 2021). Therefore, although they are not listed as Material Topics in this year's report, the relevant contents will still be disclosed in this report.

The ESG Task Force of Baolong identified 12 sustainability topics and invited stakeholders to complete an online questionnaire evaluating the impact of each issue on the Company. A total of 21 valid responses were collected and analyzed to assess stakeholder perceptions of the impact level of each topic. In addition, three company executives were asked to complete a separate online questionnaire to assess how each sustainability topic affects Baolong internally and externally. The results from both stakeholder and internal assessments were consolidated to produce a materiality matrix. Following discussion by the ESG Task Force, the top three issues in each of the environmental, social, and economic dimensions were selected as the year's Material Topics. For 2024, Baolong's prioritized disclosures will focus on the following top Material Topics: operational performance (economic), energy conservation and carbon reduction (environmental), and social relations and public welfare (social).

Identify Material Topics and Boundaries

Aspect	Material Topic	Importance to the Company	Potential/Actual	Positive/Negative
Environmental	Energy conservation and carbon reduction	With the continuous growth of Baolong's operations, the Company has implemented internal energy-saving and carbon-reduction measures to avoid an increase in GHG emissions and ensure customer requirements are met.	Potential	Negative
Social	Social relations and charity	Social welfare is an integral part of sustainability. Through supporting education, caring for disadvantaged groups, and community engagement, we aim to foster positive connections with society, thereby enhancing our corporate image and social trust.	Actual	Positive
Economic	Operational Performance	The operating performance is the foundation of Baolong's steady growth. Through effective management and strategy execution, we strengthen financial stability and market competitiveness, providing resources and momentum for sustainable development.	Actual	Positive

Chapter2

About Baolong

2.1 Company Profile

- Based on the business philosophy of “environmental protection, quality, and service”, Baolong strives to provide the public with essential industrial paper products while also doing its part to preserve resources and a cleaner living environment for future generations.
- **Environmental protection:** All products sold comply with international environmental protection regulations.
 - **Quality:** Provide customers with high-quality industrial paper products.
 - **Service:** Real-time and reliable services that give customers peace of mind, a positive experience, and a sense of connection.

| The Company is mainly engaged in the distribution and agency of industrial paper, including carton board (liner board) and corrugated medium (corrugated core).

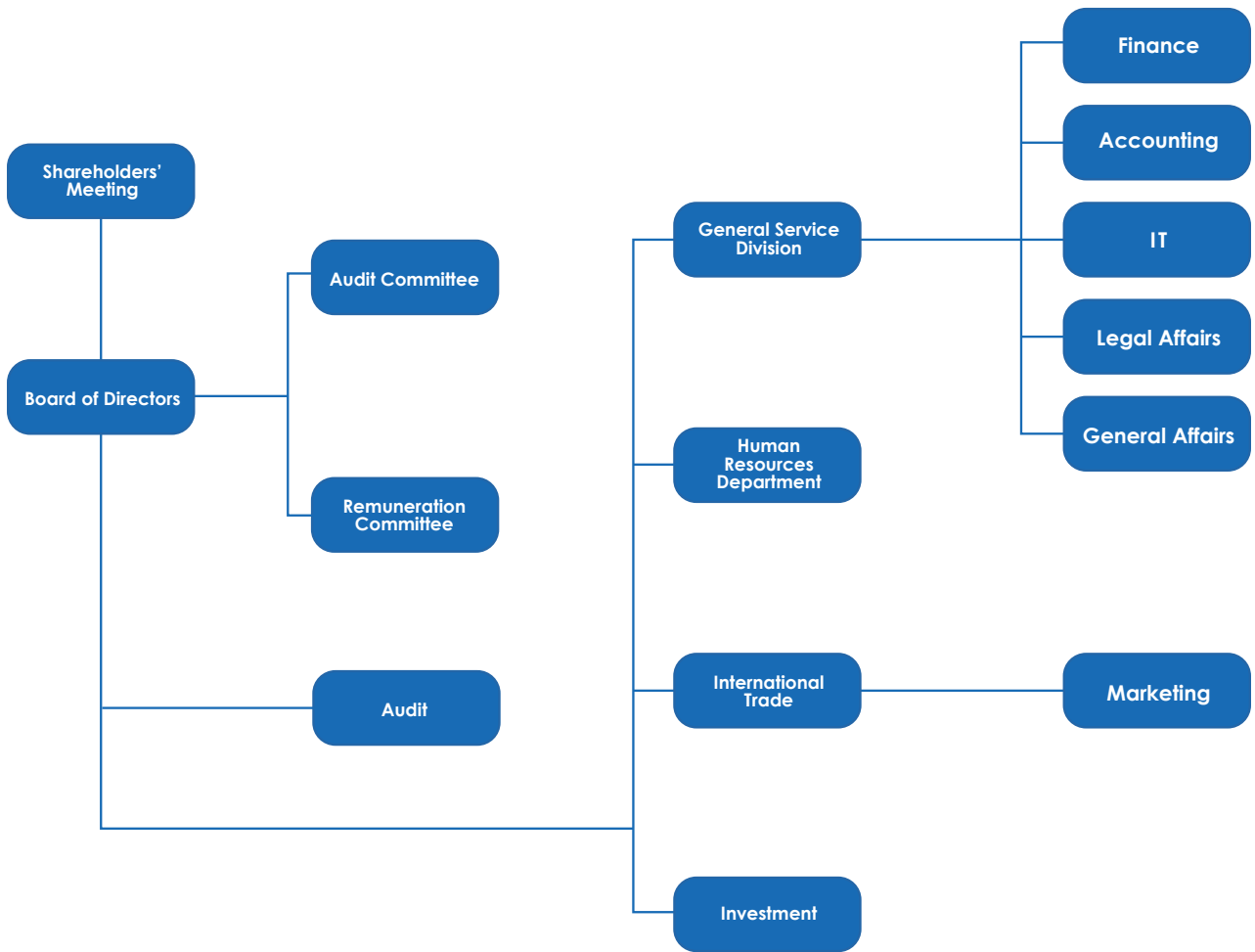
Company Name	Baolong International Co., Ltd.
Industry	TWSE-listed paper manufacturer (stock code: 1906)
Location of Headquarters	No. 25, Shisan N. Rd., Douliu City, Yunlin County
Capital (Unit: NTD thousand)	1,510,000
Current year Consolidated (or parent company only) operating revenue (Unit: NTD thousand)	3,211,527
Number of Employees	15
Operating Locations	Taiwan

► Note 1 : Data statistics as of the end of 2024.
► Note 2 : For key milestones in Baolong's history, please refer to the company website.

Paper Industry Chain

The paper industry is a capital- and technology-intensive industry. Industrial paper is primarily made from waste paper, and is processed into corrugated medium and facer board using paper-making equipment. The primary paper plant in the paper industry produces corrugating medium and linerboard. The secondary paper plant manufactures these into corrugated board. Finally, the third-level paper plant processes the corrugated board into corrugated cartons and prints them for customer packaging. The upstream and downstream business relationships of Taiwan's paper industry are close, and its supply chain development is quite complete.

Organizational Structure



Chapter3

Ethical Governance

3.1 Board of Directors

The Board of Directors plans the Company's business strategy and is responsible to shareholders and other stakeholders. Directors shall faithfully execute their duties and fulfill their duty of care as prudent administrators, exercising their powers with due diligence. Except for matters required to be resolved by the shareholders' meeting according to law or the Articles of Incorporation, the execution of the Company's business and the operation and arrangements of various governance systems shall be resolved by the Board of Directors. The Articles of Incorporation of Baolong specify that the election of directors is conducted through a candidate nomination system with regular re-elections. Simultaneously, in accordance with the Company Governance Best Practice Principles, the number of directors concurrently serving as Company managers should not exceed one-third of the total number of directors. Furthermore, to strengthen corporate governance and promote a sound composition and structure of the Board of Directors, a policy of director diversity is also advocated. It is believed that a diversified approach will contribute to the overall performance of the Company. The members of the Board of Directors are selected based on merit, with diverse and complementary capabilities across various industries. Beyond basic demographics like age, gender, and nationality, each member also possesses industry experience and professional expertise in areas such as law, accounting, and risk management. In order to strengthen the functions of the Board of Directors and achieve the ideal goals of corporate governance, Baolong's "Corporate Governance Best Practice Principles" stipulate that the Board of Directors should collectively possess capabilities including business judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market perspective, leadership, and decision-making abilities, etc. Directors at Baolong possess both industry expertise and extensive practical experience, with a keen understanding of industry development trends. The Board of Directors currently consists of five directors (including three independent directors) serving three-year terms. The Board meets at least once per quarter as required by law, and held a total of four meetings in 2024.

Job Title	Name	Actual attendance rate (B)	Number of attendance by proxy	% of attendance in person (B/A)
Chairman	Fu-Yuan Li	4	0	100%
Director	Tien-Cong Lin	4	0	100%
	Hsin-Hung Lin	3	0	100%
	Ya-Hui Wu	4	0	100%
Independent Director	Chih-Yuan Chin	4	0	100%
	Hsien-Chih Chiu	4	0	100%

3.1.1 Functional Committees

In order to enhance the supervisory function and strengthen management capabilities, the Board of Directors has established an Audit Committee and a Remuneration Committee. Functional committees shall be responsible to the Board of Directors and submit proposals for its resolution, except where laws and regulations require them to exercise their powers independently.

■ Audit Committee :

The Audit Committee assists the Board of Directors in supervising the quality of the Company's accounting, auditing, financial reporting, and financial control processes, and submits the evaluation results to the Board of Directors for discussion. The Board of Directors of Baolong has approved the "Audit Committee Organization Regulations" and established an Audit Committee within the Board. The Committee consists of three independent directors, one of whom will serve as the convener, and at least one of whom possesses accounting or financial expertise. The Committee will meet at least once per quarter.

The internal audit officer holds quarterly meetings with all independent directors to report on the implementation of the Company's internal audit. The internal audit officer also meets with the auditors, who report the results of their financial statement review to the independent directors and discuss legal compliance and exchange opinions.

■ Remuneration Committee :

To improve the remuneration system for directors and managers, the Board of Directors has approved the "Remuneration Committee Charter" and established a Remuneration Committee under its authority. The committee members are independent directors.

The Remuneration Committee regularly reviews the performance of directors and managers, as well as the remuneration system and standards. The remuneration is determined by comprehensively considering legal regulations, market standards, individual responsibilities and performance, the Company's financial situation, and risks, to ensure fair compensation that attracts and retains talent.

The Remuneration Committee faithfully fulfills its duties to establish policies, systems, standards, and structures for the regular review of director and manager performance evaluation and remuneration, and to regularly evaluate director and manager remuneration, submitting its recommendations to the Board of Directors for discussion.

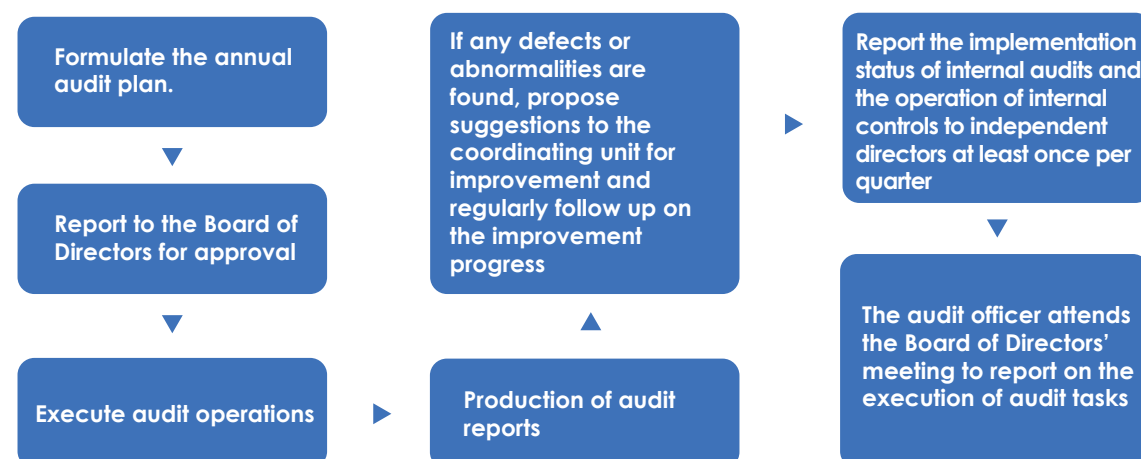
According to the Articles of Incorporation, if the Company has profit in the current year, distributed in the form of shares or cash, as resolved by the Board of Directors., which may be distributed in the form of shares or cash as per the resolution of the Board of Directors. The recipients of the remuneration may include employees of the subordinate company who meet certain criteria.

3.1.2 Internal Audit

The Audit Office is responsible for assisting the Board of Directors and managers in reviewing the implementation of internal controls, proposing improvements, and ensuring the system remains effective. The Company has established a regular review of its internal control system in accordance with regulations and makes adjustments in response to changes in both internal and external environments. The appointment and dismissal of the audit officer shall be subject to the resolution of the Audit Committee and the Board of Directors. Audit personnel must be appointed and undergo training in accordance with the law, to ensure professional competence and execution quality.

The Audit Office regularly reports to the Board of Directors and the Audit Committee, reviewing the internal control self-assessment results of each unit and subsidiary, and uses this as the basis for the Company's assessment of internal control effectiveness and the issuance of its statement. Strengthen corporate governance and risk control through continuous monitoring and improvement, and promote stable and sustainable business operations.

Audit Flowchart



3.1.3 Compliance with laws and regulations

The Company has established the "Ethical Corporate Management Principles," "Code of Ethical Conduct for Directors and Managers," and "Insider Trading Prevention and Control Measures" and disclosed them on the Company's website after approval by the Board of Directors, for the reference of employees and stakeholders. To ensure the implementation of regulations, Baolong has established a whistleblowing system that accepts named or anonymous reports, substantiated by evidence. The Audit Department will initiate an investigation process, ensuring confidentiality and protecting the rights of the whistleblower. No report or violation record in 2024.

The announcement process for material information is handled in accordance with the relevant laws and regulations in Taiwan. If a penalty for violating the law by the competent authority reaches NT\$1 million or more, it is considered a material event and disclosure is made as required.

3.2 Risk Management

Based on the principle of materiality, Baolong has identified material topics related to the Company's operations through online questionnaires. We have also proposed response strategies for the possible negative impact of these material topics on Baolong. At the same time, the Company's risk management structure is centered on each responsible department, initiating subsequent risk control operations. At least once a year, we report the ESG risk evaluation response and formulate risk management policies and procedures to the Board of Directors, and supervise the Company's actual or potential risks.

Baolong Risk Management Framework

Risk items	Responsible Department	Risk Business Matters
Strategic risk	Chairperson's Office	Formulate the Company's future operating policy.
Operational and market risk	General Manager's Office Business Relevant departments	Execute product R&D, production, and sales in accordance with the Company's strategy, while striving to improve production technology, enhance quality, and reduce costs to increase company profits.
Financial and liquidity risks	Finance	Matters regarding interest rate and exchange rate hedging, bank credit management, and relationship maintenance.
Customer credit risk	Finance, Sales	Establish and review customer credit limits, and manage and collect accounts receivable.
Legal Risk	Legal Affairs	Examine contracts, company authorizations, and reduce legal risks to protect the Company's tangible and intangible assets.

3.3 Operational Performance

Policy/Commitment	Baolong is committed to steady operations and efficiency improvement, resource optimization and lean management, and strengthening market competitiveness. The Company is committed to continuously optimizing its operating performance, strengthening risk control, and creating long-term stable value for stakeholders.
Goal	The Company’ s operating revenue continues to grow.
Department/complaint mechanism	Sales Division
Resources invested in the current year	Invest in low-carbon paper and green packaging.
Evaluation mechanism/ achievement	Annual operating revenue growth rate

Baolong continues to focus on prudent management as its core strategy, enhancing operational efficiency and market competitiveness. Although revenue slightly declined in 2024, the company effectively reduced operating costs, and, while improving employee salaries and benefits, still achieved higher retained economic value. This reflects the company's overall stability and an optimistic growth outlook.

Item	2023	2024	Remark
Revenue (A)	3,391,894	3,211,527	Revenue from financial statements
Operating cost (B)	3,136,542	2,971,382	Cost on financial statements
Employee remuneration and benefits (C)	24,469	25,650	Financial statement disclosure information
Amount paid to the capital contributor (D)	22,650	15,100	Dividend + interest
Amount paid to the government (E)	16,772	2,925	Base tax + undistributed earnings + business tax + property tax
Community investment (F)	26,871	22,887	Donations to foundations or activities
Retained economic value (A-B-C-D-E-F)	164,590	173,583	

► Note 1 : The unit is in thousands of New Taiwan dollars.

► Note 2 : The definition of revenue includes net sales plus revenue from financial investments and asset sales.

The operating cost definition includes cash expenditures paid to external parties for the purchase of raw materials, product parts, venues and facilities, and services.

The definition of employee salary and benefits includes total salary (including employee salary and the amount paid to the government on behalf of employees) plus total benefits (excluding education and training, protective equipment costs, or other costs directly related to employees' job responsibilities).

The definition of payment to the capital contributor includes dividends paid to all shareholders, plus interest paid to the lender.

Payments to governments includes all taxes and fines paid by the organization according to international, domestic, and local standards. Tax may include business tax, income tax, and property tax.

3.4 Product Safety

Baolong places high importance on product safety and quality consistency. Upholding its commitment to customers, the Company has established a comprehensive quality management system that covers raw material sourcing, process control, and final delivery, in full compliance with regulatory standards and customer requirements to ensure product safety. To this end, Baolong has implemented a complaint-handling mechanism and invested resources throughout the year in product quality sampling inspections and customer demand tracking. Internal audits and quality validations are conducted to ensure product consistency and uphold customer confidence.

“Zero customer complaints” is set as a key objective of Baolong's quality management. The number of actual complaints serves as a performance indicator. The Company continuously strives to enhance product and service quality, strengthen its market competitiveness and brand reputation, and foster smooth communication channels with customers. Feedback and suggestions are addressed in a timely manner to maintain strong, stable partnerships and earn customer trust through high-quality service.

Chapter4

Sustainable Environment

4.1 Environmental Protection

Policy/Commitment	We are committed to energy conservation and carbon reduction, and pledge to achieve a 1% annual reduction in both water consumption and waste. Starting in 2024, we will implement greenhouse gas (GHG) inventory and verification to monitor our current emissions status. The Company has planned to build a solar power system to implement low-carbon operations and move towards environmental sustainability.
Goal	Reduce water consumption by 1% per year. The annual waste reduction target is a 1% reduction per year.
Department/complaint mechanis	General Affairs Department
Resources invested in the current year	Execute the greenhouse gas inventory Plan to build a solar power system
Evaluation mechanism/ achievement	Conduct greenhouse gas verification

Baolong is committed to environmental protection. Its main product is industrial paper made from recycled waste paper. The Company works together with small- and medium-sized distributors and upstream suppliers to promote waste paper sorting and recycling, aiming to improve both the volume and quality of recycled paper. By leading through action, Baolong and its employees help instill the concepts of resource conservation and environmental awareness in the surrounding communities.

■ Water Resource Management

Although Baolong has no production facilities and its office is located in Taipei City—an area not under water stress—we still regularly promote water conservation awareness among employees. Water-saving reminders are posted in restrooms and other water-use areas. A water-saving target of a 1% annual reduction has been set. In 2023, total water consumption was 1,232.24 metric tons; in 2024, it rose slightly by 0.47% to 1,238.08 metric tons. Since the target was not met, we will continue efforts to raise employee awareness and promote water conservation practices.

■ Waste management

The majority of Baolong's waste consists of general domestic waste, with no industrial waste generated. In addition to regularly educating employees on the 3R principles (Reduce, Reuse, Recycle), Baolong also purchases industrial paper made from recycled waste paper as a core product. The annual waste reduction target is set at 1%. In 2023, total waste was 5.55 metric tons; in 2024, it decreased by 1.69% to 5.46 metric tons, successfully meeting the target. The Company will continue to promote proper waste sorting and recycling to all staff.

■ Greenhouse Gas Management

As Baolong does not operate any manufacturing plants and leases its office space, it does not incur direct electricity bills and thus has no Category 2 (indirect) emissions. According to the Company's materiality assessment, Category 3 emissions—primarily from employee commuting—represent 97% of total emissions, while Category 1 emissions account for 3%. Given that commuting is the dominant source of emissions, Baolong will promote public transportation use among employees. A carbon reduction goal has been set: using 2024 as the base year, the Company aims to reduce emissions by 2% by 2030, averaging a 0.38% reduction per year.

GHG emissions (metric tons CO ₂ e)	Direct emissions (Category 1)	Indirect emissions (Category 2)	Other indirect GHG emissions (Scope 3)	Total emissions
2024	0.8893	0	7.2628	8.152

Chapter5

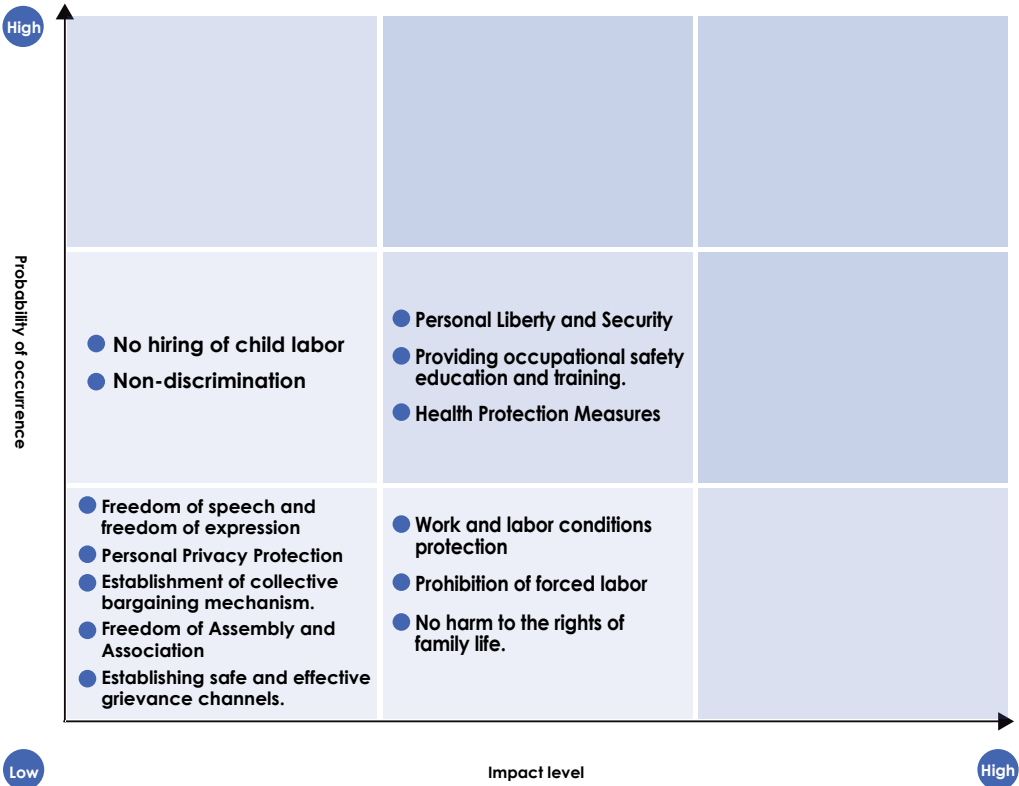
Friendly Workplace

Baolong has established its human rights policy in accordance with the Universal Declaration of Human Rights, the UN Global Compact, the International Labour Organization (ILO) Conventions, and other internationally recognized human rights agreements and standards. The policy is published on the Company's website. Management methods and procedures are formulated in accordance with labor laws, and all departments are required to implement them accordingly.

In 2023, Baolong established a human rights management system, conducted a human rights risk assessment, and implemented mitigation measures. The results were reported to the Board of Directors. Human rights assessments are scheduled to be conducted once every three years.

The Company's human rights practices include:

- 1. Gender equality: Reserved parking spaces for female employees and on-site breastfeeding rooms.
- 2. Workplace diversity: Providing foreign employees with documents and signage in their native languages to help them adapt more easily to the workplace environment.



Human Rights Management Outcomes

Human Rights Promotion	Human Rights Measures
15 employees / 100% awareness rate	Establish an online employee meal satisfaction survey for real-time feedback, enhance company information security management, and protect employee privacy and safety.
Workplace verification	Complaint case handling
The operating site has been certified as a healthy workplace by the Health Promotion Administration, Ministry of Health and Welfare.	No complaints were received regarding the care mailbox.

5.1 Employee Profile

The number of employees at Baolong has remained stable over the past three years, with no significant changes in the workforce structure. The Company's operations are primarily supported by its full-time employees, and it does not employ dispatched workers, outsourced labor, or temporary staff.

Statistical / Year		2022		2023		2024	
Total number of employees		13		14		15	
Employment contract		Non-fixed	Fixed	Non-fixed	Fixed	Non-fixed	Fixed
Gender	 Male	7	0	8	0	9	0
	 Female	5	1	5	1	5	1
Employment Type		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Gender	 Male	7	0	8	0	9	0
	 Female	5	1	5	1	5	1

► Note 1 : Data is based on statistics as of year-end.

Full-time employees are those whose weekly working hours reach the statutory upper limit; part-time employees are those whose weekly working hours do not reach the statutory upper limit and work on a partial-time basis, such as student workers or hourly personnel.

Type of entry-level employees	Gender	Ratio of standard salary to local basic wage
Taiwan	 Taiwan	1.35
	 Taiwan	1.35

Key Operating Locations	Total number of senior executives	Number of senior executives hired from Taiwan	Proportion
Taiwan	1	1	100.00%

5.2 Labor Relations

We provide employees with a variety of benefits, continuing education and training opportunities, and a retirement plan.

The Company's welfare measures	Employee welfare measures
Employees' wedding, funeral rites and occupational disaster compensation	Employee travel and group activities
Recreational activities	Birthday and wedding gifts
Group uniform	Birth congratulations gift
Employee bonus, stock subscription	Education subsidies for employees' children
Festival bonuses	Funeral and disaster subsidies.
Employee pension	Gifts or activities for Labor Day
Meal allowance	Group accident insurance, life insurance, cancer insurance, hospitalization medical insurance
Labor insurance, national health insurance	Club activity subsidies

Talent cultivation

The Company has established an education and training management system to provide orientation training for new recruits and continuing education for in-service employees. Includes internal lecturer teaching, external lecturer courses, and internal lecturer development, followed by post-training effectiveness evaluation. Employees can apply for external training as needed for their job. Supervisors will allocate a budget to enhance their professional capabilities. In 2024, a total of 41 hours were spent on internal and external training, with 6 participants and a training cost of NT\$21,200.

Retirement System

The Company has established the "Labor Retirement Regulations" for employee retirement in accordance with relevant laws and regulations. Please refer to Note 4(16), "Information on Employee Retirement Benefits," in the financial statements.

5.3 Occupational Safety

Baolong places great importance on employees' physical and mental health as well as workplace safety, and promotes a variety of health care initiatives. The Company provides regular health checkups to help employees monitor their health conditions early. Daily morning meetings include health knowledge sharing to promote healthy lifestyles and raise awareness of disease prevention. To create a smoke-free and friendly workplace, smoking indoors is strictly prohibited. Outdoor smoking areas are designated to encourage employees to gradually quit smoking. To date, the Company has reported no workplace injuries or occupational incidents.

Health Care:

In line with the principle of "prevention is better than cure," since 2014, Baolong has promoted health and wellness knowledge in morning health briefings, conducted annual health checkups and consultations, and provided health examination subsidies exceeding legal requirements.

Health Care:

For day-to-day employee health care, the Company provides the following measures:

- Health checkups : Regular health screenings are arranged for all employees.
- Health knowledge sharing : Morning seminars are held to promote healthy living, disease prevention, and self-care, reminding employees to stay attentive to their physical and mental well-being.
- Friendly workplace : Outdoor smoking areas are provided while indoor smoking is prohibited, encouraging smoking cessation and creating a smoke-free workplace. A nursing room is also available for female employees who need breastfeeding facilities.

Chapter6

Public Welfare Participation

Policy/Commitment	Baolong upholds the principle of "taking from society and giving back to society" by actively participating in community charity activities. We take practical actions to care for the local environment and ecology and promote sustainable community development.
Goal	To enhance public awareness of the importance of ecological conservation and water resources, strengthen the connection between the Company and the community, and realize the vision of sustainable development as a responsible global citizen.
Department/complaint mechanism	ESG Task Force
Resources invested in the current year	Assisted the Linnei Township Office of Yunlin County in hosting the "Paper Butterfly Morning Light Forest Run – River Conservation Advocacy and Road Running Event." The Company provided its former paper mill as the gathering venue and supported the event with necessary resources.
Evaluation mechanism/achievement	The impact and effectiveness of the public welfare activity were evaluated using indicators such as number of participants, media coverage, and community feedback.

Baolong’s former paper mill site in Linnei was originally built by Mitsubishi Paper during the Japanese colonial period. Covering an area of about 2 hectares, it once served as an important industrial base, boosting local employment and the economy. After ceasing operations, the site remained unused for years. In 2006, the “former Mitsubishi Paper Mill office building” was designated a historical site. Baolong supported local development by donating the land for cultural use. The Yunlin County Government planned the area into “Linnei Baolong Park,” introducing landscape art integrated with local culture and industrial features. This new tourist attraction aims to boost regional tourism and revitalize the community, showcasing the Company’s respect for and contributions to local history and cultural heritage.

Since 2023, Baolong has assisted the Linnei Township Office of Yunlin County in organizing the “Paper Butterfly Morning Light Forest Run – River Protection Advocacy and Road Running Event” for two consecutive years. The Company provided its former paper mill as the gathering venue for the run. The goal is to raise awareness of the importance of river conservation and environmental protection, enabling humans and wildlife to coexist sustainably.

The event centers on themes such as environmental protection, river restoration, and purple crow butterfly conservation. In addition to promoting the benefits of physical fitness, it serves to advocate for the importance of cherishing water resources and protecting river ecosystems. By holding the road running event, we promote the benefits of exercise and allow participants to personally experience the need for hydration after physical activity—emphasizing that water is an indispensable resource. The event encourages participants to experience the beauty of Linnei Township, learn about the source of river water, appreciate the surrounding ecological landscape, and enjoy the local rural scenery and cultural characteristics.

Appendix

Appendix 1: GRI 2021 Indexreferences

GRI Content Index

★=Material Topics

Statement of Use	Baolong International Co., Ltd. has reported the content for the period from January 1 to December 31, 2024, in accordance with the GRI Standards.
GRI 1 Used	GRI 1: Foundation (2021)
Applicable GRI Sector Standards	No paper industry standard is available.

Topic	Disclosure Item	Description	Chapter	Page No.	Remark
GRI 2: General Disclosures (2021)					
The organization and its reporting practices	2-1	Organizational details	2.1	7	
	2-2	Entities included in the organization's sustainability reporting	Editing Policy	2	
	2-3	Reporting period, frequency and contact point	Editing Policy	2	
	2-4	Restatements of information	Editing Policy	2	
	2-5	External assurance	Editing Policy	2	
Activities and Workers	2-6	Activities, value chain and other business relationships	2.1	7	
	2-7	Employees	5.1	18	
	2-8	Workers who are not employees	5.1	18	
Governance	2-9	Governance Structure and Composition	3.1	9	
	2-10	Nomination and selection of the highest governance body	3.1	9	
	2-11	Chair of the highest governance body	3.1	9	
	2-12	Role of the highest governance body in overseeing the management of impacts	3.1	9	
	2-13	Delegation of responsibility for managing impacts	3.1	9	
	2-14	Role of the highest governance body in sustainability reporting	1.1	6	
	2-15	Conflicts of interest	3.1	9	
	2-16	Communication of critical concerns	3.1	9	
	2-17	Collective knowledge of the highest governance body	3.1	9	
	2-18	Evaluation of the performance of the highest governance body	3.1	9	
	2-19	Remuneration policies	3.1.1	10	
	2-20	Process to determine remuneration	3.1.1	10	
	2-21	Annual total remuneration ratio	-	-	Confidentiality Regulations
Strategy, Policies and Practices	2-22	Statement on sustainable development strategy	Message from the Chairman	1	
	2-23	Policy commitments	3.1	9	
	2-24	Embedding policy commitments	3.1	9	
	2-25	Processes to remediate negative impacts	3.1	9	
	2-26	Mechanisms for seeking advice and raising concerns	3.1	9	
	2-27	Compliance with laws and regulations	3.1.3	11	
	2-28	Membership associations	-	-	None

Stakeholder Engagement	2-29	Approach to stakeholder engagement	1.2	4	
	2-30	Collective bargaining agreements	-	-	Not applicable

GRI 3: Material Topics 2021					
Material Topic	3-1	Process to determine material topics	1.3	6	
	3-2	List of material topics	1.3	6	
	3-3	Management of material topics	Chapters		
Economic					
Economic Performance ★					
GRI 201: Economic Performance (2016)	201-1	Direct economic value generated and distributed	3.3	13	
	201-2	Financial implications and other risks and opportunities due to climate change			Not applicable
	201-3	Defined benefit plan obligations and other retirement plans			Not applicable
	201-4	Financial subsidies received from the government			Not applicable
	202-2	Proportion of senior management hired from the local community	5.1	18	
Indirect Economic Impacts ★					
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	VI. Public Welfare Participation	21	
	203-2	Significant indirect economic impacts			Not applicable
Environmental					
Emissions ★					
GRI 305: Emissions (2016)	305-1	Direct (Scope 1) GHG emissions	4.1	15	
	305-2	Energy indirect (Scope 2) GHG emissions	4.1	15	
	305-3	Other indirect (Scope 3) GHG emissions	4.1	15	
Social					
Employment					
GRI 401: Employment (2016)	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2	19	
Occupational health and safety					
GRI 403: Occupational Health and Safety 2018 Management Approach	403-4	Worker participation, consultation, and communication on occupational health and safety	5.3	20	
	403-6	Promotion of worker health	5.3	20	
Local Communities ★					
GRI 413: Local Communities 2016	413-1	Operations through local community communication, impact assessment, and development planning	VI. Public Welfare Participation	21	
	413-2	Operations with significant actual and potential negative impacts on local communities			Not applicable

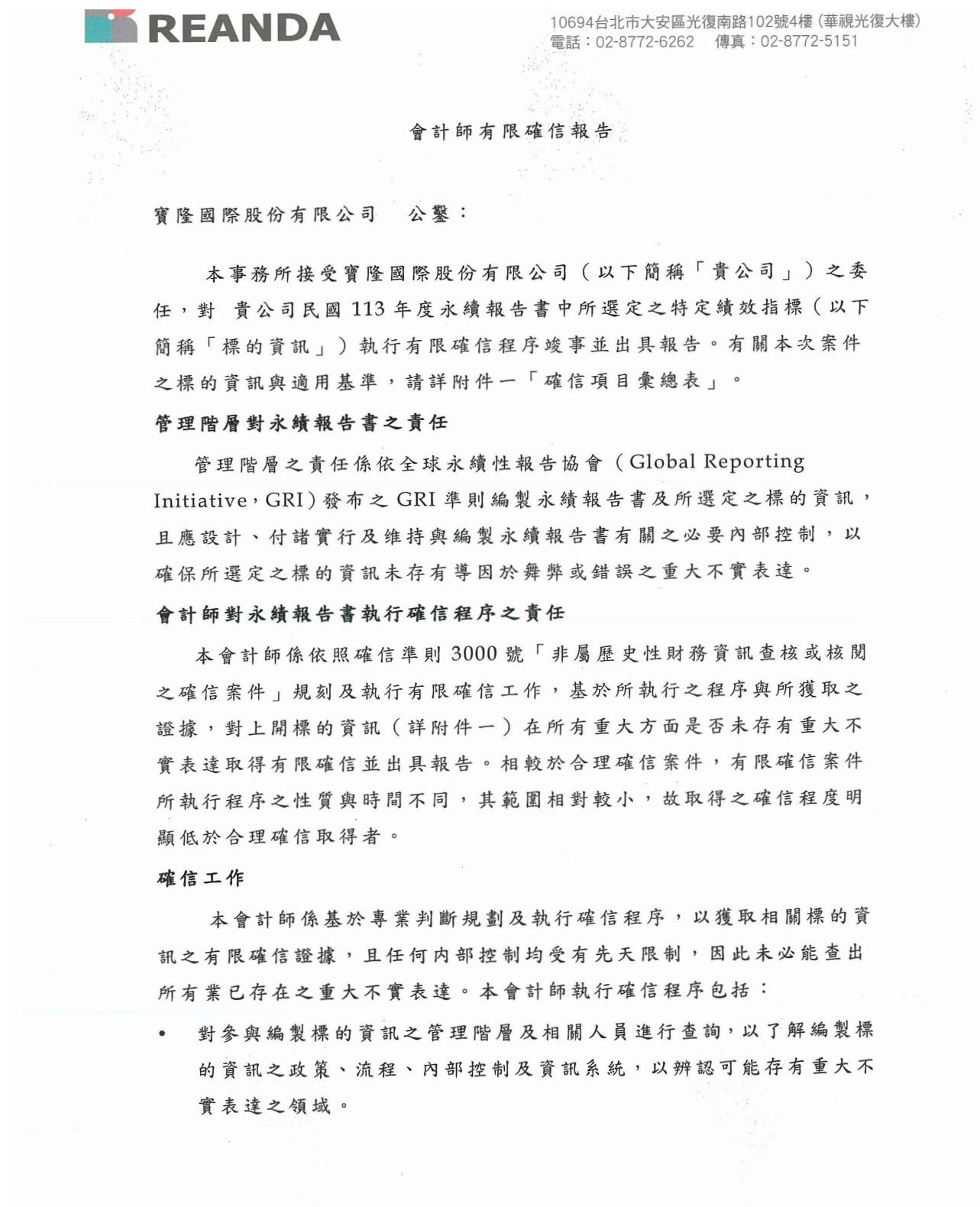
Appendix 2: Sustainability Accounting Standards Board (SASB) Cross-Reference Table

TOPIC	CODE	CATEGORY	METRIC	Data / Corresponding chapter	Page No.
Greenhouse Gas Emissions	RR-PP-110a.1	Quantitative	Gross global Scope 1 emissions	0.8893 metric tons CO ₂ e	-
	RR-PP-110a.2	Qualitative description	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	4.1 Environmental Protection	15
Air Quality	RR-PP-120a.1	Quantitative	Air emissions of the following pollutants: (1) NOx (excluding N ₂ O), (2) SO ₂ , (3) volatile organic compounds (VOCs), (4) particulate matter (PM), and (5) hazardous air pollutants (HAPs)	Not applicable, as the Company has no plants	
Energy Management	RR-PP-130a.1	Quantitative	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage from biomass, (4) percentage from other renewable energy and (5) total self-generated energy	(1) 0 (GJ) ^{Note} (2) 100% (3) 0% (4) 0%	
Water Management	RR-PP-140a.1	Quantitative	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	(1) Total water withdrawal: 1,238.08 metric tons (2) Total water consumption: 1,238.08 metric tons Percentage of the plant located in an area with high/very high water stress: 0%	15
	RR-PP-140a.2	Qualitative description	Description of water management risks and discussion of strategies and practices to mitigate those risks	4.1 Environmental Protection	
Supply Chain Management	RR-PP-430a.1	Quantitative	Percentage of wood fibre sourced from (1) third-party certified forestlands and percentage to each standard and (2) meeting other fibre sourcing standards and percentage to each standard 2	Sources of wood fiber (1) Third-party certified forest land: 100% (2) Other fiber procurement standards: 0%	-

► Note : The Company has a production factory and the office is leased without electricity charges.

Indicator code	Nature	Activity indicator	Data
RR-PP-430a.2	Quantitative	Amount of recycled and recovered fibre procured	No purchase of recycled fibers or renewable fibers.
RR-PP-000.A	Quantitative	Pulp production	Not applicable since no pulp has been produced
RR-PP-000.B	Quantitative	Paper production	Not applicable since no paper was produced
RR-PP-000.C	Quantitative	Total wood fibre sourced	No purchase of wood fiber

附錄三



先天限制

由於諸多確信項目係屬非財務資訊，相較於財務資訊之確信受有更多先天限制，故該等資訊之相關性、重大性與正確性之解釋可能涉及更多管理階層之重大判斷、假設與解釋，故不同利害關係人對該等資訊亦可能有不同之解讀。

獨立性及品質管理遵循聲明

本會計師及所隸屬會計師事務所遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及專業上應有之注意、保密及專業行為。本會計師所隸屬會計師事務所遵循品質管理準則 1 號「會計師事務所之品質管理」之規範，設計、付諸實行及執行品質管理制度，包含與遵循職業道德規範、專業準則及適用之法令規範相關之政策或程序。

確信結論

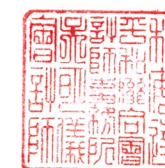
依據所執行之程序及所獲取之證據，本會計師並未發現 貴公司民國 113 年度永續報告書中所選定之標的資訊在所有重大方面有未依照其適用基準編製而須作修正之情事。

其他事項

本確信報告出具後，貴公司對任何確信標的資訊或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

利安達平和聯合會計師事務所

會計師 吳明儀



中 華 民 國 一 一 四 年 七 月 二 十 五 日

編號	對應章節	標的資訊	適用基準
一	3.1.3 法規遵循	2024 年度裁罰紀錄：0 件	《公司法》、《證券交易法》及主管機關公告。
二	4.1 環境保護溫室氣體管理	(1) 類別一（直接溫室氣體排放）： 0.8893 (二氧化碳噸當量/年) (2) 類別二（輸入能源之間接溫室氣體排放）： 0 (二氧化碳噸當量/年) (3) 類別三（由運輸產生之間接溫室氣體排放）： 7.2628 (二氧化碳噸當量/年) (4) 總排放量：8.1521 (二氧化碳噸當量/年)	公司溫盤報告書及清冊彙總電費帳單、公務車加油發票之統計明細。