

2021 Corporate Social Responsibility Report



TAYA Groups

Surpass Oneself, Dare to Innovate
Support Sustainable Development, Achieve Win-Win Situations

CONTENTS

Letter from the General Manager	02
About TAYA	03
Organizational governance	09
Stakeholders and substantive analysis	13
Labor practices and human rights	15
Environmental protection	26
Business ethics	41
Innovative research and development	43
Supply chain management	47
Customer service	49
Public welfare	51
Global Reporting Initiative (GRI) content	53

ABOUT THIS REPORT

The subject in this report is TAYA Canvas (Shanghai) Co., Ltd. (hereinafter referred to as TAYA, "the Company" or "we"). Unless otherwise specified, the data and cases shown in this report are sourced from TAYA. This report, being the first annual Social Responsibility Report released by TAYA, states the company's active fulfillment of social responsibilities while implementing its own development process.

Based on the principles of objectivity, standardization, transparency and comprehensiveness, this report discloses the company's philosophy, practices and achievements in fulfilling the environmental, social and governance (ESG) responsibilities.

● Timeframe

The timeframe of the report is from January 1, 2021 to December 31, 2021. In order to enhance the comparability and completeness of the report, some of its contents are appropriately traced back to the historical contents of previous years.

● Data reference

The data and cases used in this report are all obtained from the company's official information, statistical reports or public information, making every effort to comply with the industry's prevailing standards for information disclosure, and highlight the company's distinguishing characteristics the industry.

● Availability of report

This report is released in electronic form. You can view and download it from the official website of TAYA, <http://www.tayagroups.com/en>.

● Standard reference

This report is completed after referring to the Sustainability Reporting Guidelines (G4) released by the Global Reporting Initiative (GRI), the Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR4.0) issued by the Chinese Academy of Social Sciences, as well as ISO 26000 Guidance on Social Responsibility released by the International Organization for Standardization (ISO), and is based on actual situation of the company.

● Feedback and comments

You can call us, or send to us emails or letters using the following contact details:

Contact address: No. 777 Fengguan Road, Jinshan District, Shanghai City, China

Postal code: 201501

Phone No.: +86-21-64632409

Fax No.: +86-21-64632157

email: info@tayagroups.com; marketing@tayagroups.com

Official website: <http://www.tayagroups.com/en>

● Copyright notice

The copyright of this report belongs to TAYA Canvas (Shanghai) Co., Ltd

LETTER FROM THE GENERAL MANAGER



Since 2020, coronavirus pandemic (COVID-19) has significantly impacted and changed global economy and people's way of life. Increasing attention has been paid to environment-related issues, such as extreme weather events and unknown viruses.

TAYA considers environmental protection as an important part of sustainable development. In accordance with the system requirements of ISO 14001 and ISO 50001, we establish a complete environmental management system, actively responded to international environmental issues, and consistently heeded the maximum allowable discharge limit of different kinds of pollutants, and shifted towards cleaner production.

While improving economic efficiency, TAYA also minimizes the impacts on the environment.

With "people-oriented" approaches as foundation, TAYA has long been committed to talent cultivation, attached significance to the development of employees, and protected their legitimate rights and interests. We are involved in local care, engage in activities of charity, social welfare, academic exchanges, etc., and also encourage employees and business partners to influence others in continuing sustainable social development.

In our journey to sustainable development, TAYA has long been concerned about issues of global climate change. Ever since its establishment in 1972, TAYA took the lead in 2011, after a lot of practices, to launch the world's first green and environmentally-friendly brand — KAVALAN, with product features focusing on ecological development. In 2017 KAVALAN successfully made its debut at the FESPA Global Print Expo held in Hamburg, Germany. As KAVALAN is expanding its product range, and incorporating energy saving and carbon emissions reduction starting from research and development (R&D) stage, a great variety of win-win options have been provided to customers.

On the occasion of the 50th anniversary of the Groups, TAYA promises to keep on devoting efforts to sustainable development, reaching the Sustainable Development Goals (SDGs) set up by the United Nations. We shall implement "sustainable life, happy enterprise" in every operation step, stick to the principle that give back to the society, fulfill responsibilities as a global corporate citizen, and prosper with the environment.

We shall start taking more practical actions to exert positive social influence, move towards goals of sustainability and co-prosperity, and practice core business concepts of TAYA, "surpass oneself, dare to innovate, support sustainable development, and achieve win-win situations" in the next 50 years.

Lin Yi-Jian, General Manager (Signed)

January 10, 2022

ABOUT TAYA

Founded in Taiwan in 1972, TAYA is a manufacturer and exporter specializing in production of PVC coating materials. Through cross-field resource integration and technology extension, TAYA's canvas covers 7 major fields, ranging from industrial fabrics, medical fabrics, canopy series, membrane structures, treadmill walking belts, airtight fabrics, to fabrics for digital printing, each showcasing cutting-edge scientific and technological strengths. We design and manufacture various kinds of coated fabric materials that are of high quality and widely used in billboards, flags, truck covers, membrane structures, tent fabrics, treadmill walking belts, inflatable swimming pools as well as different kinds of inkjet fabric products.

TAYA products meet international and industrial standards, and cover a lot of technological fields. The product materials meet the international standards, such as REACH, RoHS, 6P and DIN4102-B1, and undergo fireproof, waterproof or antistatic functions as well as special surface treatment.

TAYA, an a corporate group, has a place in the field of PVC coating materials, and continues to provide solutions that meet the needs of the specialized market.

TAYA's complete product line has expanded to every industry across the world, providing customers and collaborating partners around the world with the highest quality and most innovative products – this is our original intention as well as philosophy we adhere to.

With an area of 70,000 square meters, TAYA (Shanghai factory) has 11 production lines, 100 looms and over 9,100 kinds of products. In order to better serve customers around the world, we successively built manufacturing centers and logistics centers in Vietnam and Belgium.



• Origin of TAYA

In 1972 the company's predecessor, "Zhengyi Industrial Company" was established in Jiaoxi, Yilan, Taiwan, engaging in business of processing of curtains, raincoats and cover cloth.

In 1989 it was renamed as TAYA Canvas Co., Ltd., manufacturing 2.1-meter truck covers.

• Today's TAYA

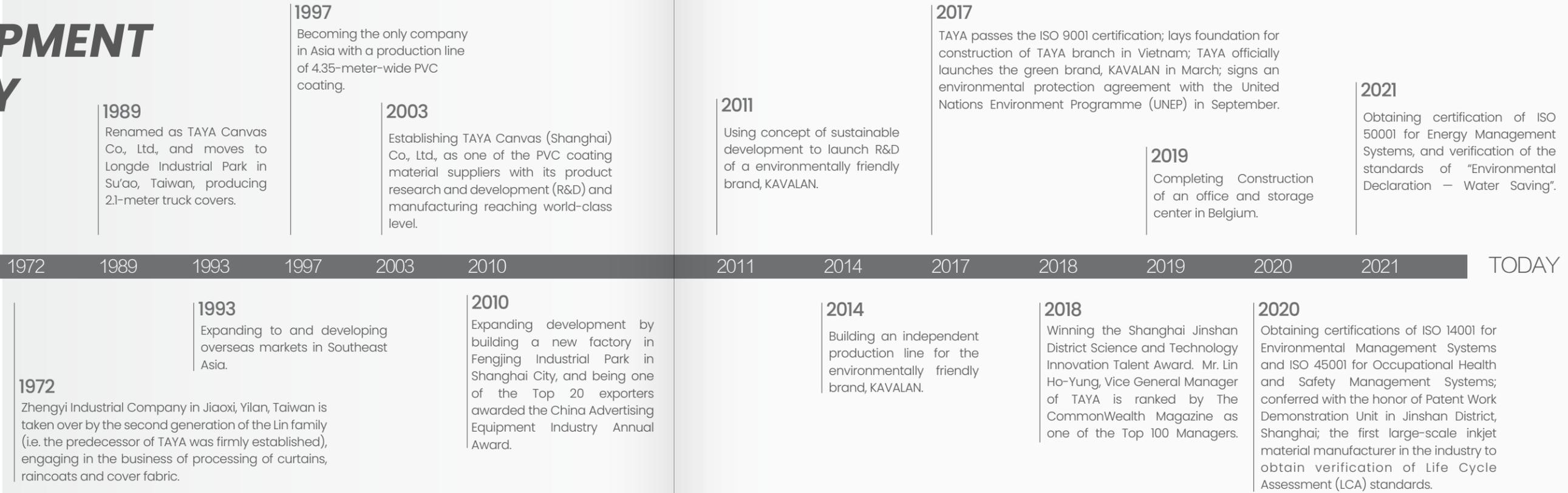
In 2003, the main factory was relocated in Shanghai Minhang Economic & Technological Development Zone in China, and meanwhile, the company was renamed as TAYA Canvas (Shanghai) Co., Ltd. In 2017 we expanded our business in the Southeast Asian markets, and built a factory in Vietnam.

• TAYA in the future

We shall diligently offer innovative solutions and services, meet customers' needs, build rapport with them and achieve win-win situations with customers in both operational and sustainable development in the future.

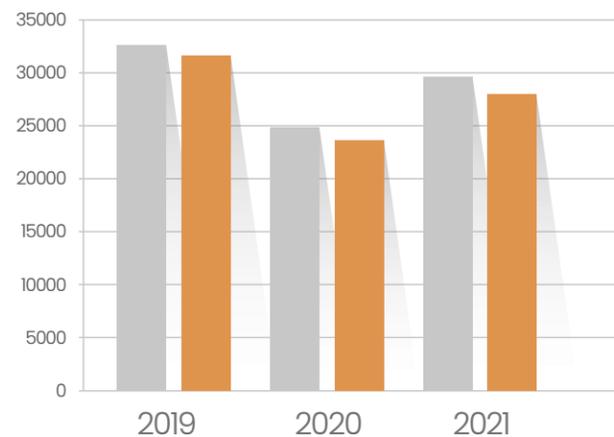
"A peng flies high, not because of the lightness of its single feather; a horse gallops speedily, not because of the strength of its single leg." Our goal is to make sustainability a part of TAYA employee identity, and be integrated into TAYA's development philosophy. TAYA will continue to work hard for improvements in order to fulfill social responsibilities co-developed by shareholders, employees, suppliers, customers and the society, and become a century-old enterprise realizing sustainable social value.

DEVELOPMENT HISTORY

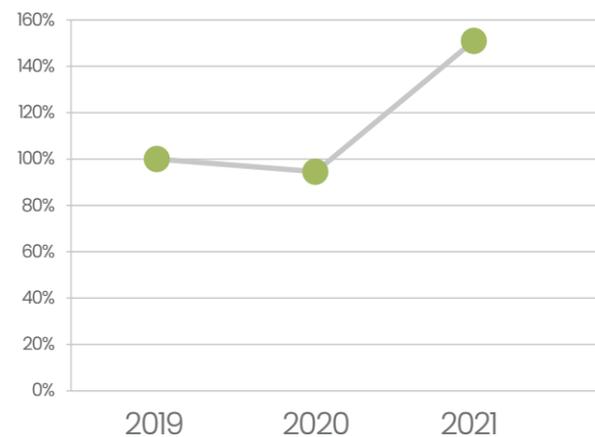


2020-2021 PERFORMANCE REVIEW

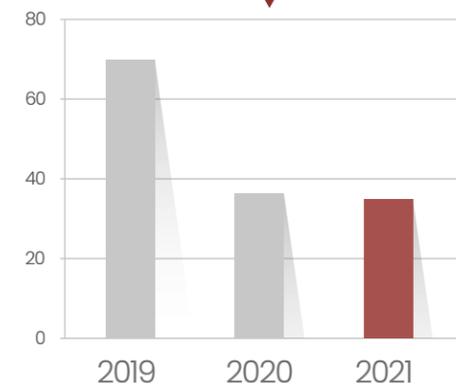
Total sales revenue (\$ 0,000)



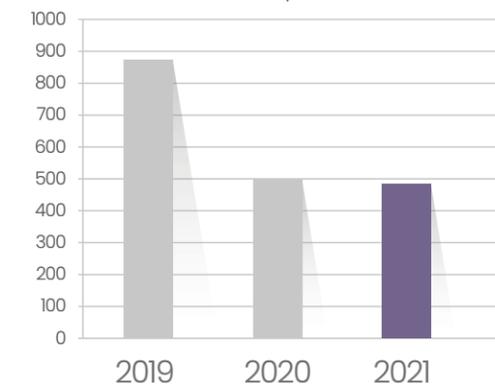
Sales growth rate of KAVALAN products



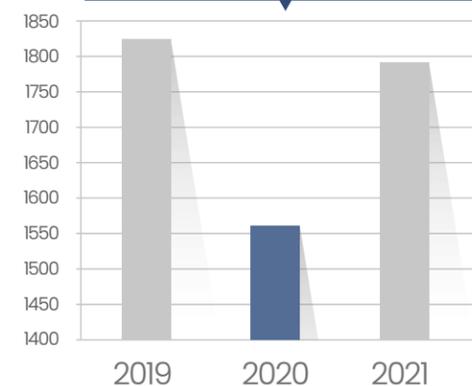
Total tax amount (\$ 0,000)



Profits (\$ 0,000)



Total emolument amount (\$ 0,000)



- ▶ Total sales revenue (\$ 0,000)
- ▶ Sales volume of tradition products (\$ 0,000)

AWARDS



2021
Jinshan District
Patent Work Demonstration Unit
Shanghai Jinshan District
Intellectual Property Bureau

2018
Technology Innovation
Award



Fengjing Town Committee of the Communist
Party of China, Jingshan District
People's Government of Fengjing Town,
Jinshan District



2018
Annual CSA China Advertising Equipment Value List
Intelligence Innovation Award

China Advertising Equipment Industry Annual Awards Committee
China Sign Association of Equipment Suppliers (Shanghai)

2017
Annual CSA China Advertising Equipment Value List
CSA Reliable Brand Award



China Advertising Equipment Industry Annual Awards Committee
China Sign Association of Equipment Suppliers (Shanghai)



2016
Annual CSA China Advertising Equipment
Value List · TOP100 Award

China Advertising Equipment Industry Annual Awards Committee
China Sign Association of Equipment Suppliers (Shanghai)

MANAGEMENT SYSTEM

ISO9001
Quality management system



ISO14001
Environmental management system



ISO45001
Occupational health and
safety management system



ISO50001
Energy management system



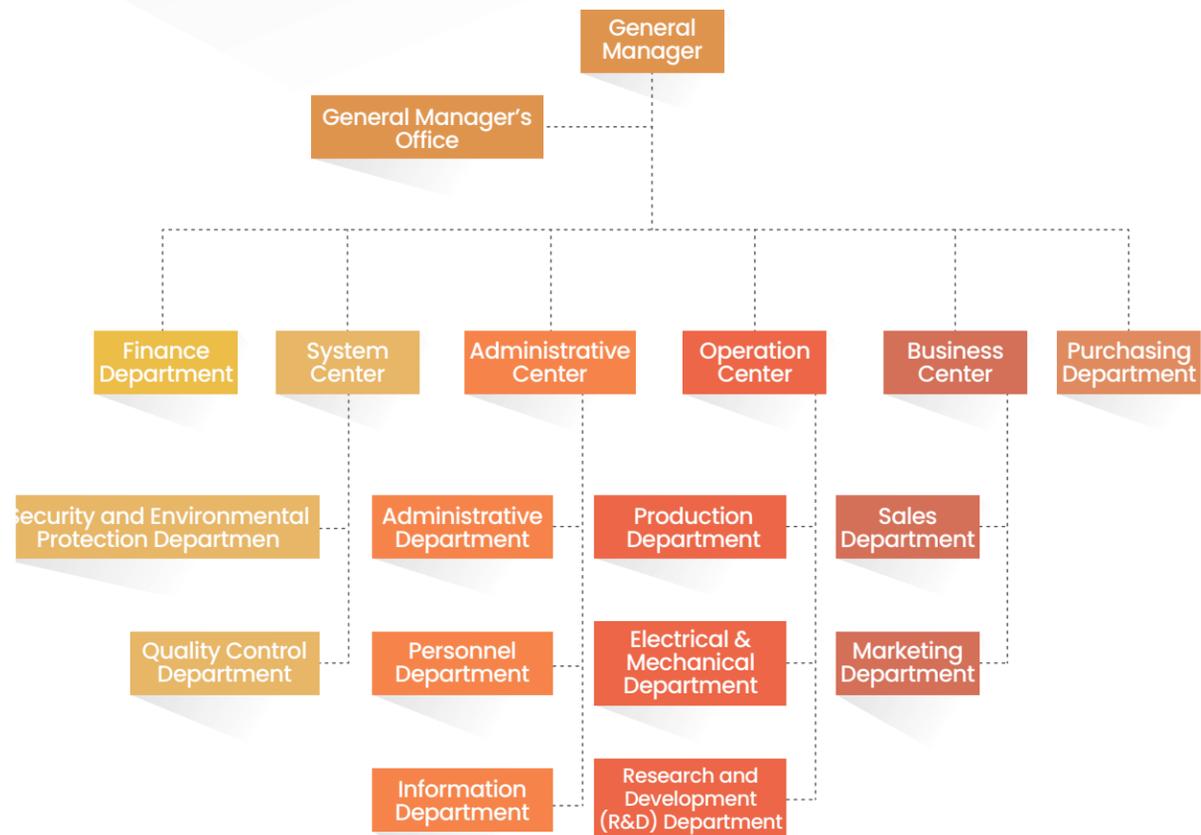
ORGANIZATIONAL GOVERNANCE

Organizational structure

As the company expands its scale and deepens its reach in industry vertically and horizontally, TAYA's influence, internal or external, has also been enhanced. As a responsible enterprise, in addition to managing the corporate, promoting economic development, benefiting people, and exerting business influence, we attach much weight to the performance of corporate social responsibility, so we are willing to contribute to finding solutions for major issues faced by humanity.

With an increased focus on the work of sustainable development, the management of TAYA determines the strategic direction of social responsibility management; review, supervise and approve

relevant files of social responsibility management; are responsible for implementing various resolutions to be executed for fulfillment of corporate social responsibility; draft company's corporate social responsibility policy and working plans; coordinate developing works related to corporate social responsibility; implement daily management of corporate social responsibility work; make corporate social responsibility reports; and strengthen communication and mutual trust with related stakeholders.



TAYA CULTURE

*People-oriented,
ingenious sustainability*

We are united here with the goals of "creating value for customers, creating opportunities for employees, and creating sustainability for the world". Based on the humanistic thought of the Chinese Confucianism, we value human nature and advocate rationality. Through self-examination and establishment of a model that is exclusive to TAYA value, we steadily strive to satisfying customers' needs with novel solutions and innovative service package.

Meanwhile, inspired by the Japanese craftsmen' service spirit, TAYA reinforces corporate management and quality standards, and demonstrates the most authentic and ingenious spirit of sustainability.

While providing professional services, TAYA delivers a business experience that is different from the past. With a pioneering spirit, professional knowledge, and quality assurance that constantly surpasses itself, we shall realize the win-win situations in the future, and make the industry better and more prosperous.

CONCEPT OF ENVIRONMENTAL PROTECTION

Apart from persistently responding to environmental protection policies of the competent authorities, TAYA always adheres to green beliefs, and is committed to creating a green ecological environment for human beings, and practicing the concept of sustainable development.

We emphasize providing employees with a safe and healthy working environment, improving the quality of products and services, ensuring continuity of production, and maintaining employees' stability and morale. In our production process, we try our best to minimize adverse impacts on the society, environment and natural resources. Meanwhile, we protect health and safety of the public, and firmly improve the company's environmental, health and safety performance.

TAYA, as a leading company in the industry, advocates the concept of sustainable development to suppliers and customers, and guides the entities in the supply chain to reduce resource consumption, and produce more environmentally friendly products, as well as those stressing sustainable ecological development.

SUSTAINABLE DEVELOPMENT PLANS

In order to support the company's corporate ideals, we formulated a sustainable development strategic plan:

1. Promote safety and environmental protection, abide by laws and regulations, adopt scientific management, carry out clean production, meet discharge standards, use people-oriented concept, and pursue harmonious development.

Stressing strong needs for environmental protection, the main measures the company takes are as follows:

- (1) Continue to promote establishment of environmental management system for the company;
- (2) Strengthen practices of circular economy and develop green products.
- (3) Improve existing technology and adopt new technology to reduce emissions and energy consumption.

2. Respect labor rights and human rights of all our employees. Focusing on risks involving child labor and forced labor, the main measures we take are:

- (1) Conduct responsible self-management;
- (2) Participate in finding solutions, and actively conduct prevention and control from the point of origin.

3. Uphold the highest business ethics.

4. Build a responsible supply chain. While implementing procurement work, TAYA is confronted with suppliers' increasing demand for environmental protection. We cooperate closely with other companies in order to build a supply chain that is highly responsible, whether in business ethics, environmental protection actions, human rights protection and labor practices, and also promote synergy development and progress of the industry.

STAKEHOLDERS AND SUBSTANTIVE ANALYSIS

We value sustainable development and care about stakeholders' concerns. The Company has established various communication channels, e.g., phone calls, emails, international conventions, international forums, industry exchanges and visits to strengthen close communication with stakeholders and meets the expectations and needs of stakeholders.



Stakeholders

Communication Methods



Customers

Emails, phone calls, on-site visits, audio/ video conferences, audits, questionnaires, international conventions, online platforms



Shareholders and investors

Financial reports, shareholders' meetings



Employees

Emails, bulletin boards, annual summaries, internal networks, online platforms



Government and regulatory bodies

Phone calls, emails, meetings, documents, inspections, online platforms



Suppliers and Contractors

Supplier meetings, international conventions, phone calls, emails, online platforms



Media & non-governmental organizations

Phone calls, documents, emails, meetings



Industry association initiatives

Phone calls, emails, meetings



Communities

Phone calls, visits, investigations

The Company learns about matters the stakeholder concerns through the above-mentioned channels and conducts analysis on those matters with reference to substantive issues that are closely related to itself in the industry. And then, the Company further prioritizes the issues based on its actual operation situations and draws a conclusion regarding the substantive issues and their priority.

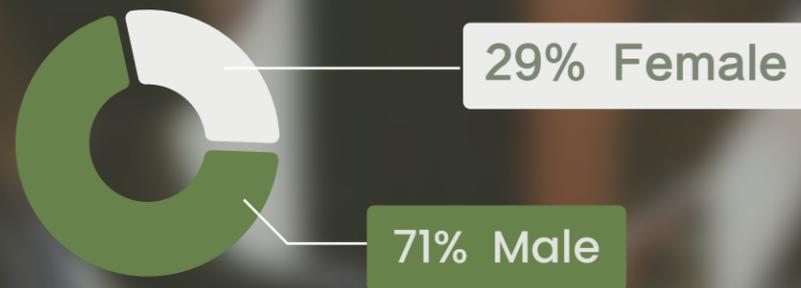
To promote sustainable development management, learn and respond to the needs of stakeholders in a timely manner, we focus on substantive issue management, so as to effectively identify and improve the substantive issues in relevant fields, including issues that affect business operations and those of interest to stakeholders.

LABOR PRACTICES AND HUMAN RIGHTS

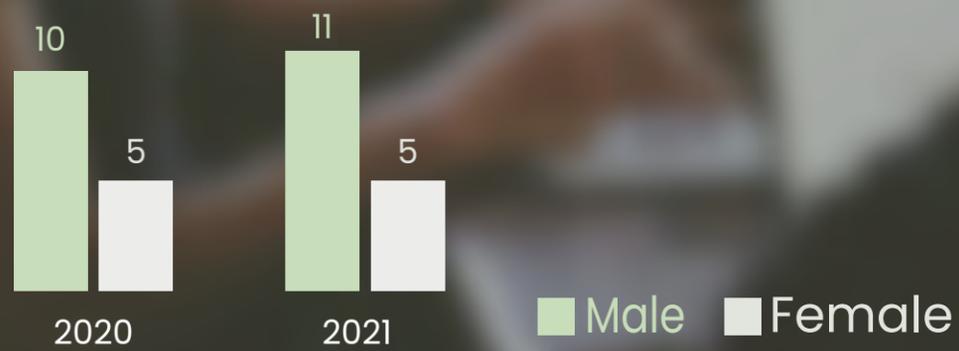
Staff Composition

As of the end of 2021, TAYA has a total of 196 employees. All employees have signed labor contracts and purchased social insurance in accordance with local laws and regulations for the protection of their rights and interests. Abiding by International Human Rights Conventions, the Company creates a diverse, equal and inclusive working environment for its employees. All employees are treated fairly in terms of gender equality, employee composition, and work rights.

Gender distribution



Percentage of women in management



Age distribution



- 70% 30 years old < age >50
- 19% > 51-60 years old
- 8% ≤ 30 years old
- 3% > 60 years old

Educational level



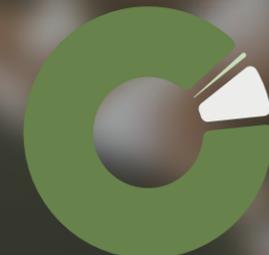
- 82% College or below
- 9% Undergraduate
- 7% College
- 2% Postgraduate

Functions



- 73% Production
- 11% Management
- 6% Sales
- 6% Administration
- 3% Finance
- 1% Technology

Special groups



- 90% Han
- 9% Ethnic minorities
- 1% Veteran

EMOLUMENT AND BENEFITS

Category	2020	2021
Average wage of junior workers	8,050	8,460
Average number of staff	199	196
Salary growth rate of junior staff	3%	3%
Salary of male and female employees in the same position	1:1	1:1
Social insurance coverage	100%	100%
Rental subsidy (CNY ¥10,000)	12.8	17.9
Commercial health insurance expenses (CNY ¥10,000)	7.3	9
Employee satisfaction survey	100%	100%
Holiday bonus (CNY ¥10,000)	11.3	5.2
Social insurance payment (CNY ¥10,000)	158	447
Public fund payment (CNY ¥10,000)	108	104
Transportation subsidy (CNY ¥10,000)	9	21.3

Social security public fund casualty insurance

TAYA purchases social insurance for every employee in accordance with the relevant provisions of Shanghai Social Insurance Regulations in order to provide them with due protection. The insurance coverage rate is 100%. In addition to statutory social insurance, the Company also effects accident injury insurance for employees. The total cost of business insurance is CNY ¥90,000, and each injured employee will be compensated up to CNY ¥200,000.

Chinese New Year holiday

TAYA understands that it's a long journey for some employees to return to their hometowns for Chinese New Year. In order to be sympathetic to the physical fatigue of its employees due to prolonged traveling hours, TAYA gives its employees an additional week's holiday apart from the statutory holidays announced by the State Council, so that the employees have sufficient time for family reunion.

Holiday gifts

The Company purchases holiday gifts for employees during traditional festivals (Mid-Autumn Festival, Dragon Boat Festival, etc.). The Company's total expenditure in this regard in 2021 was CNY ¥52,000.



COVID-19 vaccination

In response to the government's call for all employees to be vaccinated, the Company leased buses for transporting employees to and from the vaccination sites in batches, and all vaccinated employees were given a day of paid leave.



Sports and cultural activities

The Company has devoted itself to providing employees with precise, refined, humanistic and diversified care activities, regular team building activities, fun sports meetings, etc. Through these activities, employees are given opportunities to demonstrate their talents, enrich their life outside work, cultivate common values and enhance team cohesion.

In 2021, We held 5 cultural and creative activities at a cost of about CNY ¥60,000.



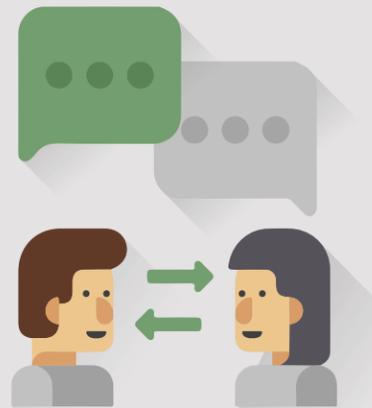
Employee Communication

TAYA has a well-established internal communication system which is managed via various means. The Company conveys its values, development directions and goals to employees through internal communication channels. In addition, the management may fully understand employees' real thoughts and needs through the system and provides timely feedback to employees with regard to the work and life issues raised by them.

Currently, the management work, including employee forums and collective bargaining workshops, has been underway.

We hope to better encourage employees' enthusiasm and creativity by listening to the voices of employees and strengthening their participation in business management.

In 2021, the Company received a total of 6 opinions from its employees via the employee hotline 021-64632409-10220, including 4 opinions on the taste of the canteen food and 2 on public health. The company's Administration Department actively negotiated with the canteen staff and decided to announce the menu a week in advance to meet employees' special needs for a variety of characteristic flavors and tastes.



No reports nor complaints regarding the Company's management were received via the Company's reporting emails: linichien@tayagroups.com throughout the year.

Occupational Health and Safety

In 2021, TAYA invested a total of CNY¥ 3 million in workplace safety, and no major work-related injuries and occupational disease occurred throughout the year. We have always believed that, among all the benefits the Company provides to employees, occupational health and safety is the most basic protection. Only with this guarantee, employees are able to go to work happily and return home safely. The Company constantly improves the employees' working environment, uplifts their spirit and morale and offers assistance to employees when they are in need. TAYA has a complete occupational health and safety management framework and internal systems,

including the "HSE Management Manual", "Enforcement Rules of Safety Inspection," etc. We provide a healthy and safe working environment for our employees by identifying, analyzing and controlling risks of health and safety in workplace and by effectively controlling work place hazards.

We strictly abide by the laws and regulations of occupational health and safety management, and establish, operate and consistently improve the occupational health and safety management system according to the requirements of the ISO 45001:2018 Standard.

Management system training

In 2021, the Company conducted ISO management system trainings of 114 hours in total and implement the internationally standardized management system into the front-line work.

No.	Topic	Participant	Hours
1	Operation training for critical processes – lamination	Corresponding department	3
2	Operation training for critical processes – packaging	Corresponding department	3
3	ISO9001:2015 Quality Management System Standards training	All employees (in groups)	4
4	RoHs fundamental knowledge training	All employees (in groups)	4
5	5S fundamental knowledge training	All employees (in groups)	4
6	New version of ISO50001: 2018 Energy Management System training	All employees (in groups)	4
7	ISO14001: 2015 Environmental Management System fundamental knowledge training	All employees (in groups)	4
8	ISO14001: 2015 Documentation training	All employees (in groups)	4
9	ISO14001 Environmental Factors knowledge training	All employees (in groups)	4
10	ISO9001 internal auditor training	ISO Internal Audit Team	4
11	ISO14001 safety knowledge training	All personnel (in groups)	4
12	Operation training for critical processes – calendaring	Corresponding department	4
13	ISO50001: 2018 Energy Management System training	All employees (in groups)	8
14	Quality inspection skills training	Corresponding department	4
15	ISO14001 job duties training	All employees (in groups)	4
16	ISO14001 laws and regulations knowledge training	All employees (in groups)	4
17	ISO three-system fundamental knowledge training	All employees (in groups)	4
18	Operation training for critical processes – beating	Corresponding department	4
19	ISO45001: 2018 system documentation training	All employees (in groups)	4
20	ISO three-system fundamental knowledge training on environmental factors and hazards	All employees (in groups)	4
21	ISO 14001 internal auditor training	ISO Internal Audit Team	4
22	ISO three-system production skills training	All employees (in groups)	4
23	Internal auditor training for new ISO50001 version	All employees (in groups)	4
24	ISO three-system job duties training	All employees (in groups)	4
25	ISO three-system laws and regulations knowledge training	All employees (in groups)	4
26	ISO 45001 internal auditor training	ISO Internal Audit Team	4
27	Green factory construction training	All employees (in groups)	8

Category	2020	2021
Annual total working hour (H)	614,227	658,723
Number of hazardous occupational positions	5	4
Number of people involved in occupational disease	26	27
Number of work-related fatalities	0	0
Death rate	0	0
Number of occupational injuries	21	15
Number of injured	21	15
Annual lost hours due to incidents	7,608	5,468
*Incident rate per million working hours	34.19	18.22
*Severity rate of lost working hours	1.55	1.04
Number of occurrences of occupational disease	0	0
Number of chemical leakage accidents	0	0
Fire incident	0	0

* (Total number of incidents due to lost working hours) x (1,000,000/total working hours)

* (Days lost due to injury) x (1,000/total working hours)

HSE target accomplishment rate

TAYA sets annual goals and plans for occupational health and safety. In 2021, there were no work-related fatal accidents. In terms of occupational health and safety, the goal was 100% achieved.

With regard to occupational accidents, we investigate and analyze the causes of the accidents in a timely manner and develop and implement improvement measures. In order to improve the effectiveness of occupational health and safety, we perform hazard identification on a regular basis, enhance employees' awareness towards occupational health and safety, and improve the work site.



HSE training

To improve employees' safety awareness and the ability of handling accidents, we orderly carry out various safety trainings, including 3 levels of safety education and training, safety training for critical positions, and safety technology training for special operators. By combining safety drills, safe production, safety knowledge competitions, safety videos, etc., we instill occupational health and safety knowledge to our employees. The following are special trainings we provided for our employees based on national regulations and our own business characteristics:

No.	Topic	Hours
1	ISO three-system safety knowledge training	4
2	ISO14001 emergency plan training and drills	4
3	Fire precaution standard requirements training	6
4	Firefighting knowledge training	4
5	Laws and regulations briefing for production safety	6
6	Hazardous chemicals notification training	4
7	Safety training for emergency rescue team	6
8	Electric shock and safety training	2

The training hours for each topic are not less than 6 hours. In 2021, all employees have attended the occupational health and safety training with a 100% participation rate. The total safety education and training hours is 40 hours, and the average training hour per person is not less than 40 hours.



Talent Management

When it comes to employment, TAYA has always adhered to the philosophy of "selecting dedicated talents with abilities and integrity, cultivating enterprising talents who learn and innovate, and utilizing team-oriented talents who see beyond self." We actively attract excellent talents to rejuvenate the enterprise and provide equal treatment, learning, and promotion opportunities to employees of different regions, races, beliefs, genders, and ages. We will continue to optimize the career path for our employees, stimulate their innovation vitality, and build a diverse team.

Talent Acquisition

In personnel recruitment, we practice equal employment. We understand, respect, and protect the customs, beliefs, and privacy of our employees, resist any forms of unequal treatment and pursue employment policies that are fair, open, and equitable. In addition, we prohibit discrimination based on factors such as age, gender, marital status, physical appearance, ethnicity, and regions and we firmly eliminate child labor, forced overtime, and work that restricts personal freedom. In the past three years, there has never been any incident of violation of employees' rights and interests during the company's operation.

We value recruitment and reserve of talents and are devoted to building a team of energetic and capable talents. At the end of each year, the administrative center will formulate the company's recruitment plan for the next year according to the manpower demand plan proposed by each department. Then, it will be implemented after being approved by the general manager, adhering to the principle of "legality, fairness, justice, and suitability". We recruit outstanding talents through various recruitment channels including online recruitment, internal recruitment, and human resources agencies. During the process, we strictly abide by the provisions of the National Labor Law and offer equal pay for equal work to all employees.

Skills Training

TAYA appoints full-time training administrators, who take charge of a series of internal training systems including the Training and Education Management System, the company's overall development strategy, and human resources strategy. In addition, they promote and organize various training activities, including induction training, pre-employment training, job qualification and certification training, job competency enhancement training, etc. This is to ensure that employees are given opportunities to improve their abilities and quality at every stage of their career path within the company.

To facilitate internal knowledge sharing and promote the development of an internal talent circulation mechanism, we build a team of internal instructors who are appointed and selected internally. The "Training and Education Management System" regulates the duties and responsibilities of instructors, including training course demand research, course implementation, course summary, etc. Additionally, the company organizes employees to conduct satisfaction surveys on instructors' teaching quality and the results of the satisfaction surveys will affect instructors' classification and their teaching remuneration.

We continue to explore and apply online training tools, develop online training courses according to the company's training needs, and strive to provide employees with access to targeted training through flexible and convenient learning channels. On the other hand, we are gradually adapting to remote online meetings for the training programs of production line employees to improve the timeliness and convenience of training and help them improve their professional capabilities.

Training Courses Types in 2021

ISO Management System	43%
English Proficiency	16%
Leadership	7%
Business Skills	19%
Product Training	2%
Safety Education	11%
Patent Knowledge	2%



Outline of Each Training Course

Nature	Category	Topic	Participant	Hours
Internal	Product Training	Digital Printing Consumables Analysis	Corresponding department	15
Internal	Product Training	An Introduction to Inkjet Printing, PVC/PA	Corresponding department	15
Internal	Product Training	Weaving Concept	Corresponding department	15
External	Leadership Skills	Distributor Development Strategy and Management	Management executives above the middle level	12
External	Leadership Skills	[2021 Future Manager] Practice: Winning in Team Digital Power	Management executives above the middle level	6
External	Business Skills	Audio and Video Editing Course	Marketing Department	5
External	Business Skills	Digital Marketing Tools Practical Class - Reaching Global Customer with LinkedIn	Marketing Department	6
External	Business Skills	Steps and Core Strategies for Brand Building	Marketing Department	6
External	Business Skills	Digital Marketing Academy - Marketing with Audio and Video Content	Marketing Department	6
Internal	Business Skills	Sales Psychology: The Essentials of Quotation	Marketing Department	2
Internal	Business Skills	Sales Psychology: Closing Deals in Sales	Marketing Department	2
Internal	Business Skills	Human Motivation and Decisive Delegation	Marketing Department	3
Internal	Business Skills	Ways to Improve Decision-Making	Marketing Department	3
Internal	Business Skills	Sales Psychology: Five Things to Do Before Making an Offer	Marketing Department	2
Internal	Business Skills	Sales Psychology: Political Economy Influence	Marketing Department	2
Internal	Business Skills	Sales Psychology: Basic Business Training	Marketing Department	15
Internal	Business Skills	Sales Psychology & English Classroom	Marketing Department	3
Internal	Business Skills	English Classroom: Communication Skills Development	Marketing Department	2
Internal	Business Skills	Sales Psychology: What do Customers Really Want to Buy?	Marketing Department	2
Internal	Business Skills	Sales Psychology: The Cultural Differences Between Chinese and Western & Practical Sentence Patterns	Marketing Department	3
Internal	Business Skills	English Classroom: Presentation Skills Development	Marketing Department	2
Internal	English Proficiency	English Classroom: Writing Skills Development	Marketing Department	12
Internal	English Proficiency	English Classroom: How to Negotiate?	Management executives above the middle level	2
Internal	English Proficiency	English Classroom: Abbreviations in Letter	Management executives above the middle level	2
Internal	English Proficiency	English Classroom: How to Give Excuses and Reject	Management executives above the middle level	4
Internal	English Proficiency	English Classroom: The Impact of Chinese & Western Personalities on Closure	Management executives above the middle level	4
Internal	English Proficiency	English Classroom: How Do You Say Accounts Payable?	Management executives above the middle level	2
Internal	English Proficiency	English Classroom: Five Practical Ways of Saying I Understand	Management executives above the middle level	2
Internal	English Proficiency	Sales Psychology: Five Things Before Making An Offer	Management executives above the middle level	2
Internal	English Proficiency	English Classroom: Probing the Mind	Management executives above the middle level	2
Internal	English Proficiency	English Classroom: Difference among Ability, Capability, Capacity, and the Usage of Win	Management executives above the middle level	4
Internal	English Proficiency	English Classroom: How to Use Check, Talk, and Practical Sentences to Win Hearts	Management executives above the middle level	6

In 2021, we offered a variety of multi-category skills training sessions for our middle-level executives and business personnel through formal meetings, online education, training groups, and among others. The total training hours were 115 hours, which was 32 hours of training per individual. This allowed our personnel to adapt to the ever-changing the industry while providing a growth channel for our employees.

ENVIRONMENTAL PROTECTION

Management system

While developing its business, TAYA takes environmental protection as the primary task for sustainable development, and responds to the goals of "energy saving and emission reduction" as well as "low carbon economy". Thus, the company promotes the environmental management system, which obtained the ISO 14001 Certification for environmental management systems in 2020 as well as the ISO 50001 Certification for energy management systems in 2021. The company effectively improves its environmental management capabilities, eliminates outdated production technology and equipment according to the policy requirements, implements clean production, establishes an "environmentally friendly enterprise", sets up an exclusive Environmental Management Department, keeps on refining environmental management system, and regularly records operation data of the environmental protection facilities, enabling environmental protection facilities to achieve a 100% operation stability.

The research and development (R&D) team has been optimizing traditional products, from procurement of raw materials to optimizing of production technology, endeavoring to minimize impacts on the environment during use of products. The R&D team also actively develops the environmentally friendly green brand, KAVALAN, which covers a series of products of new advertising coating materials. It is hoped that this brand can inspire other companies in the industry and those in upstream and downstream supply chain to practice green production and environmental protection. Besides, the company has been improving pre-planning for emergency of environmental pollution accidents, regularly conducting drills, strengthening production technology and equipment management, prohibiting illegal pollutant emissions and excessive noise, increase utilization rate of various resources and energy, and decrease wastes generation.

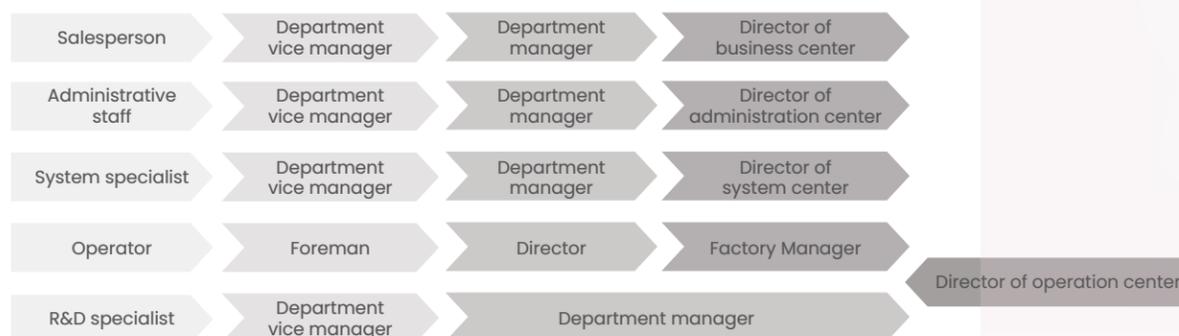
In order to enhance environmental protection awareness among employees, the company vigorously promotes measures of energy conservation and emission reduction, publicizes these concepts on bulletin boards and in offices, and advocates civilized, economical, green and low-carbon production and office working methods, and eliminates unnecessary waste from everyday life. The company regularly requires employees to take environmental protection standard training, so that employees can develop the habit of conscious energy conservation in their daily lives and do their part to fulfill their environmental protection responsibilities. In 2021 the company requested employees to receive environmental protection training in different sessions in accordance with the requirements of the ISO system, and the coverage rate of training reached 100%.



Career Development

To help employees set clear professional development goals, TAYA has a system of dual-path promotion for the career development of management and professional technical posts. Employees can choose their development paths according to the company's actual needs and their career plans. In addition, we continue to improve the establishment of the employee career development system; we created a job qualification system in 2021 to distinctly define the job requirement for foremen, workshop supervisors, etc. of the production line.

Furthermore, for the development shared by the organization and individuals, we provide employees with career prospects and establish a multilevel and diversified training system. This is to allow employees of different positions and levels to fairly receive vocational training and guidance that suits their conditions. In addition, we have designed different career development paths for sales, management, production, and other functions according to the actual situation of the company, so that each employee can realize career development through different channels.



In 2021, 190 employees, accounting for 90% of the total employees of the company, received regular performance evaluations and career development assessments. We prioritize internal promotion over external hiring. Moreover, we are increasing the proportion of female and local employees in management. 32 employees were promoted through internal promotion this year.

GREEN PRODUCTION

TAYA is dedicated to building a garden-type factory area with high green coverage rate, providing a pleasant working environment for employees. The company strictly adheres to relevant laws and regulations, and protects surrounding ecological community. In addition to stringent environmental impact assessment (EIA) and proof for all new projects, the company also regularly monitors water quality and soil of their surroundings so as to avoid generation of excessive pollutants, pay attention to the environment and protect biodiversity.

Besides, we routinely promote a green office culture, and on a regular basis hold various activities associated with environmental protection. Starting small, we call on employees to conserve water, electricity and office supplies.

For our planet and all living creatures, and for a better future for our children, we have researched and developed a series of high-quality, environmentally friendly printing materials –  **Kavalan**
CREATING CLEAN SCENES

On the occasion of World Environment Day 2018, Taya Group actively responded to the call of UNEP, hoping to lead all staffs to fight against white pollution starting from waste sorting and recycling, and participate in the global action of #BeatPlasticPollution.

TAYA GROUPS PLASTIC REDUCTION

RECYCLING
REUSABLE BAG
ENVIRONMENTAL EDUCATION

#BEATPLASTICPOLLUTION#

—IF YOU CAN'T REUSE IT, REFUSE IT!



▶ Plastic pollution is everywhere today. Every year, we throw away enough plastic to circle the globe four times. Most of this waste doesn't end up in landfills, but in our oceans, killing a million seabirds and 100,000 marine mammals each year.



▶ In Dhaka, Bangladesh, a mother takes care of her son while washing plastic waste to sell to recyclers, but less than one in five plastics in the world can be recycled.

China is the largest producer of plastics, accounting for more than a quarter of the world's total, most of which is exported to other countries. Plastic pollution is more serious than we can imagine.



Energy saving and emission reduction

TAYA has carried out energy conservation and emissions reduction work in three major aspects: system, equipment and manpower. According to statistics, the investment in energy-saving technological transformation in 2021 was around CNY ¥ 680,000, saving/energy costs of the year for over CNY ¥ 220,000. The company firmly supervises the progress of energy conservation work in each department, provides supports for departments lagging behind the expectation, and successfully performs energy management work.

Regarding improving energy efficiency of equipment during use, the company considers energy-saving at the stage of workshop planning and design as well as equipment procurement, and prioritizes the use of equipment with low energy consumption. In order to encourage employees to proactively practice energy conservation, the company has put in place a reward system, which includes energy-saving results in the appraisal of responsible personnel of the Energy Conservation Committee. Besides, we actively organize various energy-saving knowledge activities, such as energy-saving awareness week, energy competitions, knowledge quiz activity, etc., and employees' participation rate in these energy-saving activities in 2021 was 100%. The upgrading of oil-fired boilers to be gas-fired boilers was completed in 2021. During the utilization period of the upgraded equipment, we are able to monitor and analyze energy consumption data, and identify room for improvement of energy efficiency.



Gas-fired boilers



Circulating cooling water tower



Frequency converter

Waste management

TAYA persistently carries out resource recycling and reuse, and through a series of management measures, such as improving related system and operation sites, ensuring that waste recycling, reuse and treatment proceed orderly and effectively. As to disposal of hazardous wastes, it is outsourced to a qualified third-party company for transportation and disposal.

In our daily operations, recycling rate of industrial waste is 100%; and conversion rate of hazardous waste is 100%. As for treatment of waste gas, the company adopts technologies of UV lamp deodorization, high-pressure electrostatic adsorption by activated carbon, making sure that treated waste meets emission limits, and effectively reducing impacts on the environment.

In daily operations, no industrial wastewater is generated. As to the solid wastes generated in the production process, they are classified, monitored and treated according to the requirements before they are discharged or disposed of. Through reduction and recycling of solid wastes in the manufacturing process, circular economy and green development are put into practice.

In 2021 a total of 130 tons of general wastes (production scraps) were recycled and treated, and a total of 1,540kg of hazardous wastes (waste engine oil, heat transfer oil, etc.) were entrusted to a qualified third-party company for transportation and disposal.



Warehouse for hazardous goods

Air emissions

Before emitting air containing volatile organic compounds, dust particles and other harmful substances that are all produced in the production process, it is deodorized by primary high-pressure electrostatic and UV system, followed by secondary high-pressure electrostatic treatment and activated carbon adsorption treatment, and then is discharged from the exhaust pipe. The company regularly entrusts a third-party agency to monitor quality of air emissions in order to ensure that emissions meet the national standards.



High-pressure electrostatic treatment and UV deodorization facilities



High-pressure electrostatic treatment and activated carbon adsorption facilities



Daily Monitoring Report



Daily Monitoring Report



Seasonal Monitoring Report



Seasonal Monitoring Report

Environmental performance

In 2021 TAYA invested a fund totaling CNY ¥ 680,000 in environmental protection.

Key indicator	2020	2021
Compliance rate of wastewater treatment and discharge	100%	100%
Compliance rate of waste discharge	100%	100%
Natural gas consumption (m3)	1,299,875	1,520,443
Hazardous wastes generated (tons)	0.91	1.54
Diesel (tons)	6	6
Gasoline (tons)	20	19
Pollution incident	0	0
Total water used (tons)	13,570	12,180
Industrial wastewater discharge (tons)	0	0
Compliance rate of noise control	100%	100%
Electricity used (kWh)	8,146,890	9,502,570
Photovoltaic power generation (kWh)	480,459	491,449
Hazardous waste disposal rate	100%	100%
Fire accident	0	0

2021 Energy Consumption						
Type	Physical consumption	Unit	Standard coal coefficient	Unit	Standard coal volume	Unit
Natural gas	1,520,443	m3	1.29971	kgce/m3	2,022.19	tce
Gasoline	19	tons	1.4714	kgce/kg	27.96	tce
Diesel	6	tons	1.4571	kgce/kg	8.74	tce
Fuel oil	0	tons	1.4286	kgce/kg	0	tce
Electricity	9,994,019.22	kwh	0.1229	kgce/kg	1,228.26	tce
Total					3,287.15	
Comprehensive energy consumption during working hours					0.0957	tce/hour
Natural gas consumption during working hours					44.2651	m3/hour
Natural gas consumption (standard coal, boiler) during working hours					0.05887	tce/hour
Power consumption during working hours					290.9591	kwh/hour



ECO BRAND



With rich experience and stable technology in this industry for years, our team has developed its first environmentally-friendly PVC-free large-format advertising inkjet material brand – KAVALAN. In large-format printing industry, KAVALAN is the first 100% green and eco-friendly inkjet material in the industry, and has shown outstanding printing performance in various applications. KAVALAN not only maintains absolute advantage in the market, but also fulfills its mission of sustainable development, and even leads trend on protecting the environment.

Focusing on customer services and aiming to achieve the goal of environmental protection and sustainable development, and through verification of products by Life Cycle Assessment (LCA) conducted by the authoritative organization, SGS, we can scientifically prove that KAVALAN products achieve better effects in resource conservation and emissions reduction than any other similar products.

— Frontlit —



— Backlit —



— Block-out —



— Mesh —



— Wall Covering —



— Mesh —



— Welding Tape —



— Kavalan Dragonfly —



— Keder —



Contribution to ecology and energy conservation



While developing its own energy-saving products, TAYA encourages its collaborating partners to work together for environment. In 2021, we conferred Energy Saving Certificates to 14 distributors who had been working hard with us in contributing to energy conservation.

According to the results of the Product Life Cycle Assessment (LCA) standard verification report made by the world's authoritative organization, SGS, KAVALAN products are apparently found to, when compared with traditional PVC products, contribute more to environmental protection in terms of level of resource consumption and pollutant discharge.

KAVALAN's Eco Calculator uses real-life examples to illustrate changes that some KAVALAN products bring to the planet, and the important changes are listed as follows:

Greenhouse gases



10,000 m2 **【Butterfly 360 Soft】** will save enough CO2 equivalents emitted during **14.85** single economy seats from New York to London.

Fossil fuel



10,000 m2 **【Sunlight Light Banner】** will save enough fossil fuel to power a BMW 3 series on **23.49** return journeys between London and Paris.

Water resources



10,000 m2 **【Gecko DECO】** will save **214,386** fresh water, enough for **143** adults to drink for one year.

Carcinogens



10,000 m2 **【Spiderweb 300】** would save the carcinogenic equivalent as **10.38 million** packs of cigarettes - equivalent to **542.8** years of life.

Fine particulate matter (PM2.5)



10,000 m2 **【Sunlight Weldable】** would reduce **10.4 Kg** PM2.5 equivalent as avoiding **24.01** fatal illnesses in the same year.

KAVALAN's green commitment

Looking back on our joint efforts with our supply chain partners in 2021, we would like to share highlights of KAVALAN's ecological efficiency and energy saving performance of the year.



Saving 35.95 megaliters of ecological water



Reducing 143,915 Kg of carcinogens



Reducing 1,676,973 Kg of carbon dioxide emission



Reducing 3,239 Kg of fine particulate matters (PM2.5)



Reducing 695,551 Kg of fossil fuel consumption

There is a long way to go on environmental protection, and we shall go everywhere to explore more. We hope that more and more partners shall join KAVALAN's distribution network, and more people shall have opportunities to choose KAVALAN and work with us to reduce pressures on the environment.



ECO GUARANTEE



BUSINESS ETHICS

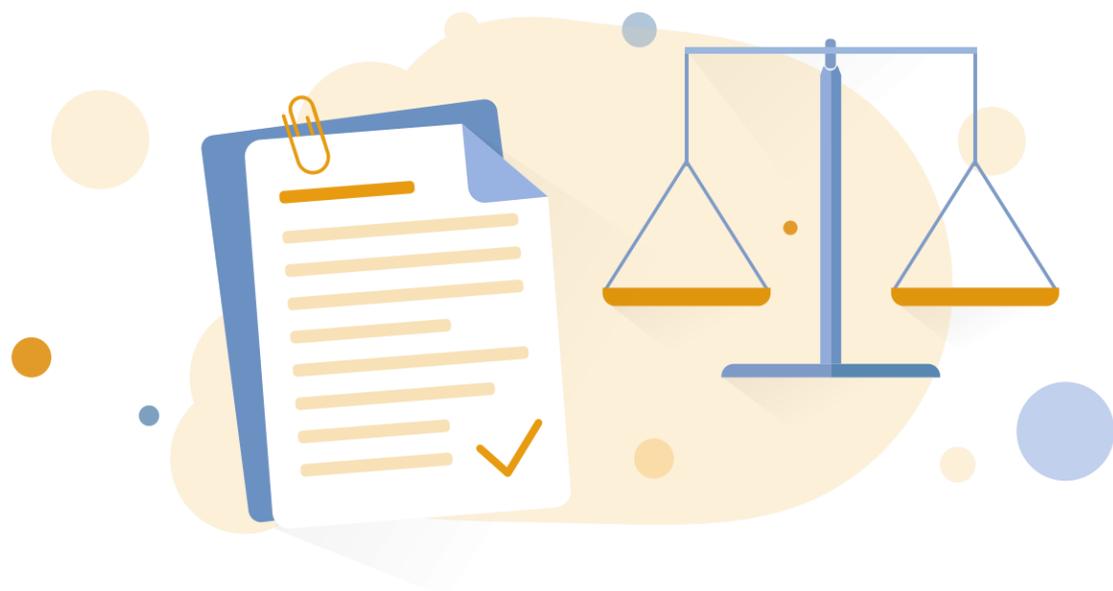
Establishment of integrity culture

TAYA considers integrity culture establishment as an important element of corporate culture, and promote integrity to all employees in the forms of ethics trainings, cases, videos, and integrity awareness month.

1. Every employee is requested to sign an Employee Professional Ethics Commitment Letter, in which the professional ethics requirements that employees needs to fulfill are clearly indicated. The Company's management must receive the integrity compliance assessment at the end of the year, and the result of such assessment will be included in the evaluation of personal welfare and performance assessment the responsible departments.
2. Regarding supply chain compliance, TAYA has signed the Mutual Agreement on Integrity with suppliers and conveys the requirements of ethical laws and rules of conduct to the supply chain.

Type	Topic	Fee	Participant	Hour
Integrity regulations	Professional quality and ethics education	-	All employees (in groups)	6
Information security	Confidential files management and cyber security measures	-	All employees (in groups)	6

3. TAYA has a complete anti-fraud management system, including the Anti-fraud Management System, Integrity and Ethical Conduct Management System, etc., which list the behaviors that may constitute corruption as well as the corresponding punishment measures to urge employees to practice honesty and to prevent employees from taking advantage of their positions and powers to seek illegitimate benefits. As an important part of TAYA's routine management work, anti-fraud work is directly guided and supervised by the general manager.



Information Security

With the continuous development of informatization, there are increasing number of threats to information security. The risks of IT security incidents such as "ransomware attack, Trojan horse attack and confidential files leakage" cause incalculable losses. To secure the Company's information, the IT Department, after taking the overall business network and information data security into consideration, established a set of information security technical solution framework system, including physical security, infrastructure security, application operation security, business data security, operation and maintenance security, and official website SSL Encryption Technology.

Information security is not only related to the IT Department, but also to the information privacy of each employee and the security protection of the company. Each department of the Company enhances information security awareness in its daily routine, conducts information security awareness training on a regular basis, and strives to improve employees' information security awareness.

We include the information security awareness training in our annual training program:

1. Increase employees' information security awareness: identify the responsible department for information security and appoint a special person to be responsible for information security;
2. Report information security emergencies in a timely manner;
3. Release announcement in a timely manner.

The IT Department conducts regular inspections of IT equipment for potential defects on a quarterly basis. In 2021, no IT-related information leakage, system crashes, virus attacks, etc. occurred.

Reporting Mechanism

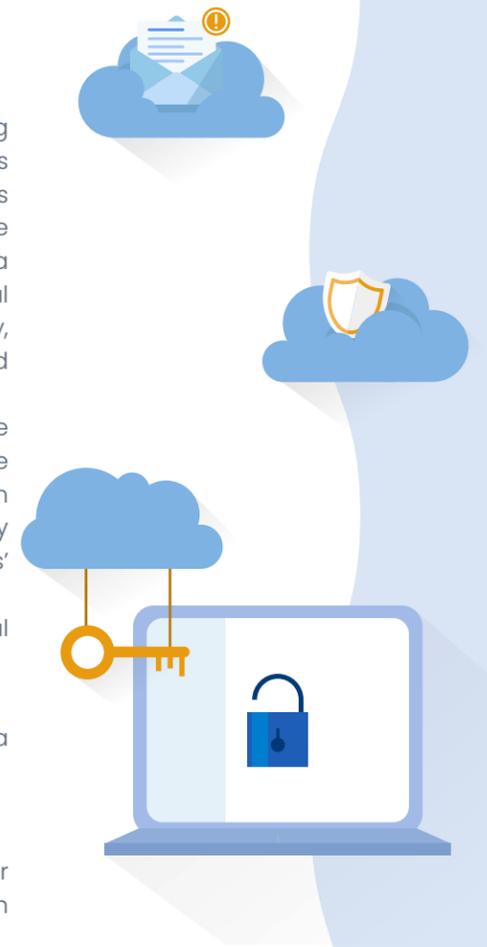
The reporting mechanism is one of the main ways for the Company to detect fraud. Complaint channels such as e-mail, telephone, letter or reporting in person are available for employees and stakeholders to make anonymous or real-name reports on violations of the Company's regulations, disciplines, laws, frauds, and behaviors that are detrimental to the Company's interests and image.

If the reported case is proven to be true after investigation, the whistleblower will be rewarded accordingly. In the event that the whistleblower is a supplier, he/she can be rewarded with long-term orders and the priority bidding; while if the whistleblower is an employee (including former employees), he/she can receive a reward of CNY ¥1,000 - 20,000.

In 2021, no reports related to ethics were received via Company's relevant channels.

The Company has established a "whistleblower protection system" and describes the protection measures for whistleblowers in details. The system is designed to severely punish any retaliation against whistleblowers and protect will be severely punished as well as protect the legal rights and personal safety of whistleblowers. During the investigation, post-report and rewarding process, the whistleblower's personal information is highly protected. The violator is strictly forbidden to obtain the information of the whistleblower in any form. Should the whistleblower or his/her family receive threats against life or safety due to the report, the Company will help report to the police and seek legal assistance.

The Company's public reporting and complaint channels:
General Manager's Email: linichien@tayagroups.com / Staff Hotline: 021-64632409-10220



INNOVATIVE RESEARCH AND DEVELOPMENT (R&D)

TAYA's main products are mainly divided into 7 categories: industrial fabrics, medical fabrics, transmission belts, membrane structures, airtight inflatable fabrics, tarps and advertising fabrics. We are committed to continuous innovation, and insist on complying with the international standards of various products in production process. Having been in the industrial textile industry for 50 years, we have rich manufacturing experience and core R&D technology. While providing customized services, we have also been leading the industry, even 10 years ago, to extend reach to the field of eco products.

At the same time, the company gradually converts the, the company shall gradually convert the R&D results into patents so as to effectively protect our R&D results from infringement.

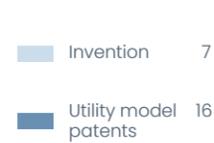
Type	2019	2020	2021
Newly added patents	4	40	18
Patents pending	4	40	52
Effective patents	9	17	23



Intellectual property rights

In order to build an efficient and strict intellectual property protection network, the R&D Department cooperates with the Intellectual Property Right Department, the management grade as well as the Marketing Department. As of 2021, a total of 23 patents had been authorized, and distributed in 8 countries as follows:

Distribution map of patent types



Regional distribution of patents



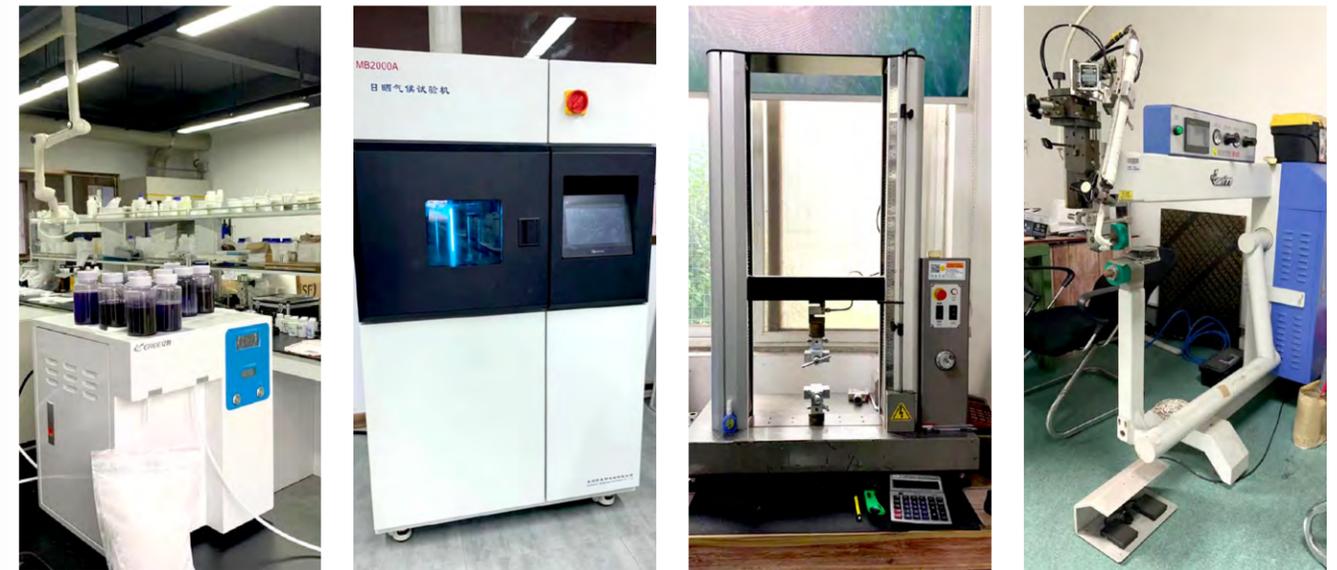
Area	No.	Name	Type	Patent No.
Mainland China	1	A type of plain weave base fabric and its weaving method.	Invention	ZL 2018 1 0926902.6
	2	A type of pre-glued base fabric that increase its tear strength, and its weaving method.	Invention	ZL 2018 1 0926903.0
	3	A type of auxiliary weft yarn, its using method and the products obtained from the yarn.	Invention	ZL 2018 1 0926905.X
	4	Decorative wall covering structure with the feature of sound absorption.	Utility model	ZL 2018 2 0350623.5
	5	Fabric-structured wall covering with the features of ink absorption, as well as fire and water resistance.	Utility model	ZL 2018 2 0351837.4
	6	Cylindrical hollow wiredrawing fabric and its weaving method, double-sided double-shuttle bias-warp loom.	Invention	ZL 2019 1 0062525.0
	7	A kind of dynamic decorative fabric as well as its making method and steel reed device.	Invention	ZL 2019 1 0062527.X
	8	A type of fly repellent coated fabric.	Utility model	ZL 2019 2 0112082.7
	9	Environmentally-friendly non-PVC advertising cloth of splicable fabric structure.	Utility model	ZL 2020 2 0079918.0
	10	Coating structure of blackout advertising printing cloth.	Utility model	ZL 2020 2 1438554.7
Taiwan China	1	Fabric-structured wall covering with the features of ink absorption, as well as fire and water resistance.	New model	M562864
	2	Decorative wall covering structure with the feature of sound absorption.	New model	M562854
	3	Environmentally-friendly non-PVC advertising cloth of splicable fabric structure.	New model	M595580
	4	Blackout advertising printing cloth of coating structure.	New model	M604785
Japan	1	Decorative wall covering structure with the feature of sound absorption.	Utility model	3217066
	2	Fabric-structured wall covering with the features of ink absorption, as well as fire and water resistance.	Utility model	3217054
Germany	1	Environmentally-friendly non-PVC advertising cloth of splicable fabric structure.	New model	202020100796
	2	Blackout advertising printing cloth of coating structure.	New model	202020105527
Thailand	1	Fabric-structured wall covering with the features of ink absorption, as well as fire and water resistance.	New model	15548
	2	Decorative wall covering structure with the feature of sound absorption.	New model	15549
Belgium	1	Environmentally-friendly non-PVC advertising cloth of splicable fabric structure.	Invention	1027760
USA	1	Polypropylene environmental protection inkjet advertising cloth.	Invention	US 11135819
France	1	Environmentally-friendly non-PVC advertising cloth of splicable fabric structure.	New model	2008592

R&D team

The company has an independent Research and Development (R&D) Department employing professional R&D technicians to lay a good foundation for continuous innovation of the company.

After years of development, the company has possessed independent R&D abilities, and has achieved remarkable R&D results in new product development and process transformation. Its eco brand, KAVALAN is the best proof.

Recognizing R&D and innovation as the engines of corporate development, TAYA focuses on product quality and pursues technological innovation. Building on existing products, the company, with clean production as its core, shall develop more low-carbon energy-saving new products in order to practice the essential corporate values of "surpassing oneself, dare to innovate, support sustainable development, and achieve win-win situations"



SUPPLY CHAIN MANAGEMENT

TAYA follows the principle of fair and equitable procurement; we consistently deepen the partnership with our suppliers, strengthen their awareness of social responsibility, and promote the sustainable development of the supply chain. As of 2021, the number of our qualified suppliers has reached 60.

Category	2020	2021
Resolution Rate of Procurement Complaint	100%	100%
Completion Rate of Suppliers' Business Conduct Background Check	50%	80%
Completion Rate of Suppliers' Social Responsibility Risk Analysis	20%	50%

Understanding the importance of collaborating with supply chain for product quality and enterprise development, the company establishes internal systems such as the Supplier Evaluation and Monitoring Management System and the Supplier On-site Audit Process to select high-quality and socially responsible suppliers through supplier entry assessment, daily management and evaluation, annual audits, and other methods. Our goal is to ensure the transparent and efficient operation of the supply chain, promoting a sustainable supply chain. As of the end of 2021, 60 major material suppliers are working with the company, of which 40 are located in Mainland China, and 20 in other regions. The company currently does not conduct on-site audits of our suppliers due to the special nature inherent in the chemical industry involved in upstream supply chain.

Development and Entry

The company conducts screening first by using questionnaire surveys to collect basic information such as experience, production capacity, environmental protection level, human rights regulations of potential suppliers. Those who passed the initial screening are then subjected to sample audit and on-site audit. Suppliers are required to provide but not be limited to the following information: business license, background check, system certification, industry license, honor certification, etc.



Evaluation and Counseling

To control the quality of products and services provided by the suppliers, the company conducts daily monitoring and regular evaluation of the suppliers cooperating with us.

Supplier Assessment and Evaluation Criteria and Application		
Evaluation Score	Results Application	Supplier Grad
85 and above	Increase procurement volume	A
70-84	Normal procurement	B
60-69	Give counseling and reduce procurement volume	C
Below 60	Provide report for rectification and suspend procurements	D

Note: If the supplier scores less than 25 points, refer to the rewards and punishments for Grade D. If the only supplier is rated D, carry out normal procurement.

Supplier Management

Record the daily social responsibility performance of suppliers, which is used as a basis for supplier evaluation; Collect regular statistics on the certification status of suppliers' social responsibility management system to make analysis; Regarding fulfilling social responsibility, routinely observe suppliers' requirements for their downstream and upstream suppliers; Strengthen daily communication and feedback with suppliers and establish long-term cooperative relationships with high-quality suppliers.

Guidelines for Suppliers

- Environment: Conserve resources and minimize adverse impacts of operations on the community, environment, and natural resources.
- Labor management: Safeguard human rights of employees, respect and protect employees' rights to freedom of association and collective bargaining, and do not employ underage workers and forced labor.
- Business ethics: Exhibit the highest standards of integrity and operate with integrity.
- Occupational health and safety: Ensure employees' occupational safety and reduce occupational disease hazards.



CUSTOMER SERVICE

Extensive product line

TAYA endeavors to provide customers with professional and efficient technological supports and high-quality products to protect the rights and interests of customers. The main products are divided into 7 major categories: industrial fabrics, medical fabrics, tarps, membrane structures, treadmill walking belts, airtight fabrics and fabrics for digital printing, all of which showcase cutting-edge scientific and technological competitive advantages. We are committed to make continuous innovation, and insist on producing and manufacturing safe products.

Establishment of International Branches

In order to have close contacts with customers and provide them with convenient services, TAYA officially established an office and a warehouse center in Belgium, Europe in 2019.

Eco Calculator

On July 20, 2021, TAYA launched the world's first Eco Computer for banner materials in the large-format printing industry, making it easier for the company to understand and assess the ecological efficiency and energy-saving volume of KAVALAN's eco-friendly advertising banners without PVC added.

The source of this database is from SGS's Life Cycle Assessment (LCA) process for a series of KAVALAN products. On KAVALAN's Eco Calculator, we compare 12 products with PVC advertising banners with the same base, and then find that KAVALAN materials can provide more significant ecological efficiency and saved energy consumption volume.

Eco Calculator is at present provided to distributors of KAVALAN all over the world, and its report is available in 7 languages, including English, French, German, Spanish, Romanian, Italian and Japanese.



Standard compliance

Each of our products has to take physical and chemical tests and analysis (UV, fireproof and poison analysis, noise reduction test, biodegradability test, incineration test) by authoritative laboratories. The series of KAVALAN products obtain SGS's LCA verification, and acquired carbon footprint label.



Quality Control

TAYA controls every detail in the production process to ensure the quality of products and services meet customer requirements. In 2021, the qualification rate of all kinds of products of the company is close to 100%. To stay compliant with the ISO9001 management system, we have multiple process systems such as non-conforming product control, hazardous substance management, label traceability, etc. Product recall have not occurred throughout the year.

To follow regulations and a quality management system, TAYA has entrusted third-party laboratories to conduct product testing irregularly and improve quality with the following four major methods:

1. Increase technology investment: In the past 5 years, TAYA has invested approximately CNY80 million in technological improvements, which are used to build intelligent manufacturing equipment and optimize production process.
2. Launch international cooperation: To improve the timeliness of quality service globally, we cooperate with local companies in the UK/Ireland, Australia, Germany/Netherlands/Belgium/Luxembourg/Austria/Switzerland/Italy/Norway/Sweden/Spain/France, Poland, Romania, Norway, and other countries.
3. Construct technical support: Since 2003, the company has invested a total of more than CNY10 million to establish physics and chemical laboratories to undertake the quality inspections of the company's products and raw materials as well as ensure that the products meet qualification rate. The company has 19 research and development team members, including 2 graduate students, 8 undergraduate students, and 1 graduate student researching polymer materials.
4. Software development: Since 2013, the company has invested about CNY6 million to import the ERP and MES system software. From raw materials, manufacturing, storage, to finished products, the entire production process are recorded for batch management, gradually realizing visual management and product batch traceability.

Customer Satisfaction

TAYA has optimized the operation of customer surveys by sending regular E-mail newsletters with an unsubscribe function. Customers can customize the feedback according to their business needs. In addition, we also maintain close communication with our customers through customer visits, industry exhibitions, online meetings, and other channels to identify customers' needs and expectations promptly.

To understand customer satisfaction, we distribute customer satisfaction questionnaires and visit customer in person. We find and solve problems in time by analyzing customers' needs from the angles of business support, execution, quality control, technological innovation, and social responsibility. Then, we will provide our customers with better quality services.

Performance Indicators

Category	2020	2021
Number of Customer Feedback	29	19
Number of Solved Feedback	29	19
Customer Feedback Resolution Rate	100%	100%
Customer Satisfaction Rate	100%	100%
Product Qualification Rate	99%	99%
Customer Complaint Rate (Number of Complaints/Total Number of Orders)	1.50%	0%

PUBLIC WELFARE

Upholding the idea of "taken from society, give back to society"; Taya contributes to the sustainable development of the environment and society apart from fulfilling responsibility to our stakeholders. The company's social responsibility is demonstrated in public welfare, such as sponsoring underprivileged students, sponsoring sports events, blood donations, donating to disaster areas, participating in water conservation programs, etc.

In the past two years, the COVID-19 pandemic has had a huge impact on the global economy and lifestyle. We actively participated in the public welfare activities of COVID-19, donating a total of 21,100 masks to customers around the world.

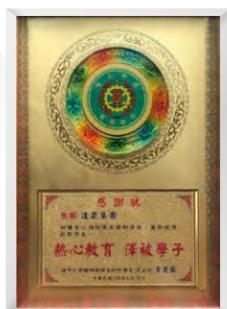


In 2021, TAYA has invested a total of CNY200 thousand in public welfare.

Social Donations



TAYA participates in World Vision's Child Sponsorship Program and provide financial support for children in need and their families, gradually improving their living environment and giving underprivileged children a healthy life. The company sponsors five children each year through World Vision, with annual funding of CNY60 thousand. To date, TAYA has financially supported 15 children, with a total amount of CNY180 thousand.



In addition, we have set up the "TAYA Scholarship Program" at the Department of Fiber and Composite Materials of Feng Chia University in Taiwan since 2018. Our goals are to help poor students complete their studies and introduce more young blood into the textile industry. As of 2021, we have sponsored 16 students with the donated scholarships that amounted to CNY100 thousand.

In February 2018, an earthquake of magnitude 6.4 struck Taiwan. TAYA donated CNY70 thousand to help the people in the disaster areas to carry out post-disaster reconstruction and recovery. Moreover, we also promised to help more underprivileged groups who are experiencing pain and loss.

In 2019, we provided KAVALAN eco-friendly inkjet material as a sideline advertising banner valued at USD300 for the Wolves, an English soccer team. Using the audience's enthusiasm for sports events, it urges them to take part in environmental protection, promoting a win-win situation for environmental protection and sports events.



On the Dragon Boat Festival in the summer of 2020, TAYA sponsored the dragon boat race in Tainan, Taiwan. We provided KAVALAN eco-friendly inkjet material as the cheering flags, and funded the training expenses of local athletes, totaling CNY35 thousand, to make a small contribution to the sports event.



In a bid to give back to society, TAYA invites employees to participate in blood donation events every year, and as of 2021, about 100 employees have participated and the total amount of blood donated exceeds 20,000 ml.



In 2020, TAYA participated in the Community Water Quality Improvement Program organized by Conservation International Foundation at the headwaters of Xinfengjiang in Huilong Township, Dongyuan County. We encouraged villagers to manage and improve water quality in the community and explore eco-friendly development models.

The Living Water Garden in Xiadong Village, Xinhuilong Township uses design concept of the Living Water Garden in Chengdu City for inspiration; the sewage is treated with artificial wetlands, an ecological and natural treatment method, and then returns to the river. The Living Water Garden in Xiadong Village has not only solved the problem of domestic sewage treatment but also presented a unique green landscape and recreational area for the village. In the future, it will also serve as a space to educate the public about the water environment.



Part 1: General disclosures

Organization profile

No.	Description	Page
102 - 1	Organization name	/
102 - 2	Activities, brands, products and services	4
102 - 3	Location of the headquarters	4
102 - 4	Business location	4
102 - 5	Ownership and legal form	4
102 - 6	Markets served	4
102 - 7	Organizational size	4
102 - 8	Information of employees and other workers	15
102 - 9	Supply chain	47
102 - 10	Significant changes in the organization and its supply chain	4
102 - 11	Precautionary principle or policy	39
102 - 12	External initiatives	13
102 - 13	Qualifications of the Association's members	13

Strategies

No.	Description	Page
102 - 14	Top organizer's statement	2
102 - 15	Key impacts, risks and opportunities	2

Ethics and integrity

No.	Description	Page
102 - 16	Values, principles, standards and code of conduct	9
102 - 17	Mechanism of giving ethical advice and concerns	13

Stakeholder Participation

No.	Description	Page
102 - 40	List of stakeholders	13
102 - 41	Collective bargaining	18
102 - 42	Stakeholder identification and selection	13
102 - 43	Stakeholder engagement policy	13
102 - 44	Raised main issues and relevant concerns	13

Governance

No.	Description	Page
102 - 18	Governance framework	9
102 - 19	Authorization	9
102 - 20	Administrative and management responsibilities for economic, environmental and social issues	9
102 - 21	Exchange of views with stakeholders on economic, environmental and social issues	13
102 - 22	Composition of the highest governing body and its committees	9
102 - 23	Chairperson of the highest governing body	9
102 - 29	Identification and management of economic, environmental and social impacts	26-32
102 - 33	Communication for important concerns	13
102 - 38	Annual emolument rate	6
102 - 39	Annual emolument growth rate	17

Reporting practice

No.	Description	Page
102 - 45	Entities included in the consolidated financial statement	1
102 - 46	Defining the content of report and the scope of report	1
102 - 47	List of substantive issues	9
102 - 48	Restatement of information	/
102 - 49	Changes in report	/
102 - 50	Report period	1
102 - 51	Date of last report	/
102 - 52	Reporting cycle	1
102 - 53	Information of the contact person concerning this report	1
102 - 54	Statement for the report complying with the GRI Standards	1
102 - 55	GRI content index	53
102 - 56	External authentication	/

Management method

No.	Description	Page
103 - 1	Description of substantive issues and their boundaries	1

Part 2: Specific standard disclosures

Economic performance

No.	Description	Page
201 - 1	Directly generated and distributed economic value	5
201 - 2	Financial impacts and other risks and opportunities brought by climate change	34
201 - 3	Obligatory defined benefit plans and other retirement plans	17

Market performance

No.	Description	Page
202 - 1	Ratio of the wage at standard starting salary level to the local minimum wage by gender	17

Anticorruption

No.	Description	Page
205 - 1	Operation sites where the corruption risk evaluation are carried out	41
205 - 2	Communication and training of anticorruption policy and procedure	41

Energy

No.	Description	Page
302 - 1	Energy consumption within the organization	32

Water resources and wastewater

No.	Description	Page
303- 3	Water taking	32
303- 4	Discharge	30

Wastes

No.	Description	Page
306 - 1	Waste generation and significant waste-related impacts	30
306 - 2	Management of significant waste-related impacts	30
306 - 3	Wastes generated	30
306 - 4	Wastes transferred from disposal	30
306 - 5	Wastes being disposed	30

Environmental compliance

No.	Description	Page
307 - 1	Violation of environmental laws and regulations	26

Supplier Environmental Assessment

No.	Description	Page
308 - 1	Screening new suppliers using environmental criteria	47
308 - 2	The negative impact of the supply chain on the environment and the actions taken	47

Employment

No.	Description	Page
401 - 2	Benefits provided to full-time employees (temporary or part-time employees are excluded)	17

Occupational Health and Safety

No.	Description	Page
403 - 1	Occupational health and safety management system	19
403 - 2	Hazard recognition, risk evaluation and incident investigation	21
403 - 3	Occupational health service	19
403 - 4	Occupational health and safety affair: employee participation, negotiation and communication	21
403 - 5	Occupational health and safety training for employees	21
403 - 6	Employee health improvement	21
403 - 7	Prevention and mitigation of occupational health and safety impacts which are directly related to the business relationship	19
403 - 8	Employees to which occupational health and safety management system applies	19
403 - 9	Occupational injury	19
403- 10	Work-related health issue	19

Training and Education

No.	Description	Page
404 - 1	Average hours of training per employee per year	24
404 - 2	Employee upskilling programs and transition assistance programs	24
404 - 3	Percentage of employees receiving regular performance appraisal and career development reviews	25

Diversity and Equal Opportunity

No.	Description	Page
405 - 1	Diversity in governing bodies and employees	15
405 - 2	Ratio of basic wages and remuneration for men and women	17

Anti-discrimination

No.	Description	Page
406 - 1	Incidents of discrimination and corrective actions	23

Child labor

No.	Description	Page
408 - 1	Operating sites and suppliers with significant risks of using child labor	23

Forced or Compulsory Labor

No.	Description	Page
409 - 1	Operating sites and suppliers with significant risks of using forced or compulsory labor	23

Supplier Social Assessment

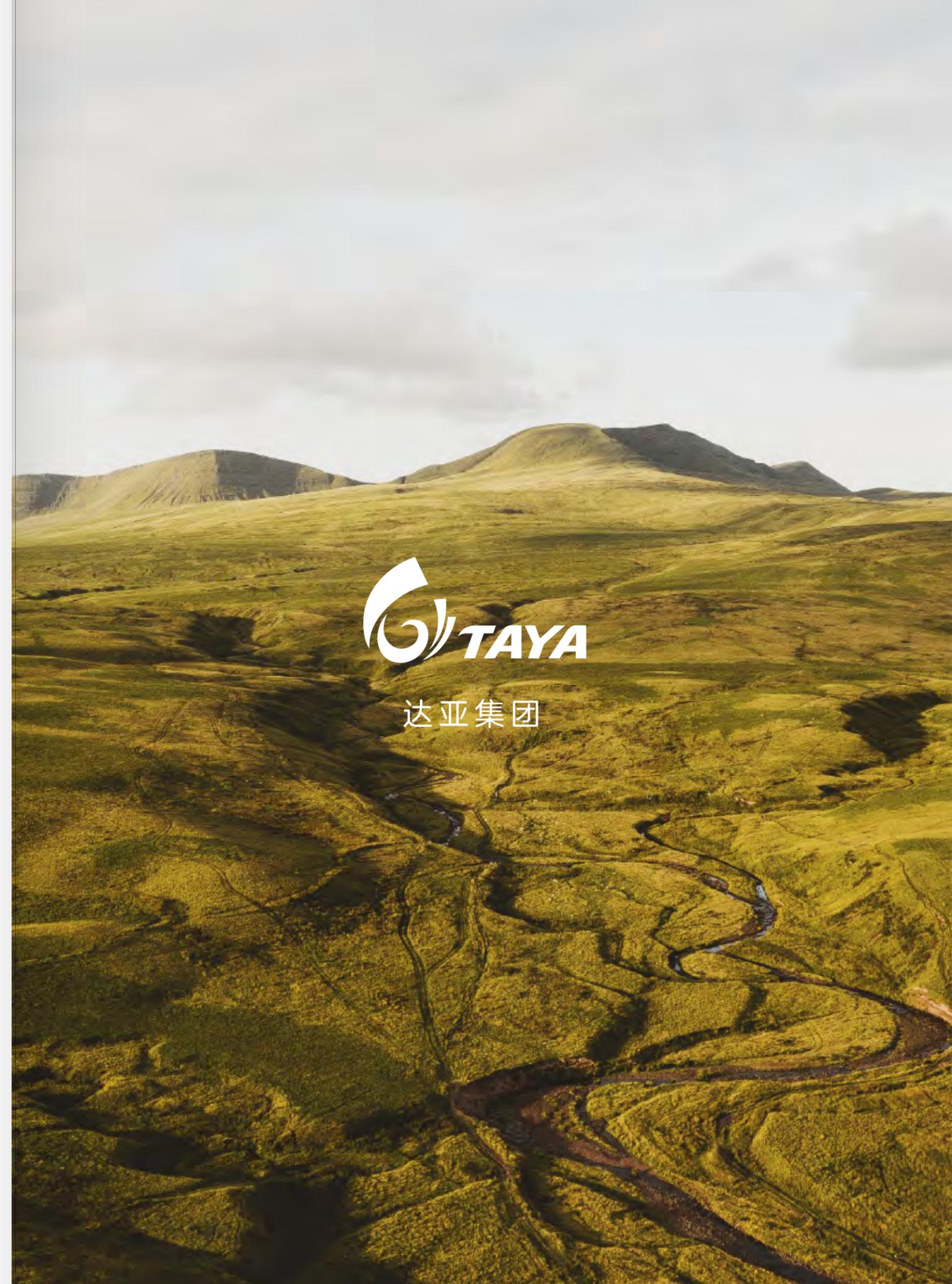
No.	Description	Page
414 - 1	Screening new suppliers with social criteria	47
414 - 2	Responses to the negative impact of the supply chain on society	47

Customer Health and Safety

No.	Description	Page
416 - 2	Violations involving health and safety impacts of products and services	50

Marketing and Labeling

No.	Description	Page
417 - 1	Requirements for product, service information, and labeling	43
417 - 2	Violations involving product, service information, and labeling	42



达亚集团