2021

Sustainability Report



NienMade

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About Us

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Message From the Chairman

Nien Made (NM) has long devoted itself to achieving Environmental sustainability (E), fulfilling Social responsibility (S), and ensuring effective corporate Governance (G). In this 2021 Sustainability Report, we will first focus on the safety of window treatments as Customer Health and Safety is the top material topic. Other topics concerning our endeavors in Corporate Governance, Socioeconomic Compliance, Patent Right, Effluents and Waste, and Anti-corruption are also covered in this Report.

Let's take a quick look at our economic performance in 2021 before further exploration of sustainability topics. NM's consolidated operating revenues in 2021 amounted to NT$29.02bn, +18.9% YoY (+25.2%YoY; in USD), facilitating the dimming needs of more families. Amidst challenges including shortages of vessels, shipping containers, labor, and increasing costs, we still hold fast to our commitment and launched thousands of improvements as planned (e.g. upgrading production line, installing tubular daylights and making use of solar power), expanded our US facilities and increased our capacity in Mexico. These decisions have contributed to the growth of high-priced affordable luxury custom-made window coverings (+27.5% YoY in USD), accounting for a record high of 64% of our revenue. NM's net income to parent shareholders in 2021 was NT$5.32bn (+10.9% YoY), with the EPS at NT$18.15. We have achieved new highs in our revenues, operating income and EPS. Shareholders supporting NM have obtained a cash dividend of NT$11/share in Aug, 2022, representing 11.1% of the direct economic value generated.

We expect to make use of the same resources to provide consumers more fashionable and eco-friendly window coverings. In 2021, the energy consumption in the major operating bases within NM Group reached 752,668 GJ (1 GJ=1 bn Joule), with a total of 133,000 tons of CO_2e emissions, +9% YoY. The goal set for GHG control has been achieved once again. NM has also achieved the declaration made many years ago (per unit of volatile organic compound to reach the target of 15-25% reduction by 2020). Looking into 2025E, we further raise our target to every unit of volatile organic compound to reduce by 40% compared with the 2015 basis, for a better future.

Although the manufacturing process of window coverings is not highly water consuming, we actively streamline our manufacturing process and reorganize basic pipeline to avoid waste of water resources. Compared with the continuous expansion of our production capacity, the water consumption at NM in 2021 was -18% YoY instead. The annual compound water consumption reduction reached -17% (2019-2021 CAGR), demonstrating our daily efforts.

We insist on making use of materials and paints harmless to the human body in accordance to the latest and highest standards in Europe and America. Customers' health and safety has always been prioritized at NM. NM does NOT ACCEPT, USE or SELL window coverings containing harmful substances. Our continuous insistence on environmental sustainability is reflected in the results of internal and external sampling tests in 2021 that none of the 8 major heavy metals were detected.

We follow the safety regulations of the industry and publish the pros-and-cons of the products through tens of millions of product labels, warning tags and instructions, disclosing the contents of the products and the embedded stories. Together with our consumers worldwide, we build ideal homes. There were no infringement of health-related regulations, voluntary codes, illegal penalties or warning incidents during 2017-2021. In the face of increasingly frequent online malicious attacks and personal information leakage, we strictly control possible risks through NM's Cybersecurity Policy and clear notification procedures. During 2017-2021, there were no customer complaints about privacy infringements and leakage of company information.

For nearly half a century, we have meticulously insisted on details for excellent quality. We continue to promote lean production management, an important strategy for NM to achieve "Quality First". In the monthly meeting of lean production, we verify whether the safety of equipment, leveling production, working hour deduction and elimination of waste meet the current situation or are in the optimized status through video site inspections. In our Sustainability Report, you will notice that the management of NM not

only cares about the optimization of the product line but is dedicated to the workmanship in window coverings. We upgrade the Mold Manufacturing Center to optimize the working environment while improving quality simultaneously. Although it is inevitable that some employees may collide or experience crush during moving or loading operation or may experience contusion or cut when changing molds/lines, no major casualties or fire incidents were reported in our factories in 2021.

We "let the sun shine your way™" by offering limitless versatility through our window treatments. NM's unwavering research for competitive and distinguishable products and equipment are the keys for the enhancement of our technical capabilities and competitiveness. Meanwhile, when we develop products, the layout of complete patent scope will be designed to reduce risks of disputes and safeguarding the shareholders' returns. We obtained 15 new patents (a total of 3 patents in the US, UK, and Australia) in 2021. NM has further established an internal patent database to provide a friendly environment for patent access for relevant units. We also make good use of the expertise and experience of external professional lawyers to reduce possible infringement disputes.

We focus on the echelon cultivation pattern for management and talent and also expect a balanced ratio of male and female in employment and equal pay for equal work. Local executives account for 90% of all mid-and high-level executives in China while local mid-and high-level executives account for 2% of all managers in Cambodia in 2021, a relatively lower ratio compared with that in other factories within the Group due to the lack of basic education and local residents' preference for agriculture in Cambodia. With the joint efforts of all staffs, NM has not incurred substantial fines for violations of air pollution, effluents and pollution from waste disposal in 2021. Our appreciation for the employee's efforts is well-reflected in their salaries and benefits. Based on the Human Capital ROI, we obtained NT$2.36 benefit in return for every NT$1 invested in labor cost, showing a good virtuous cycle in 2021.

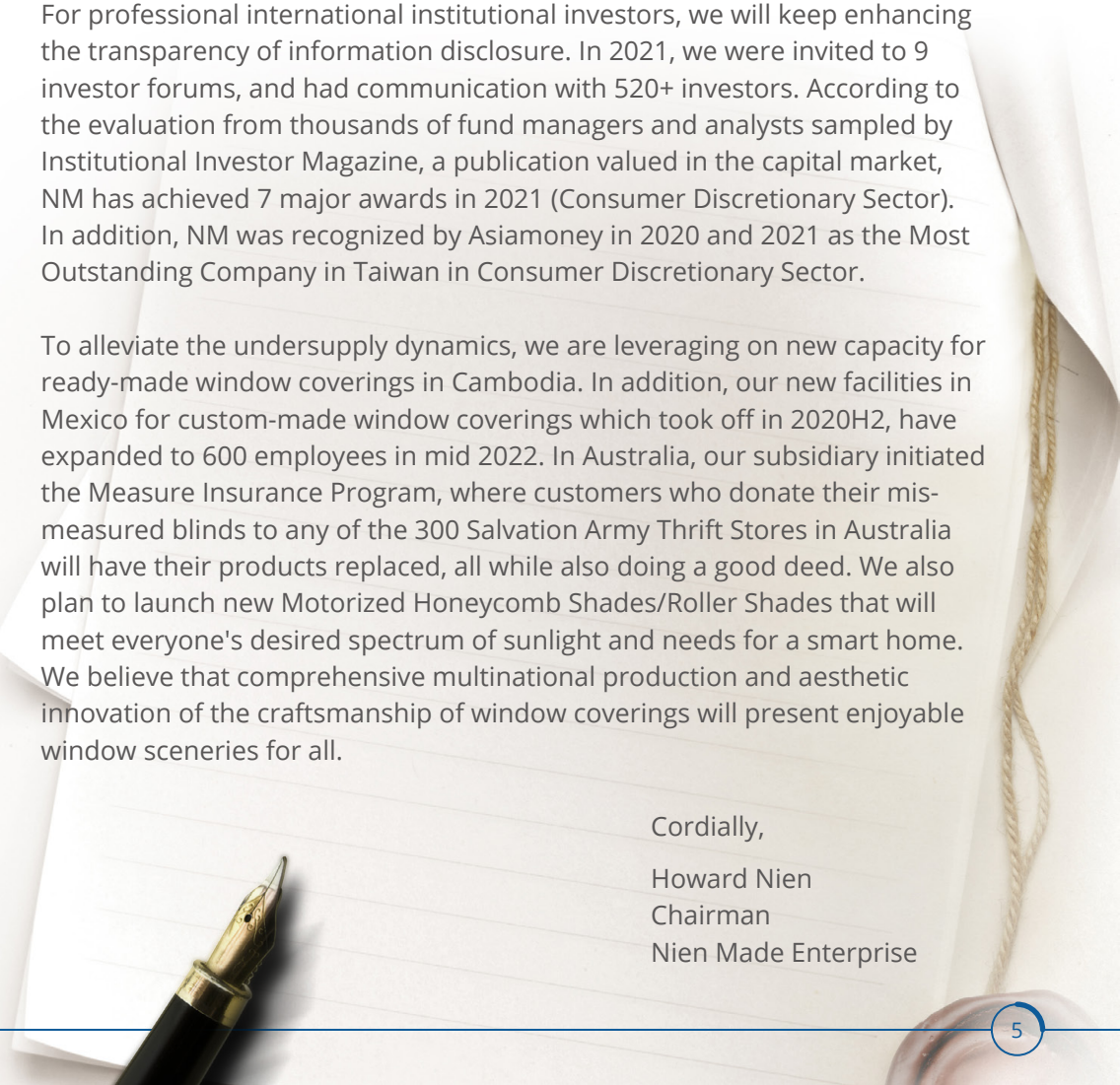
Many readers may find the wordings in NM's Sustainability Report relatively plain, compared with NM's Annual Reports and financial reports. This is exactly the idea. It is because we believe that this Sustainability Report is an important communication channel for stakeholders from different fields. With the efforts of 50+ staff members, we turned complex and scattered information of NM Group into simple-to-understand information and knowledge to respond to the needs of all the readers, non-professional/ professional, in-school and in-service all alike. The published Sustainability Reports assured by CPAs have accumulated 5,400 downloads since our 1st publication in 2015.

For professional international institutional investors, we will keep enhancing the transparency of information disclosure. In 2021, we were invited to 9 investor forums, and had communication with 520+ investors. According to the evaluation from thousands of fund managers and analysts sampled by Institutional Investor Magazine, a publication valued in the capital market, NM has achieved 7 major awards in 2021 (Consumer Discretionary Sector). In addition, NM was recognized by Asiamoney in 2020 and 2021 as the Most Outstanding Company in Taiwan in Consumer Discretionary Sector.

To alleviate the undersupply dynamics, we are leveraging on new capacity for ready-made window coverings in Cambodia. In addition, our new facilities in Mexico for custom-made window coverings which took off in 2020H2, have expanded to 600 employees in mid 2022. In Australia, our subsidiary initiated the Measure Insurance Program, where customers who donate their mis-measured blinds to any of the 300 Salvation Army Thrift Stores in Australia will have their products replaced, all while also doing a good deed. We also plan to launch new Motorized Honeycomb Shades/Roller Shades that will meet everyone's desired spectrum of sunlight and needs for a smart home. We believe that comprehensive multinational production and aesthetic innovation of the craftsmanship of window coverings will present enjoyable window sceneries for all.

Cordially,

Howard Nien
Chairman
Nien Made Enterprise



NM's shutters contain >90% of renewable materials by weight.

Revenue Growth > CO_2e Growth

Key Drivers (2021 in US$)

+27.5% YoY

Custom - Made Products

+20.1% YoY

Ready - Made Products

0 Case

Penalty and Warning Incident (2021)

0 Case

Air Pollution/ Effluents/ Waste Disposal Penalties (2021)

Human Capital ROI (HCROI)

= NT$2.36

2021 ESG OVERVIEW

3,049

Improvement (Kaizen)

NT$11/Share

Cash dividend distributed

100%

Free of Hazardous Materials

5,400+ Downloads

Sustainability Report

reddot winner 2022

NM – Motorized Honeycomb Shades

Cut 110 Tons

Solvent Usage

No.1

Window Covering Donator in Taiwan

Upgrade the Mold Center Achieving a Friendly Working Environment

15

Patents (2021)

7 Awards of Consumer Discretionary

from the "Institutional Investor Magazine"

Main Markets | Production Bases



Main Markets' Revenue

The Story of Nien Made

Founded in 1974, Nien Made Enterprise (Stock Ticker: 8464, hereinafter referred to as NM or Nien Made) is a listed company in Taiwan and creator of the NORMAN® brand, making and marketing of window covering products. Long established in the United States, Europe, the United Kingdom, Japan, Australia and other markets, we produce tens of millions window covering products every year. The firm's production bases are primarily located in China, Cambodia and Mexico, and the headquarters is located in Taichung, Taiwan. In the early days, NM was the OEM manufacturer of window treatments in Lukang in Central Taiwan. During the Economic Takeoff of Taiwan in the 1990s, many young people became less willing to be engaged in traditional industries, and the lack of labor became the major bottleneck for the development of Nien Made. To break through the bottleneck, we set up factories in Guangdong, China, in the mid-1990s. The capacity expansion in China fueled Nien Made's growth for more than a decade.

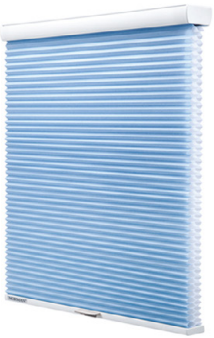
In recent years, the production capacity in China has reached full load condition. China's labor shortage and greatly rising wages have become an issue for Nien Made's medium and long-term development. Faced with the manpower structure challenge in China, Nien Made adopted a transnational production strategy to reduce the impact and expand capacity. Our new production capacity in Cambodia has been put into operation since the 2014H2. In the face of the rise of the international protectionism, we have made full preparation to start the manufacturing layout in Mexico. Our new facility in Mexico for custom-made window coverings has successfully commenced operation since 2020H2. In terms of ready-made window covering operation, we will make good use of the newly added capacities in Cambodia in 2020 to serve more consumers. The construction of a previously-planned production base in Myanmar, on the other hand, has been halted in response to our stakeholders' concerns. Nevertheless, we believe that a more complete multinational manufacturing will support NM's leading position of the window treatment products globally.



Shutters



Blinds



Shades

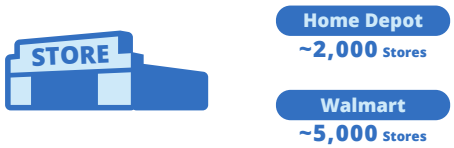
NORMAN®
SHUTTERS. BLINDS. SHADES.

MUST SEE VIDEO

Window treatment products can be divided into simple but excellent ready-made merchandises distributed in large chain stores and affordable, luxury custom-made window coverings sold in small specialty stores. Nien Made's products are available in large chain retailers like Home Depot and Walmart. To offer low-priced cut-to-size blinds and shades for consumers, we provide dedicated cutting machines to a portion of the large chain retailers in Northern America. Nien Made is the one and only Asian manufacturer with capabilities of R&D, manufacturing, service and maintenance of the professional cutting machines in large chain stores in North America, and this advantage also enables NM to have a closer relationship with large retailers in North America.



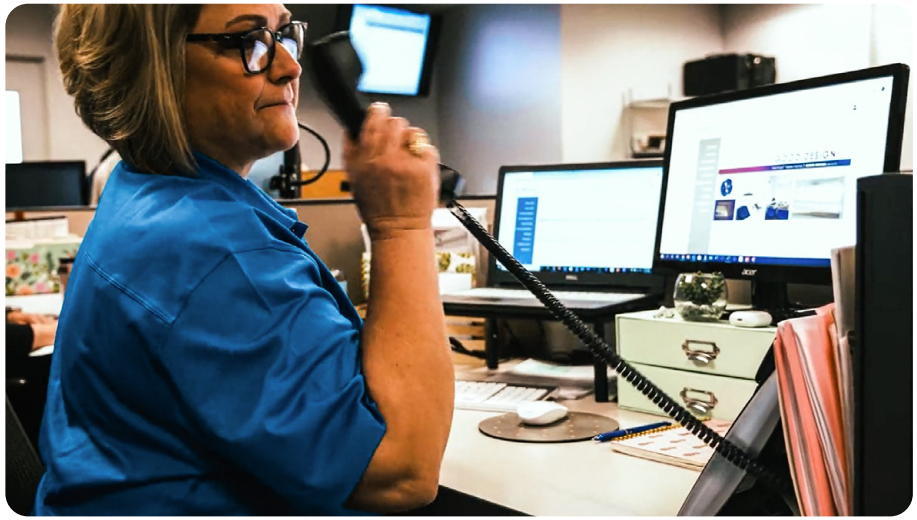
Big Box Clients of Nien Made



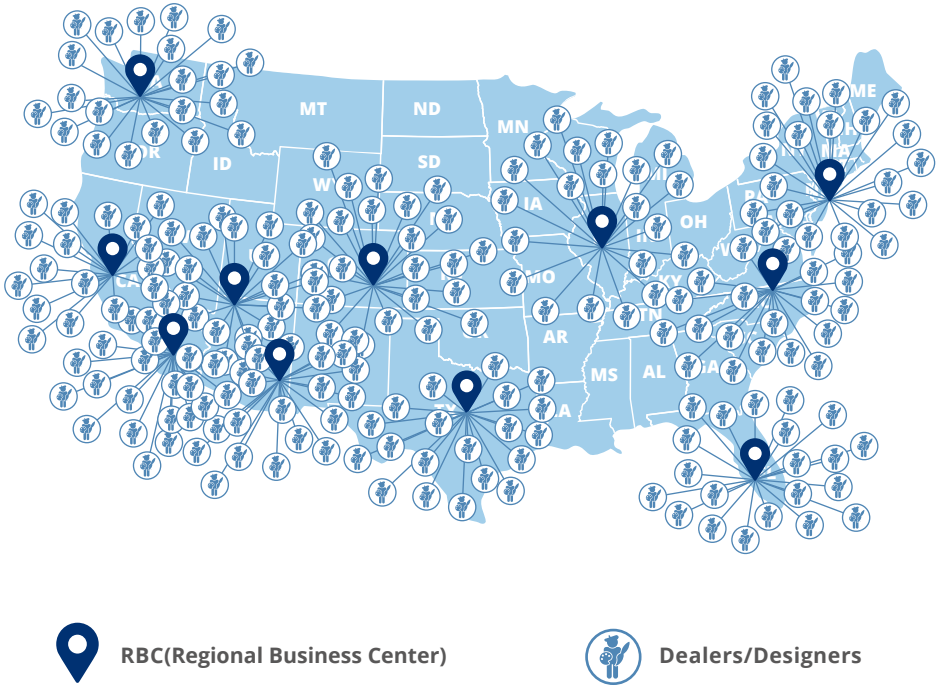
Home Depot
~2,000 Stores

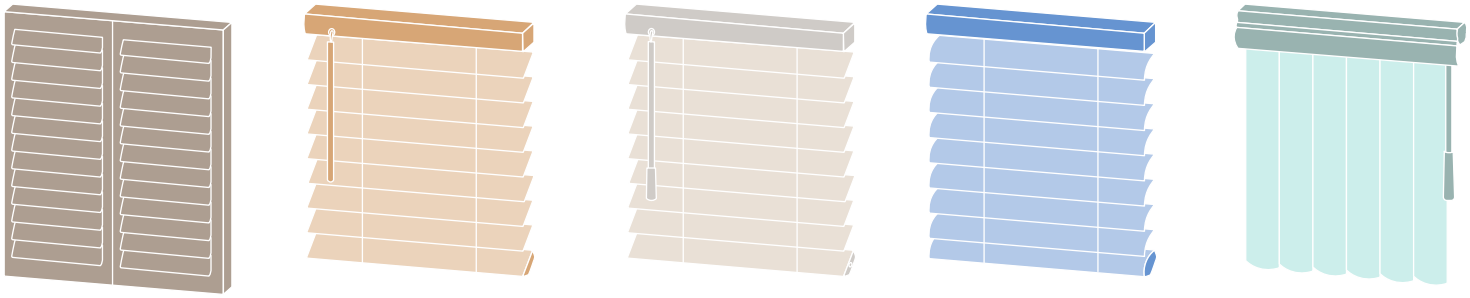
Walmart
~5,000 Stores

In addition to expanding the market opportunities of ready-made size window coverings, we have also penetrated our coverage of the custom-made shutters market since 2001, and created our own brand, NORMAN®. After 2007, Nien Made set up 11 regional business centers in North America and successfully developed the distribution network with thousands of small specialty stores, dealers and designers that further raised barriers against existing and potential competitors. The new custom blinds and shades developed in the future will be integrated into the existing channels for sales and become our market share and profitability drivers.

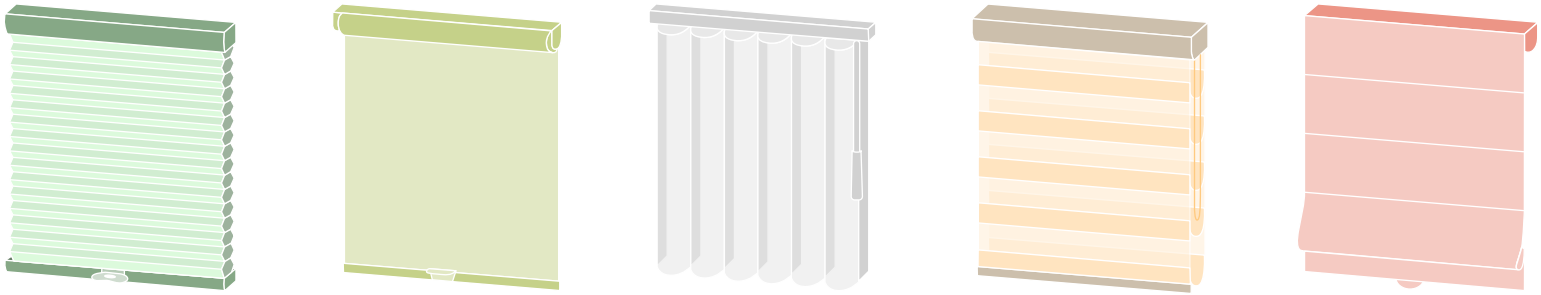


North American Custom-Made Channels of Nien Made





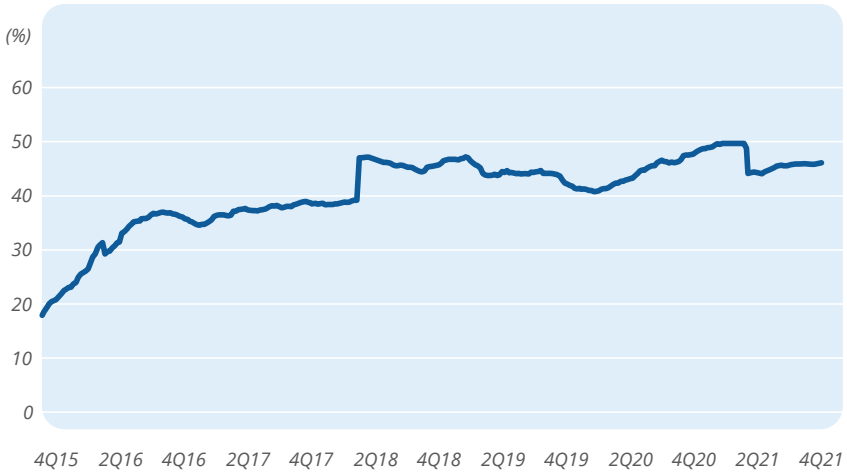
Every year, Nien Made manufactures millions of bespoke window covering products in different sizes, colors, materials, and options, providing fitting window covering for every ultimate view and balance between light and privacy. We hold fast to high vertical integration of our value chain. For instance, 90+% of our plastic parts are made in-house to ensure product perfection. To regulate the production process, we have established rigorous actions and quality standards for every single manufacturing process to avoid any human error. Before shipment, the professional craftsmen of Nien Made personally check the size, operation and appearance of every single product, followed by the final finishing touches. The meticulous craftsman spirit only allows goods passing the strict quality control to be shipped. This is Nien Made's unique system of pursuing perfection.



On Dec 22nd, 2015, Nien Made was relisted on Taiwan Stock Exchange (TWSE). Under the robust Net Cash Position, NM has sequentially paid cash dividends with the latest payment of NT$11/share (DPS; Cash Basis) in Aug 2022. The accumulated cash dividends amount to NT$14.94bn over 2018-2022.

In 2021, NM's Qualified Foreign Institutional Investors (QFII) ownership increased significantly to 50% from 19% at the end of 2015. To provide transparent information of sustainable development, corporate governance and other issues, NM will continue to disclose the operating/ sustainability performance and results in our annual Sustainability Report.

QFII Ownership of Nien Made



Capital Formation

Date	Authorized Share Capital		Capital Stock		Sources of Capital (NT$'000)
	Shares ('000 shares)	Amount (NT$'000)	Shares ('000 shares)	Amount (NT$'000)	
Jul 2007	100	1,000	100	1,000	Establishment
Oct 2007	150,100	1,501,000	150,100	1,501,000	Fund Raising 1,500,000
Nov 2007	765,000	7,650,000	760,000	7,650,000	Fund Raising 6,149,000
May 2009	855,000	8,550,000	855,000	8,550,000	Fund Raising 900,000
Jun 2011	938,000	9,380,000	938,000	9,380,000	Fund Raising 830,000
Apr 2012	938,000	9,380,000	847,014	8,470,140	Capital Reduction 909,860
Dec 2013	938,000	9,380,000	630,294	6,302,940	Withdrawed Preferred Shares 2,167,200
Dec 2013	938,000	9,380,000	250,000	2,500,000	Capital Reduction 3,802,940
May 2014	938,000	9,380,000	257,188	2,571,875	Fund Raising 71,875
Dec 2014	938,000	9,380,000	227,188	2,271,875	Capital Reduction 300,000
Aug 2015	938,000	9,380,000	260,462	2,604,622	Capitalization of Retained earnings 332,747
Jan 2016	938,000	9,380,000	293,020	2,930,202	Fund Raising 325,580

Download Stream of Corporate Sustainability Report (Nien Made)

Download link: www.nienmade.com.tw/ESG.aspx

English Version

206 downloads *Since 2021*



510 downloads *Since 2020*



546 downloads *Since 2019*



Chinese Version

334 downloads *Since 2021*



848 downloads *Since 2020*



513 downloads *Since 2019*



Employees

Customers

Suppliers

Consumers

NM and Its Stakeholders

This report has been prepared in accordance with the GRI Standards: Core option which was effective on Jul 1st, 2018. To identify NM's stakeholders, NM referred to the categories of stakeholders of similar industries. Based on the five major principles, Dependency, Responsibility, Influence, Diverse Perspective and Tension, set forth in AA1000 Stakeholder Engagement Standards (SES), 11 major categories of NM's stakeholders were identified. The stakeholder questionnaire and analysis of the level of concern and evaluation of the impact of various topics were carried out, and a total of 6 material topics in 2021 were identified. Based on the questionnaire results, we analyzed the Stakeholder's Degree of Concerns and NM Management's Acknowledgement of Latent Impacts, and visualized NM's Prioritization of Material Topics. NM compiled its 7th Sustainability Report to respond to the major issues of concern to its stakeholders.

In terms of the boundary of reporting, this report covers the data of Nien Made's Headquarters and Changhua Plant (PVC pipes) in Taiwan; Dongguan Fanchang Plant (blinds), Dongguan Yifeng Plant (shutters), Dongguan Zhaofeng Plant (shades) and Shandong Wulian Plant (wood parts) in China; and Sanfeng Plant (blinds) in Cambodia. Data in the operating bases in the United States and Mexico are yet to be included.

Academic & Research Institutions

Communities

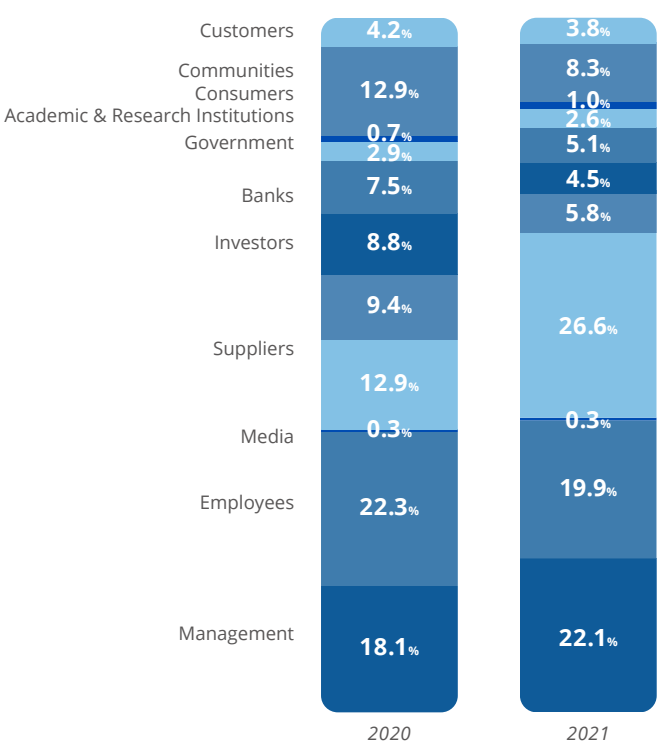
Media

Banks

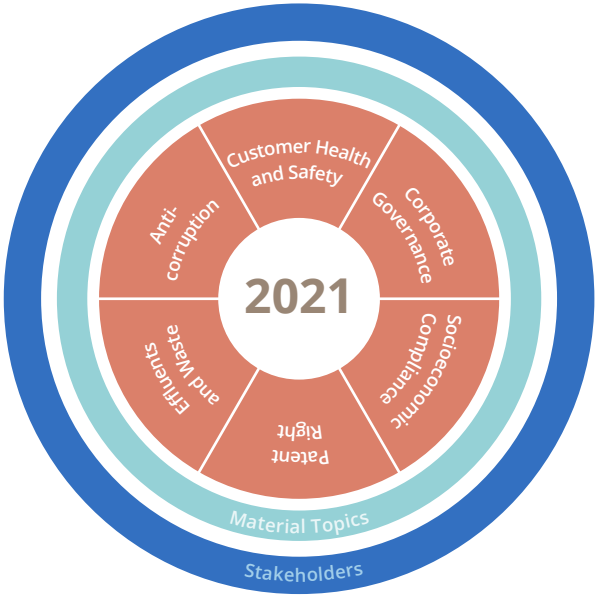
Management

Government

Investors



Mix of Received Questionnaires

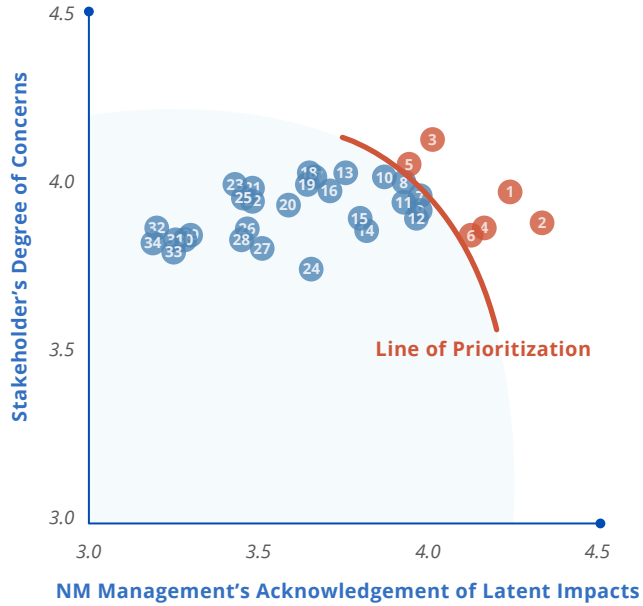


312 Recorded Questionnaires

35 Surveyed ESG Topics

6 Material ESG Topics

Stakeholders ▶ Material Topics ▶ Sustainability Report



Analysis/ Prioritization of Material Topics

Customer Health and Safety Tops List of Material Topics

For the optimization of questionnaire collection, we have extended the period of sampling material topics on our official website (both Chinese and English versions) since 2021. Instead of the 2-month period of questionnaire collection in the past 5 years, our stakeholders wishing to communicate with Nien Made can now express their opinions throughout the year at (www.nienmade.com/ExternalQuestionnaire.aspx).

In 2021, the collected questionnaires increased to 312 copies vs. 309 copies in 2020. Amongst the material topics, "Customer Health and Safety" tops the list. We care about the window coverings in our customers' daily lives, and therefore abide by the latest and highest standards in America and Europe. We do NOT ACCEPT, USE or SELL window coverings containing harmful substances as user's safety is our basic principle.

"Corporate Governance" came in at 2nd place. In addition to transparent disclosure of financial and non-financial information, in 2021, the board approved the appointment of a Chief Corporate Governance Officer.

Ranking			Material Topics
2021	2020	Change	
1	3	↑	Customer Health and Safety
2	1	↓	Corporate Governance
3	6	↑	Socioeconomic Compliance
4	4	–	Patent Right
5	5	–	Effluents and Waste
6	9	↑	Anti-corruption
7	8	↑	Economic Performance
8	7	↓	Customer Privacy
9	10	↑	Marketing and Labeling
9	2	↓	Environmental Compliance
11	12	↑	Materials
12	11	↓	Energy
13	13	–	Emissions
14	15	↑	Market Presence
15	16	↑	Training and Education
16	20	↑	Forced or Compulsory Labor
17	18	↑	Employment
18	14	↓	Occupational Health and Safety

Ranking			Material Topics
2021	2020	Change	
19	17	↓	Child Labor
20	19	↓	Water
21	21	–	Non-discrimination
22	24	↑	Supplier Environmental Assessment
23	22	↓	Labor/Management Relations
23	25	↑	Procurement Practices
23	26	↑	Diversity and Equal Opportunity
26	27	↑	Human Rights Assessment
27	23	↓	Anti-competitive Behavior
28	28	–	Local Communities
29	32	↑	Security Practices
30	34	↓	Biodiversity
31	29	↑	Supplier Social Assessment
32	30	↓	Freedom of Association and Collective Bargaining
33	31	↓	Indirect Economic Impacts
34	33	↓	Rights of Indigenous Peoples
35	35	–	Public Policy

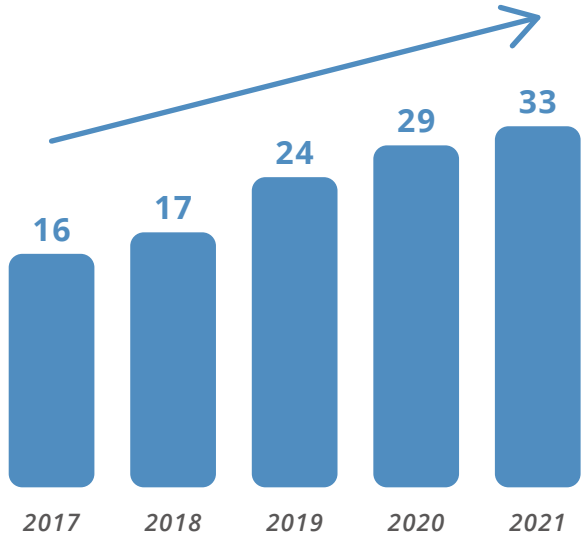
"Socioeconomic Compliance" and "Anti-corruption" are ranked 3rd and 6th respectively. We continue raising operating standards in accordance with the latest domestic and foreign regulations, and repeatedly promote anti-corruption practices, requiring our employees not to accept gifts from suppliers.

As NM continuously develops competitive products, stakeholders show their interest in NM's "Patent Right" strategy (4th place among the material topics). NM has set up an intellectual property management plan, with ~1,000 approved patents and ~250 patents are under patent maintenance and in pending status.

Lastly, the environmental material topic "Effluents and Waste" ranked 5th. As a leading international brand, we abide by the environmental regulations and requirements for environmental equipment in various countries so as to achieve sustainability while upgrading our craftsmanship of window coverings at the same time.

NM will detail our sustainability efforts in the 6 material topics in this Report. In addition, the number of external assurances obtained has been increasing yearly, from 16 in 2017 to 33 in 2021, demonstrating our commitment towards ESG disclosure.

Number of External Assurances



Material Topic 1

CUSTOMER HEALTH AND SAFETY

GRI 416

Page

4,6,28,35, 39,138

Impact Scope

- Consumers ●
- Customers
- Employees
- Suppliers ●
- Investors

Explanation of the Material topic

416-1 Assessment of the health and safety impacts of product and service categories
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

Unsafe and toxic window coverings may bring about risks of financial loss, business interruption and impacts on reputation to NM's stakeholders (including employees, customers, suppliers and shareholders). NM has strict manufacturing requirements and standards for the production of window coverings. No harmful substance is added during the manufacturing process in all NM's window covering factories.

The cord of the window treatment is designed for customers to adjust the vertical length of blinds and shades. However, this design may form a coil, resulting in safety concerns for specific users. NM has introduced the "Cordless Operating Systems" to enable customers to easily and gracefully adjust the vertical length of the drapery so that safety risks of the users can be truly reduced. In 2018, taking advantages of the roll-out needs of ready-made window treatments, the shipments of ready-made cordless blinds have increased to 50% of all ready-made window coverings. From 2019, cordless blinds have accounted for 90+% of the ready-made blinds. In 2021, we even initiated a Free Shade Giveaway Campaign in the US and Canada. Every household in the US and Canada with a child 8 years old or younger is eligible for a free cordless shade to improve safety in their homes. More than 74,000 families have benefitted from this Campaign as of Jun 2022.

Management Approach

Goals and Targets: NM's business philosophy includes sustainable management and the fulfillment of social responsibility. No harmful substance is added during the manufacturing process in all NM's factories in Guangdong and Shandong in China and in Cambodia. Using safe and recyclable materials is a goal of ours. Through innovative design and R&D, NM enhances the safety of its products and reduces the risks of users.

Policies: NM has stringent requirements and standards for the production process, such as the Management Measures for In-Coming Procurement and Inspection (the latest version, amended in Aug, 2019 by the QC Department), Control Procedure of Non-conforming Products (the latest version, amended in Jun, 2018 by the QC Department), Supplier Management Practices (the latest version, amended in May, 2020 by the Production Management Department), and Product Identification Management Procedures (the latest version, amended in Jun, 2018 by the QC Department). When purchasing from suppliers, we require that raw materials should comply with legal regulations and requirements for the contents of 8 major heavy metals. We conduct internal and external sampling tests to check on the health, safety and quality of our products at the sources.

Grievance Mechanisms (Operational-level): No harmful gases, toxic substance and heavy metals (among 8 major heavy metals) in the products sent to SGS and TUV, the third-party testing for inspection of compliance with REACH and RoHS in 2021, were detected. The lead test results were superior to our standards for lead content in the procurement (Pb≦90 ppm; European Standard EN-71 Part 3). No formaldehyde is added in the production process of our window coverings and PVC pipes. In Japan, we voluntarily had our products tested at the Boken Quality Evaluation Institute (BOKEN), and the formaldehyde test results adhere to Japan's highest standards for building materials, F4 Stars (F☆☆☆☆). For the production line with detected unqualified products, we prohibit the shipment of these products and we identify the problem for improvement. NM's customers can raise concerns regarding customer health and safety concerns through the Marketing Department or the designated mailbox (CRM@nienmade.com.tw).

The Evaluation Mechanisms For the Effectiveness of the Management Approach: There was no violation of health-related regulations (safety, labeling, marketing communication) or violation of voluntary codes, illegal penalties or warning incident during 2017-2021.

Material Topic 2

Taiwan TWSE's Corporate Governance Aspect

Page

99-100

Impact Scope

- Consumers
- Customers
- Employees
- Suppliers ●
- Investors ●

Explanation of the Material topic

Taiwan TWSE's Corporate Governance Aspect (Material topics listed for identification by TWSE)

We believe that ineffective corporate governance will not only affect the reputation of NM, but also generate risks of financial and operational disruptions as well as fluctuations in stock prices. It may also have impacts on our stakeholders (including shareholders, banks, customers, suppliers and employees). Nien Made was relisted on TWSE in 2015, and since then, we have continuously improved the internal corporate governance and disclosed transparent operation information for all our stakeholders. In the global window covering industry, NM is the only manufacturer that reviews the current operational status by publishing the Sustainability Report annually and formally responds to the various opinions from all our stakeholders.

Management Approach

Goals and Targets: NM's Sustainable Development (SD) Committee is responsible for 3 major policies, including 1) achieving Environmental sustainability (E), fulfilling Social responsibility (S), and ensuring effective corporate Governance (G). We expect to establish an effective governance structure and ethical standards through continuous communication with all stakeholders. We also aim at accumulating the trust from our stakeholders on the path to the implementation of corporate governance and sustainable management.

Policies: The company's Ethical Corporate Management Best Practice Principles and the Code of Ethical Conduct were set up and approved by the Board in 2015, clearly stipulating that bribery is prohibited; provision of illegal political contributions, improper charitable donations or sponsorship, improper interests, infringement of intellectual property rights and engagement in unfair competition are all prohibited to strengthen the corporate governance. In 2016, we published the Corporate Social Responsibility Best Practice Principles (revised as Sustainable Development Best Practices Principles with the approval of the shareholders' meeting in 2022), and the Corporate Governance Best Practice Principles to manage the major issues of concern to the stakeholders; NM regularly evaluates the performance of the Board of Directors (BOD) in accordance with the Regulations Governing the Board Performance Evaluation announced in 2016. The self-assessment contents include cognition of the director's responsibilities, mastery of the company's goals/ tasks, level of participation in the company's operation, internal relationship management/ communication, directors' expertise & continuing education and internal control. The results of self-assessment have been released on the official website. The integrity and corruption cases are investigated in accordance with the Measures for Whistleblowing announced in 2017, and the summary will be reported to the BOD at least once a year.

Grievance Mechanisms (Operational-level): In 2021, we were invited to 9 investor forums, and had face-to-face communication with 520+ institutional investors. In addition to the channel of meetings, NM's stakeholders can also participate in the grievance mechanism of corporate governance through the designated email for investors (IR@nienmade.com.tw). It was approved by the NM's board in 2021 that Jane Wang, manager, was appointed as the Chief Corporate Governance Officer.

The Evaluation Mechanisms For the Effectiveness of the Management Approach: Based on evaluations by thousands of buy-side fund managers and sell-side analysts, the industry-acclaimed Institutional Investor Magazine honored NM with 7 major awards (Consumer Discretionary Sector) in 2021. In Mar 2021, Nien Made received a rating of BBB in the MSCI ESG Ratings assessment. We believe that our constant insistence will bring positive benefits for NM's sustainable development, risk management and shareholder value.



Material Topic 3

Socioeconomic Compliance

GRI 419

Page

4-6,139

Impact Scope

- Consumers ●
- Customers
- Employees
- Suppliers ●
- Investors ●

Explanation of the Material topic

419-1 Non-compliance with laws and regulations in the social and economic area

Compliance with laws and regulations in the social and economic areas will help the corporate governance of the Company for the steps toward sustainability. Negligence of such regulations will bring risks of financial loss, business interruption and impacts on reputation.

Management Approach

Goals and Targets: NM grasps the evolution trend of norms in the international society and economic field and continues to optimize company regulations through our main operating bases, Finance Department and the IPR & Legal Department.

Grievance Mechanisms (Operational-level): We optimize the internal norms in economic field through communications with external regulators, industry experts and accountants. In addition, NM's stakeholders can express their expectations or opinions through the designated email (ESG@nienmade.com.tw).

The Evaluation Mechanisms For the Effectiveness of the Management Approach: NM was not imposed substantial fines for violations of social or economic laws and regulations between 2017-2021. We will adjust our policies accordingly in accordance with the evaluation results of material topics communicated with our stakeholders through this Sustainability Report.

Material Topic 4

Patent Right

Page

6,39,105

Impact Scope

- Consumers
- Customers
- Employees
- Suppliers
- Investors

Explanation of the Material topic

Patent Right(Self-named Material Topic)

Disputes over intellectual property (such as patents, trademarks, copyrights or trade secrets) of window covering products can cause NM's stakeholders (including our employees, customers, suppliers and shareholders) impacts on business reputation, financial loss, business interruption, delay of product launch and reduced competitiveness. Overlapping R&D direction with the existing patented technology will cause waste of the development time, manpower and material resources.

In order to avoid the legal risks of the product design and to have a complete patent roadmap, NM's R&D Department and IPR & Legal Department have to conduct the search and analysis of the patents of both manufacturing countries and selling countries. Regular patent monitoring of our main competitors are also conducted. Furthermore, NM also reviews the risk of potential/possible patent infringement of our existing products on an irregular basis to reduce possible infringement disputes.

In order to reduce risks of disputes and to reach our short, medium and long term goals of safeguarding shareholders' rights, NM has further established an internal patent database to provide a friendly environment for patent access for relevant units. We also make good use of the expertise and experience of external professional lawyers.

Management Approach

Goals and Targets: To innovatively research and develop competitive and distinctive products and equipment to achieve the launch and mass production of products for the enhancement of our technical capabilities and competitiveness. NM is committed to reducing the risk of patent disputes and improving the patent strategy.

Policies: Up to 2021, NM has reviewed 50,000+ patents though the worldwide cloud database, not only for patent monitoring, but also for evaluating patentability or litigation risk of ~100 internal innovative technical proposals, and further performing patent applications, opposition submissions or design-around analyses.

Resources: In 2021, NM's IPR & Legal Department conducted 4 training sessions on intellectual property to strengthen the concept of intellectual property protection and practical skills of our associates. In addition, various patent templates have been made, and skills in writing, reviewing and analyzing patents were strengthened.

The Evaluation Mechanisms For the Effectiveness of the Management Approach: As of the end of 2021, NM has accumulated 1,600+ patent applications worldwide, and the number of approved patents totaled ~1,000. Currently, ~250 patents are under maintenance or pending status.

Material Topic 5

Waste

GRI 306

Page

92-93,135

Impact Scope

- Consumers ●
- Customers
- Employees
- Suppliers ●
- Investors ●

Explanation of the Material topic

306-3 Waste generated

Waste generated in NM Group amounted to 13,361 tons in 2021, and hazardous waste amounted to 338 tons (i.e. 2.5% of total waste). We entrust qualified service providers for the disposal of hazardous waste. For recyclable waste (9,890 tons, accounting for 74% of total waste), we select qualified service providers for the sale of it. General waste is disposed by qualified service providers.

Discharge of wastewater and dumping of waste will not only generate severe fines and non-monetary sanctions but also have impact risks in finances, operational disruption and goodwill for NM's stakeholders (including employees, suppliers and shareholders). The estimated volume of wastewater discharge at the main bases of NM Group in 2021/2020 was 867/1,067mn liters, -18.8% YoY.

Management Approach

Goals and Targets: We reduce the production of waste and make effective use of resources to avoid latent risks on our reputation due to related penalties. In 2021, NM's major business units were not imposed substantial fines for violations of pollution from waste disposal.

Policies: Environmental Protection Tax Law of the People's Republic of China has been in effect since Jan 1, 2018, and our factories pay taxes in accordance with the law. The PVC Factory in Taiwan is located in Fangyuan Industrial Park where wastewater discharged in the industrial park can be treated to reach the national water effluent standards. Our Cambodian factory is located in Manhattan Special Economic Zone, and wastewater is treated through the treatment system in the industrial area.

Resources: By recycling in our factories (such as the reused PVC, accounting for 10+% of the total PVC used in the tens of thousands of tons), we reduce waste and make effective use of resources. NM has further initiated a project to reuse lubricant used in the blinds manufacturing process. Through a high temperature and precipitation process, the waste lubrication can be reused for machines requiring lower precision. The use of recycled oil can amount up to 10% of the lubricant usage, reducing waste.

Grievance Mechanisms (Operational-level): NM's stakeholders can file complaints about wastewater and waste through the publicly disclosed email (ESG@nienmade.com.tw). No complaints about effluents and waste were filed in 2021.

The Evaluation Mechanisms For the Effectiveness of the Management Approach: We communicate the evaluation results of the material topics and our corresponding adjustment policies with our stakeholders through the annual Sustainability Report.

Material Topic 6

Anti-corruption

GRI 205

Page

61,133

Impact Scope

- Consumers
- Customers
- Employees
- Suppliers
- Investors

Explanation of the Material topic

205-2 Communication and training about anti-corruption policies and procedures

Involvement in corruption impacts the company's stock value and cause stakeholders (including shareholders, suppliers, employees, and consumers) to doubt the company's reputation and internal control systems. Besides continuous education and publicity, we require our employees not to accept gifts from suppliers. In addition, we have also established the Chief Corporate Governance Officer and have whistleblower mechanisms in place to avoid potential risks.

Management Approach

Goals and Targets: We attach great importance to the corporate culture of integrity and practice "zero tolerance" for money and gifts in any form or by any name, commissions, positions, services, preferential treatment, rebates and other corrupt behaviors.

Policies: The Board of Directors passed the “Ethical Corporate Management Best Practice Principles” and the “Code of Ethical Conduct” in 2015, strictly requiring employees to be self-disciplined and attach great importance to the integrity of customers. Bribery/acceptance of bribes, illegal political donations, improper charitable donations or sponsorships and illegitimate interests are prohibited and infringement of intellectual property rights and unfair competition are prevented, aiming at strengthening corporate governance. In accordance with the announced "Measures for Whistleblowing", we investigate cases of integrity and suspected fraud, and submit the investigation summary to the "Board of Directors" at least once a year.

Resources: In 2021, the company audit supervisor participated in a 6-hour training on Analysis of Malpractice and Fraud in Enterprises organized by the Institute of Internal Auditors. The director of corporate governance participated in a seminar on preventing insider trading by the Securities and Futures Institute.

Grievance Mechanisms (Operational-level): NM’s stakeholders can file complaints regarding corruption through the publicly disclosed email (ESG@nienmade.com.tw). No complaints about corruption were filed in 2021.

The Evaluation Mechanisms For the Effectiveness of the Management Approach: We communicate the evaluation results of the material topics and our corresponding adjustment policies with our stakeholders through the annual Sustainability Report.

Our Commitments

Better Chemical Management	28
Customer Satisfaction Matters	31
Succeeding Through Innovation	32
NM × NORMAN®	40





Persistence in Details Ensures Quality

NM believes that providing excellent quality products is a crucial prerequisite for the sustainable development of an enterprise; we are also convinced that ensuring quality is the shortcut to meet costs and delivery. Our products will be used in different environments for 10 to 20 years in the consumers' homes. Therefore, in addition to the use of various steps (such as the drying kilns and storage warehouses) to control the production conditions, we also focus on mitigating consumers' health and safety risks.

We are qualified by ISO 9001 in quality management of facilities. To ensure the manufacturing quality of our products, we set up the quality management board in the production line. When unqualified work in process (WIP) or finished products are examined, we stop the production line to identify the problem for correction and improvement. In addition to the immediate management of the unqualified products, the QC Department also conducts inspections before shipment. Shipment of detected unqualified finished products is never allowed at Nien Made. NM's customers can file a complaint about customer health and safety concerns through the Marketing Department or the designated mailbox(CRM@nienmade.com.tw).

Persistence Withstands Tests

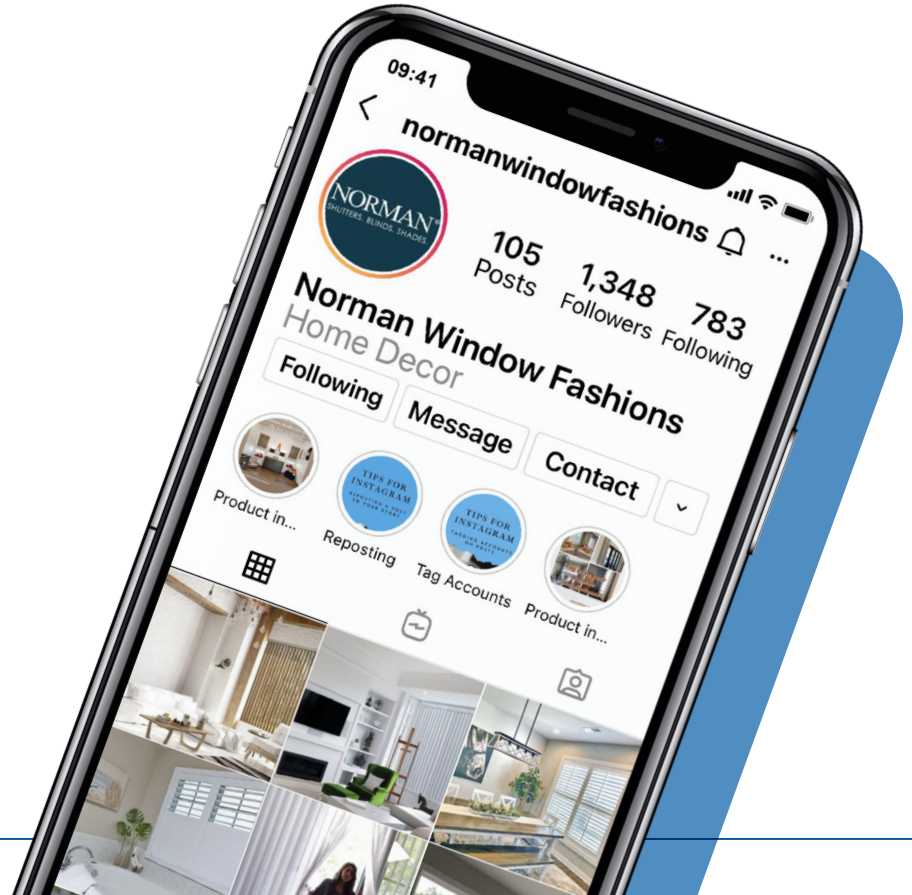
As we move forward, we also pay as much attention to the safety of our working environment. We manage the warehousing, distribution and storage safety of chemicals such as paints and glue in accordance with the Operation Instruction of Dangerous Goods. The storage position of these materials is strictly defined, and ventilation is emphasized to prevent chemical build-up indoors. In addition to assigning dedicated personnel to be in charge of the chemical management, we also require personnel claiming materials to wear protective equipment. NM has set up Guidelines for Emergency Protective Measures to reduce the risks of injury that may occur in the case of the personnel's accidental touch of the chemicals. In 2021, our factories have passed 50+ external inspections of environment, emissions, water discharge, human rights and so on.

Qualified by Various Assessments (2021)

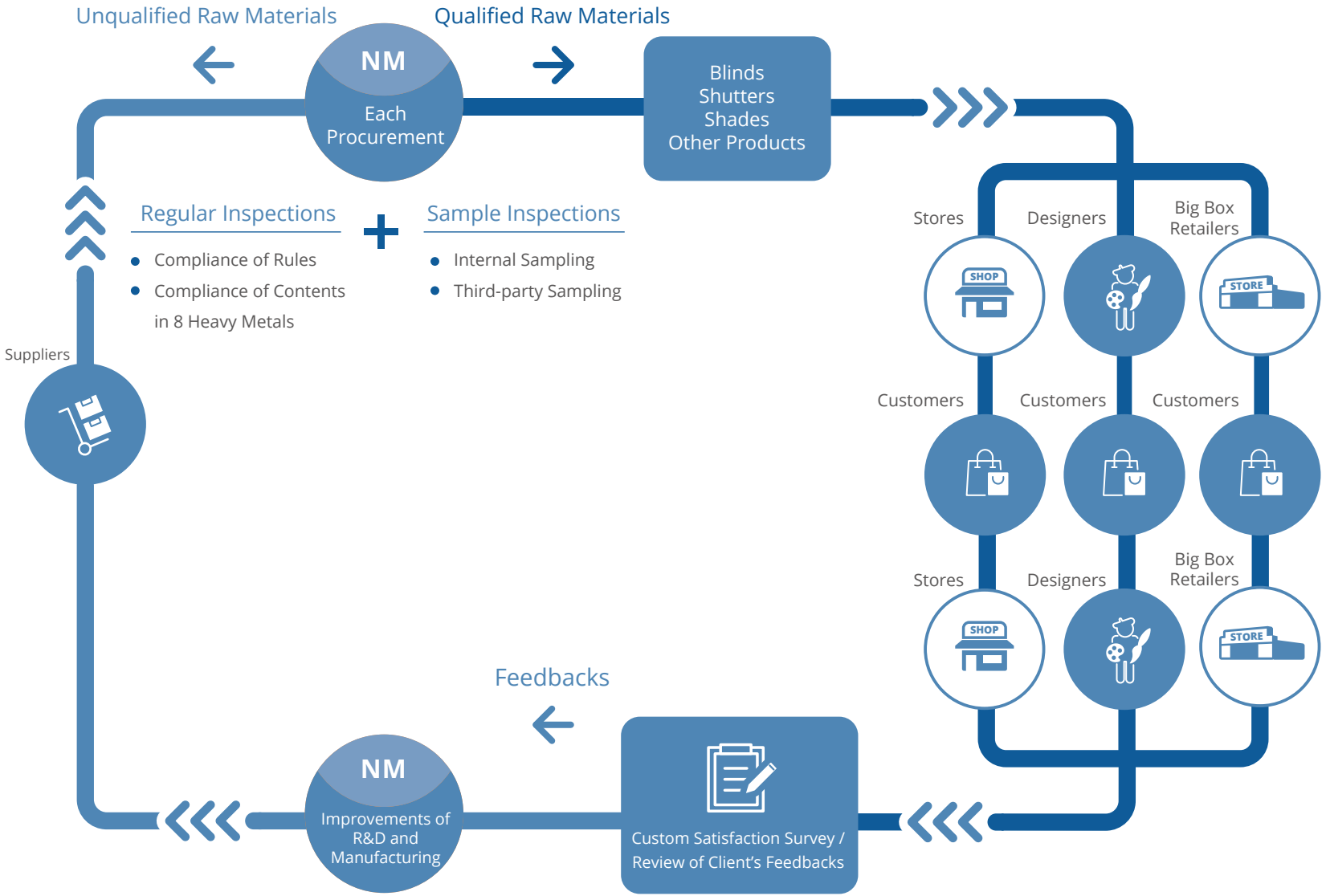
Factory Audits	Total	Taiwan	China	Cambodia
Human Rights	6	0	6	0
Quality	4	2	1	1
Security	1	0	1	0
Environment	14	2	10	2
Others (e.g. Fire/Production Safety)	27	0	26	1
Sum	**52**	**4**	**44**	**4**
Human Rights Reviews(%)	**50%**	0%	75%	0%

- Human Rights Reviews(%)=Local factories qualified by human rights reviews/ Total local factories
- Human rights factory inspection items include non-discrimination, respect for colleagues, no corporal punishment (physical, sexual, psychological/emotional, verbal harassment/abuse), no unreasonable restrictions on the freedom of mobilities, etc.

NM not only focuses on the quality and craftsmanship of window coverings. We also integrate online (e.g. Facebook, Instagram, Pinterest, YouTube, Line official accounts, virtual showroom and the NORMAN® brand blog) and off-line marketing (e.g. catalog marketing, showrooms, product planners), providing designers, stores and consumers easy access to the NORMAN® brand and product information. We expect to grow with our customers as we step forward. NM has set different growth rates and turnover expectations for different markets based on the regions, attributes of customers, scale of markets and so on. Once our targets are reached, we would provide even more meticulous services and abundant samples or even more practical sales incentives or discounts to our customers to further bond with them.



Nien Made's Quality Management System



Better Chemical Management

We insist on using materials and paints harmless to the human body in accordance with the latest and highest standards in Europe and America. The customers' health and safety has always been prioritized at NM. We comply with the Volatile Organic Compound Emission Standards in California[1] and are in line with the lead control requirements of the Window Covering Manufacturers Associations (WCMA)[2]. NM does NOT ACCEPT, USE or SELL window coverings containing harmful substances.

We conduct strict inspection of all the incoming materials and final products and have established stringent requirements and standards for the production process, such as the Management Measures for In-Coming Procurement and Inspection, Supplier Management Practices, Control Procedure of Non-conforming Products, and Product Identification Management Procedures. When purchasing from suppliers, we require that raw materials should comply with legal regulations and requirements for the contents of 8 major heavy metals. There must be material safety data sheets (MSDS) of raw materials and chemicals. We further require our suppliers to provide the latest test reports every three months to check on the health, safety and quality of our products at the sources.

We conduct internal and external sampling tests on an occasional basis together with regular external testing to ensure that the assembled products are free of toxic substances and harmful gases. In 2021, no harmful gases, toxic substance and heavy metals (among 8 major heavy metals) in the products sent to SGS and TUV, the third-party testing for inspection of compliance with REACH and RoHS, were detected and the test results were far superior to the lead content of our purchased raw materials (Pb≦90 ppm; European norm EN-71 Part 3). No formaldedye was added during the production of our window coverings and PVC pipes. In Japan, we voluntarily had our products tested at the Boken Quality Evaluation Institute (BOKEN), and the formaldehyde test results adhere to Japan's highest standards for building materials, F4 Stars (F☆☆☆☆).

Prohibited the use of

Harmful and carcinogenic substances
Toxic substances
8 major heavy metals

Reduce the use of

Chemical solvent
Oil-based paint

Increase the use of

Non-toxic materials
Recyclable materials

REACH Compliance

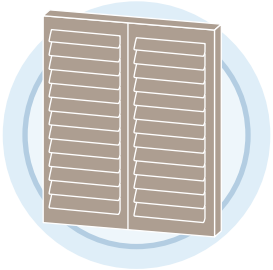
RoHS COMPLIANT

[1]Standard Method For The Testing And Evaluation Of Volatile Organic Chemical Emissions From Indoor Sources Using Environmental Chamber
[2]ANSI/WCMA A100.1-2018

Chemical Reduction for a Healthier Environment

NM constantly understands the composition of chemicals and materials, striving to provide healthier products. In the United States, we participate in the Window Covering Manufacturers Association to actively take part in the formation of the safety regulations for window covering products. We even provide information of the composition structures of chemicals and products through our Sustainability Report on our official website (www.nienmade.com/ESG.aspx).

We are committed to the reduction of non-essential chemicals. We have not only replaced the styrofoam fillers with inflatable air columns but also promoted the improvement of renewable materials (such as corrugated paper). We have introduced the water-based paint to replace oil-based paint and have also made continuous efforts for the formulations of solvent-free non-woven fabrics, aiming to evolve the manufacturing process of the window covering industry while meeting the consumers' expectations of enjoying the beautiful window scenery every day.

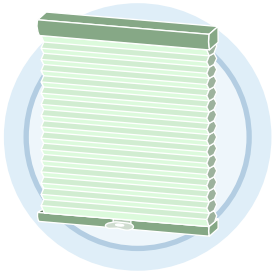


Shutters

Wood, Medium-Density Fiberboard (MDF): 60-80%
Metal parts, PP coating: 1-10%
Cardboard: 20-30%

Faux Wood Blinds

PVC: 70-90%
Metal parts: 1-5%
Cardboard: 10-20%



Honeycomb Shades

Non-woven fabric, yarn: 15-30%
Metal parts: 5-20%
PVC: 30-60%
Cardboard: 20-30%

The compositions of custom size window coverings may differ due to different products, sizes and other options.

NM's Trajectory of Chemical Reduction

2021

Oil Mist Recycling and Reuse

Dust hoods and oil mist collectors are installed on the window treatment mold processing machines to filter dust and water vapour while simultaneously recovering oil mist for reuse.

2020

Packing Material Upgrade 2.0

The renewable filler (corrugated paper) is used to further reduce the amount of disposable inflatable air column bags.

2019

Reuse Used Lubricant to Cut Waste

Through the temperature and precipitation process, the waste lubrication can be reused for machines requiring lower precision. The recycled lubrication can take up 10% of the lubricant usage while reducing waste.

2018

Purging Dust in PVC Pipe Factory

Leverage on scrubber facilities making full physical contact between waste gas and scrubbing liquid to purify waste gas and dust generated in the fabricating process.

2017

Introducing Solvent-free Formula for Honeycomb Shades

NM's R&D Department made an innovative breakthrough and promoted formulations of solvent-free non-woven fabrics to directly reduce volatile gases (e.g. toluene and Methyl Ethyl Ketone, MEK), cutting the annual use of solvents by 110 tons.

2016

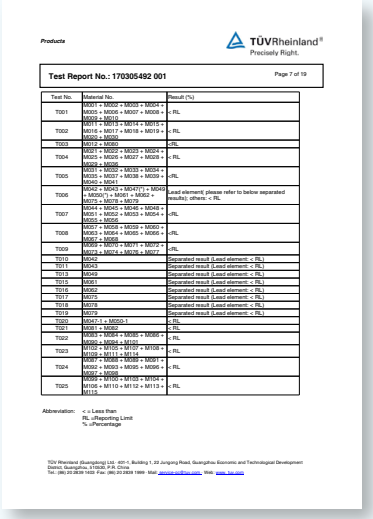
5-year Plan for Reducing VOC from Shutter Processes

We introduce the water-based paint process to reach the 2020E goal of reducing the volatile organic compounds (including benzene, toluene, etc.) every unit by 15-25% compared with the level in 2015. According to the latest statistics for 2020, the goal has been successfully achieved.

2015

Packing Material Upgrade 1.0

We introduce inflatable air column bags to reduce the use of plastic packing materials (Styrofoam, polystyrene). The amount of Styrofoam purchased in 2015 reduced by 93 tons.



Products

TÜVRheinland®
Precisely Right.

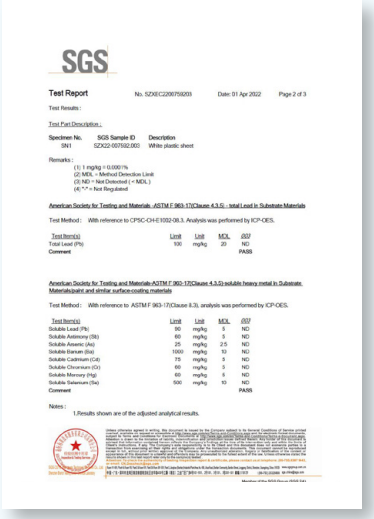
Test Report No.: 170305492 001 Page 7 of 19

Test No.	Material No.	Result (%)
T001	M001 = M002 + M003 + M004 + M005 + M006 + M007 + M008 + M009 + M010	< RL
T002	M011 = M013 + M014 + M015 + M016 + M017 + M018 + M019 + M020 + M030	< RL
T003	M012 + M060	< RL
T004	M021 + M022 + M023 + M024 + M025 + M026 + M027 + M028 + M029 + M030	< RL
T005	M031 + M032 + M033 + M034 + M035 + M037 + M038 + M039 + M040 + M041	< RL
T006	M042 + M043 + M047(1) + M049 + M050(1) + M061 + M062 + M073 + M075 + M078	Lead element(please refer to below separated results) ; others: < RL
T007	M044 + M045 + M046 + M048 + M051 + M052 + M053 + M054 + M055 + M056	< RL
T008	M057 + M058 + M059 + M060 + M063 + M064 + M065 + M066 + M067	< RL
T009	M068 + M070 + M071 + M072 + M073 + M074 + M076 + M077	< RL
T010	M042	Separated result (Lead element: < RL)
T011	M043	Separated result (Lead element: < RL)
T013	M049	Separated result (Lead element: < RL)
T015	M061	Separated result (Lead element: < RL)
T016	M062	Separated result (Lead element: < RL)
T017	M075	Separated result (Lead element: < RL)
T018	M078	Separated result (Lead element: < RL)
T019	M079	Separated result (Lead element: < RL)
T020	M047-1 + M050-1	< RL
T021	M081 + M082	< RL
T022	M083 + M084 + M085 + M086 + M087 + M088 + M089 + M090 + M091	< RL
T023	M102 + M105 + M107 + M108 + M109 + M113 + M114	< RL
T024	M097 + M098 + M099 + M091 + M092 + M093 + M095 + M096 + M100	< RL
T025	M094 + M095 + M102 + M104 + M106 + M110 + M112 + M113 + M115	< RL

Abbreviation: < = Less than
RL = Reporting Limit
% = Percentage

TÜV Rheinland (Guangdong) Ltd. 401-1, Building 1, 22 Jungong Road, Guangzhou Economic and Technological Development District, Guangzhou, 510530, P.R. China
Tel.: (86) 20 2839 1433 Fax: (86) 20 2839 1999 Mail: service-sc@tuv.com, Web: www.tuv.com

Qualified by Reach's Substances of Very High Concern (SVHC) Exam –Faux Wood Blinds of Nien Made



SGS

Test Report No. SZXEC2200759203 Date: 01 Apr 2022 Page 2 of 3

Test Results :

Test Part Description :

Specimen No.	SGS Sample ID	Description
SN1	SZXQ2-007592.003	White plastic sheet

Remarks :
(1) 1 mg/kg = 0.0001%
(2) MDL = Method Detection Limit
(3) ND = Not Detected (< MDL)
(4) "-" = Not Regulated

American Society for Testing and Materials -ASTM F 963-17(Clause 4.3.5) - total Lead in Substrate Materials

Test Method : With reference to CPSC-CH-E1002-08.3. Analysis was performed by ICP-OES.

Test Item(s)	Limit	Unit	MDL	003
Total Lead (Pb)	100	mg/kg	20	ND
Comment				PASS

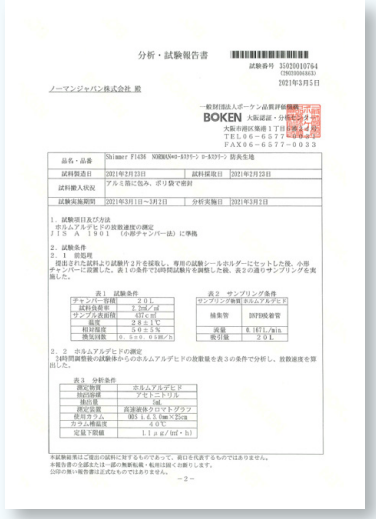
American Society for Testing and Materials-ASTM F 963-17(Clause 4.3.3)-soluble heavy metal in Substrate Materials(paint and similar surface-coating materials

Test Method : With reference to ASTM F 963-17(Clause 8.3), analysis was performed by ICP-OES.

Test Item(s)	Limit	Unit	MDL	003
Soluble Lead (Pb)	90	mg/kg	5	ND
Soluble Antimony (Sb)	60	mg/kg	5	ND
Soluble Arsenic (As)	25	mg/kg	2.5	ND
Soluble Barium (Ba)	1000	mg/kg	10	ND
Soluble Cadmium (Cd)	75	mg/kg	5	ND
Soluble Chromium (Cr)	60	mg/kg	5	ND
Soluble Mercury (Hg)	60	mg/kg	5	ND
Soluble Selenium (Se)	500	mg/kg	10	ND
Comment				PASS

Notes :
1.Results shown are of the adjusted analytical results.

Qualified by SGS's Heavy Metal Exam – Vertical Blinds of Nien Made



分析・試験報告書

試験番号 3502001076 4
CN03006A5D
2021年3月5日

ノーマンジャパン株式会社 殿

一般財団法人ボーケン品質評価機構
BOKEN 大阪認証・分析センター
大阪市港区築港１丁目１４番４４号
ＴＥＬ０６－６５７７－０８３３
ＦＡＸ０６－６５７７－０８３３

品名・品番	Shimer ｱｲﾎﾞﾘｰ N3HH(N40-835ﾗﾝﾄﾞ N43ﾗﾝﾄﾞ) 防炎生地		
試料製造日	2021年2月2日	試料採取日	2021年2月22日
試料搬入状況	アルミ箔に包み、ポリ袋で密封		
試験実施期間	2021年3月1日～3月2日	分析実施日	2021年3月2日

1．試験項目及び方法
・ホルムアルデヒドの放散速度の測定
ＪＩＳ Ａ １９０１ （小型チャンバー法）に準拠

2．試験条件
2．1 前処理
提出された試料より試験片２片を採取し、専用の試験シールホルダーにセットした後、小型チャンバーに投入した。表１の条件で24時間試験片を調整した後、表２の通りサンプリングを実施した。

表１ 試験条件

チャンバー容積	２０Ｌ
試料負荷率	０．２ｍ²／ｍ²
サンプル表面積	４２ｃｍ×２１ｃｍ×２枚
風速	０．２ｍ／ｓ
相対湿度	５０±２％
換気回数	０．５±０．０５回／ｈ

表２ サンプリング条件

サンプリング物質	ホルムアルデヒド
捕集管	ＤＮＰＨ固着管
流量	０．１Ｌ／ｍｉｎ
採取量	２０Ｌ

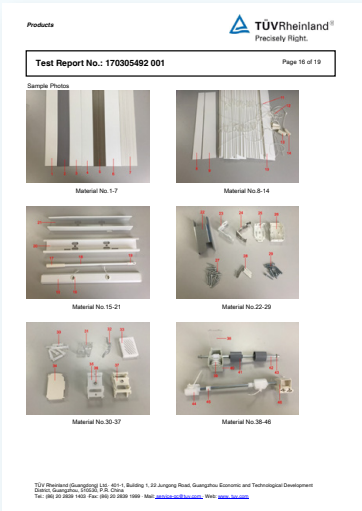
2．2 ホルムアルデヒドの測定
24時間調整後の試験体からのホルムアルデヒドの放散量を表３の条件で分析し、放散速度を算出した。

表３ 分析条件

測定物質	ホルムアルデヒド
捕集管	アセトニトリル
検出器	ＵＶ検出器
測定波長	高速液体クロマトグラフ
移動相フェノール	８５％１６３ｍｍ×２ｃｍ
カラム槽温度	４０℃
定量下限値	０．１μｇ／ｍｌ・ｈ）

本試験結果はご提出の試料に対するものであって、前日を代表するものではありません。
本報告書の全部または一部の無断転載・転用は固くお断りします。
公印の無い報告書は正式なものではありません。
－２－

Qualified by Boken's Formaldehyde Exam – Roller Shades of Nien Made



Products

TÜVRheinland®
Precisely Right.

Test Report No.: 170305492 001 Page 16 of 19

Sample Photos

Material No.1-7

Material No.8-14

Material No.15-21

Material No.22-29

Material No.30-37

Material No.38-46

TÜV Rheinland (Guangdong) Ltd. 401-1, Building 1, 22 Jungong Road, Guangzhou Economic and Technological Development District, Guangzhou, 510530, P.R. China
Tel.: (86) 20 2839 1433 Fax: (86) 20 2839 1999 Mail: service-sc@tuv.com, Web: www.tuv.com

Qualified by Reach's Substances of Very High Concern (SVHC) Exam – Faux Wood Blinds of Nien Made



SGS

Test Report No. SZXEC2200759203 Date: 01 Apr 2022 Page 3 of 3

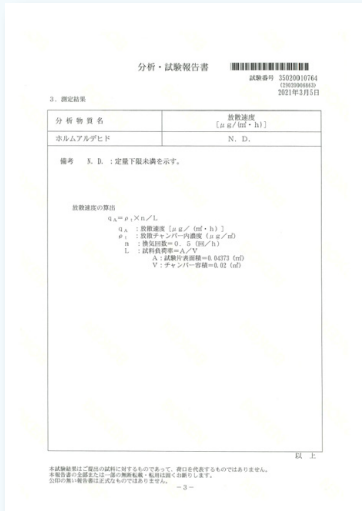
Sample photo:

SZXQ2-007592.003

SGS authenticate the photo on original report only

*** End of Report ***

Qualified by SGS's Heavy Metal Exam - Vertical Blinds of Nien Made



分析・試験報告書

試験番号 3502001076 4
CN03006A5D
2021年3月5日

3．測定結果

分析物質名	放散速度 [μg/(m²・h)]
ホルムアルデヒド	Ｎ．Ｄ．

備考 Ｎ．Ｄ．：定量下限未満を示す。

放散速度の算出

$q_A = \rho_i \times n / L$

q_A ：放散速度［μg/（m²・h）］
ρ_i ：放散チャンバー内濃度（μg/m³）
n ：換気回数＝０．５（回/h）
L ：試料負荷率＝A/V
A：試験片表面積＝0.0373（m²）
V：チェンバー容積＝0.02（m³）

以 上

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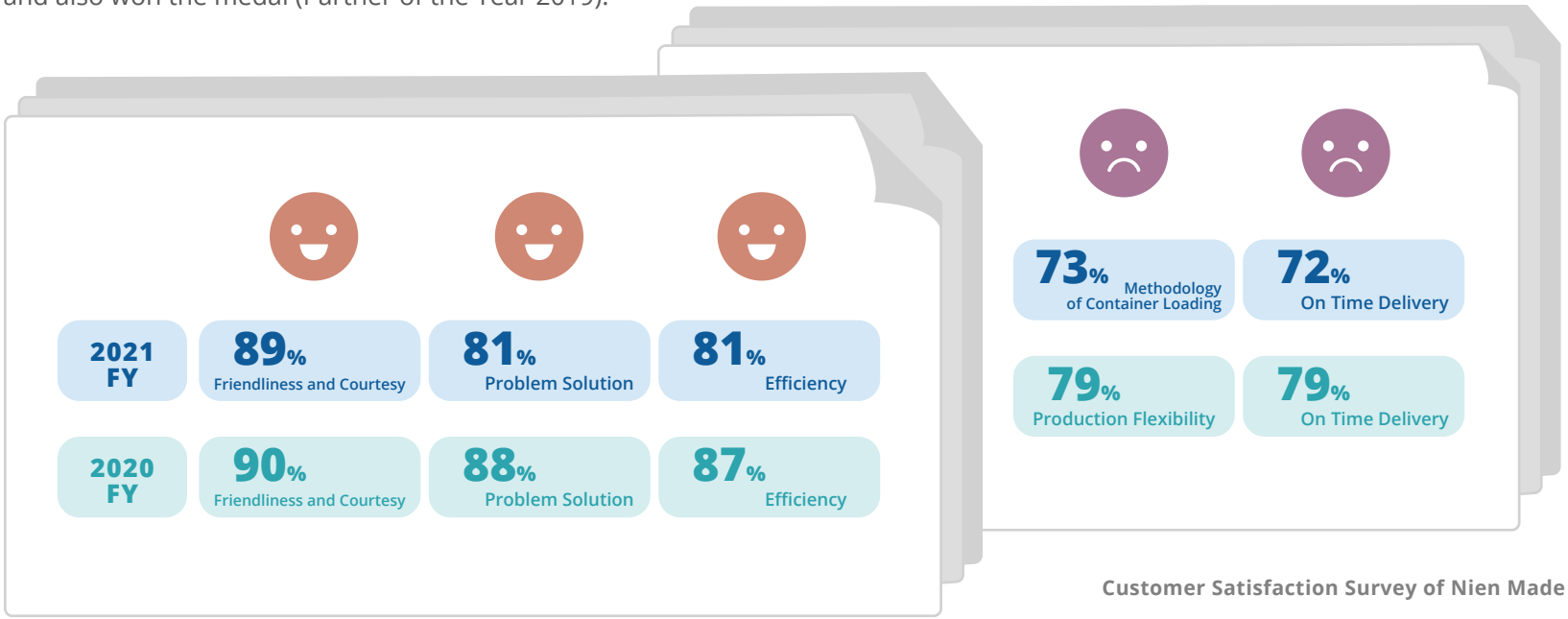
Qualified by Boken's Formaldehyde Exam –Roller Shades of Nien Made

Customer Satisfaction Matters

NM upholds the concept of quality first and provides services that meet customers' cost and delivery expectation. Due to the complexity of design and production process, product imperfections might unavoidably occur among the tens of millions of window covering products or hundreds of millions of components manufactured every year. By meeting with our customers, our marketing personnel can confirm the problems complained by the customers so that the issue can be reviewed in the internal weekly meeting and be solved. After receiving complaints, the Manufacturing and R&D Departments of our plant take actions for improvement to avoid reoccurrence of the same problem. Meanwhile, the staff in the QC Department tracks relevant improvements to see if the problem is solved. With the joint efforts of our fellow colleagues, NM has been repeatedly invited to the Supplier Partnership Meeting held by our client (Home Depot) as one of the 14 suppliers who provide the quality service selected among tens of thousands of suppliers, and also won the medal (Partner of the Year 2019).



NM provides customer-oriented services, coupled with the annual customer satisfaction survey targeting at our window covering products such as blinds and shades to continue the improvement in product quality and services to the customers. In accordance with the internal customer perception information management process, we conducted customer satisfaction surveys in 2021 and the results showed that our customers were satisfied with the items of "Friendliness and Courtesy", "Problem Solution" and "Efficiency". However, delivery scheduling in 2021 was impacted by global supply chain disruptions, port congestions, capacity shortages, increasing ocean freight rates as well as the ongoing pandemic, leaving much room for improvement in terms of "On Time Delivery" and "Methodology of Container Loading". We expect to gradually relieve the stress of strong demand by expanding our capacity in Cambodia, deploying new facilities in Mexico and by leveraging on lean manufacturing management.



Customer Satisfaction Survey of Nien Made

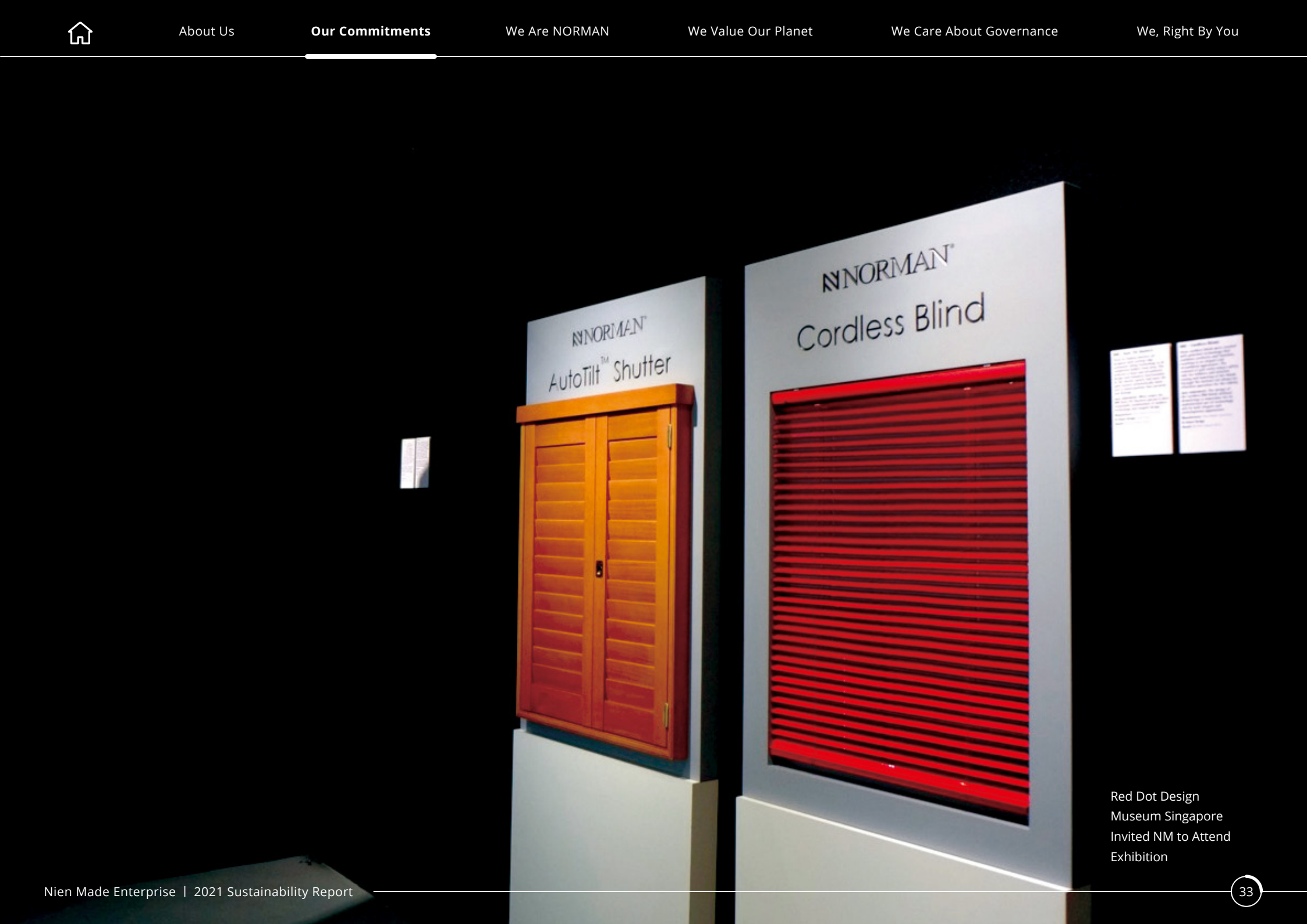
Succeeding Through Innovation



WCMA's Awards for Nien Made in Recent Years

Designing Ideal Window Coverings for the Future

In addition to responding to consumers' changing demands in window treatments and to local safety regulations, we also fabricate ideal window coverings for the future. Through our active participation in activities and forums held by Window Covering Manufacturers Association (WCMA), we comply with the latest regulatory trends in the industry. For example, we continue to focus on the safety issues for children with regards to the use of window treatments in North America and have utilized the design of safety tassels/connectors and tilter wand. We also provide the customers with a series of cordless operating systems. The safety design of new window coverings in all ranges is being developed and introduced. Through crafting window scenery, we connect innovation with sustainability.

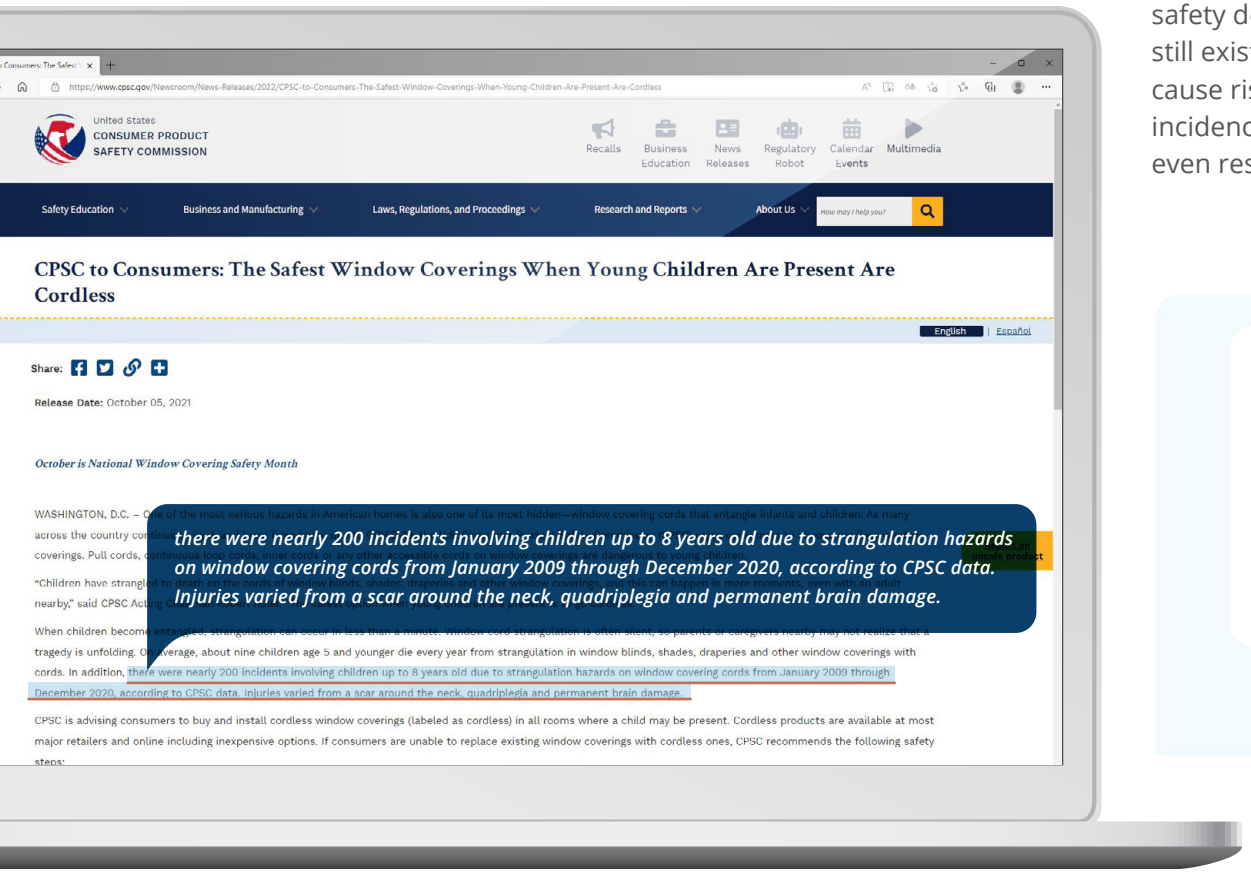


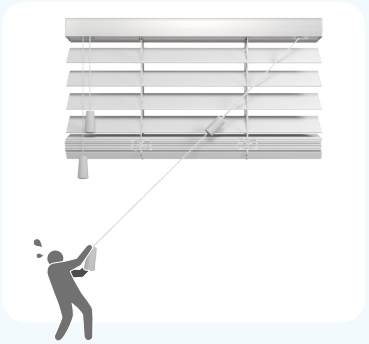
Red Dot Design Museum Singapore Invited NM to Attend Exhibition

New Balance Of Light Versatility And Safety

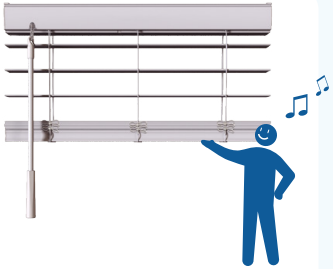
The operational pull cord is designed for customers to conveniently adjust the vertical length of blinds and shades. However, the design of the pull cord has the potential to cause safety issues for children, pets and the elderly.

According to a study published by Consumer Product Safety Commission (CPSC) and Window Covering Manufacturers Association (WCMA) in 2002, the traditional design of the pull cord made it possible for the formation of a loop, resulting in a safety issue for specific users. Therefore, over the past few years, CPSC has been encouraging window covering manufacturers to adopt innovative design to reduce the safety risks for users. Although the safety design has been improved through innovation, home safety concerns still exist. Dangers with improper user installation of safety features still cause risks with the pull cord system. According to CPSC, there have been 200 incidences of child injuries involving pull cords between 2009 and 2020, some even resulting in irrevocable harm.





Conventional Design - Accessible Operating Cords



New Design - Cordless Operating System

Source: *Consumer Product Safety Commission*

Elevating Window Covering Safety To A New Level

In accordance with the Proposed Revision of ANSI/WCMA A100.1-2018 from WCMA/CPSC in 2018, the operating systems of stock blinds, shades and shadings provided to retailers should adopt the cordless operating system. From 2019, in the ready-made channel, cordless blinds have accounted for 90+% the shipments. To further fulfill our commitment towards safety for children and pets, NM has stopped providing U.S. consumers with corded custom-made window coverings from Jan 1, 2022. NORMAN®'s commitment towards safe cordless customized window coverings in the US was publicized through 126 different media and public relations platforms.

KIDS DESIGN AWARD 2016

CERTIFIED BEST FOR KIDS

JUDGES' AWARD 2015 WCMA PRODUCT AWARDS WINNER

reddot award 2018 winner

We believe that the design of the Cordless Operating Systems can truly elevate the safety of window treatments to a new level. NM's cordless operating design enables the users to easily and gracefully adjust the vertical length of the blind or shade. Moreover, the length of blind or shade can be maintained at the length users adjust it to and balance can be achieved without adding extra forces. Due to the removal of the accessible operating cord, the overall visual of the window treatment is more minimalist. Business opportunities for innovative products emerge at the time when we work on the enhancement of safety. NM's 4 safe products with the cordless operating system won Japan's Kids Design Award for its design that "contributes to the safety and security of children". The series of cordless window coverings, including Honeycomb Shades, Blinds, Roman Shades, and Roller Shades, take into account both safety and innovation and have been awarded the German Red Dot Design Award with total 6 Red Dot Awards in 2016, 2018 and 2021. In 2022, Nien Made's Motorized Honeycomb Shade elevated window covering technology with intuitive control, once again garnering stellar reviews from Red Dot.



NM's Team Attended the Red Dot Awards Ceremony in Germany



reddot award 2016
winner

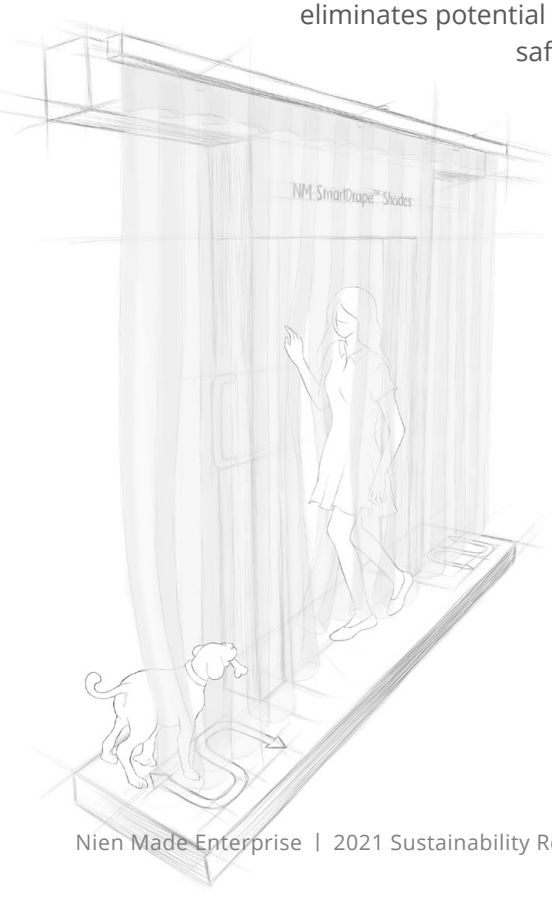
NM's Cordless Blinds

Style, Versatility And Seamless Indoor-Outdoor Living

Our unmatchable style and low-key vertical window covering, SmartDrape™, is specially designed for floor-to-ceiling windows and extra-large windows. It may be mistaken for traditional curtains; however, the undulating sheer and fabric vane construction of SmartDrape™ rotate from completely solid to completely sheer and everywhere in between, thus capturing the versatile beauty of natural light and shadow. When enjoying the unobstructed scenery, the largest panorama can be achieved merely by gently pushing the SmartDrape™ to the side. What is more, when fully expanded horizontally, SmartDrape™ allows users to move freely in and out of the space to enjoy a great time indoors and outdoors seamlessly.



SmartDrape™ with the Cordless Operating System is featured with a clean look that eliminates potential safety hazards to children and entanglement of pets (i.e. safest for both children and pets). SmartDrape™ won the Best of Best in the 2020 Red Dot Design Award, a top-end honor that only 1.2% of the 6,500 exhibited works can receive. Nien Made's SmartDrape™ are presented and confered in the Red Dot Design Museum Essen, Germany.





Cutting Machines for Cut-To-Size Window Treatments

When consumers buy suit pants, the length of the pants can be altered by tailors to meet their needs. However, in window treatments, the sizes and lengths differ due to non-standard sizes of windows in everyone's home. Therefore, based on the similar concept of adjusting pants, we provide cutting machines of window treatments in big box stores. With these machines, customers can buy cut-to-width blinds/shades while horizontal width can be adjusted on the spot, allowing consumers to buy near-custom window coverings in terms of sizes at the low prices of ready-made products.

Nien Made is the only Asian window covering manufacturer that provide North America retailers with the cutting machines of window coverings. We develop and manufacture various cutting machines with patented design so that they have the advantages of being user-friendly, safe and durable. Over the years, we have allocated 6,000+ cutting machines to large chain retailers in North America. We also provide field and maintenance services to reduce retailers' time and manpower needed to take care of these machines. Therefore, by providing reliable cutting machines and services, Nien Made establishes and strengthens close bonds with large big box stores in North America.



Nien Made's Cut-Down Machine for Window Coverings



NM's Cut-Down Machine in American Big Box Store

A Total of 15 New Patents at NM in 2021

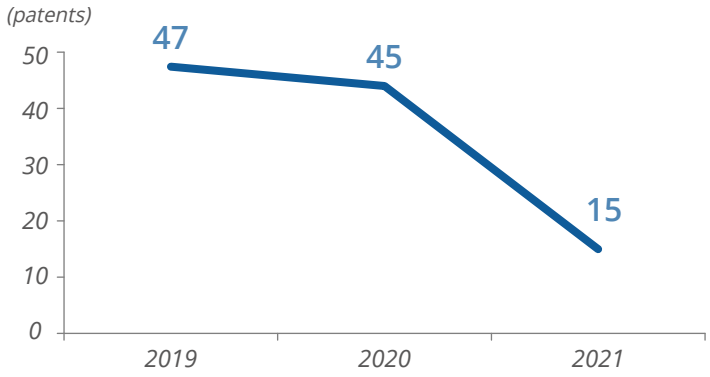
We craft every idea of new natural light versatility in life through fabricating window treatments. Our R&D Department conducts multiple tests when developing products or changing designs while the Product Planning Department is in charge of verifying new products compliance with safety regulations. To protect product designs from legal risks and to better our patent scope, NM's R&D Department and IPR & Legal Department have to conduct the retrieval and analysis of the patents. Furthermore, NM also repeatedly reviews the risk of patent infringement of existing products to reduce possible infringement disputes. We obtained 15 new patents in 2021, including 3 patents in US, UK, and Australia. As of the end of 2019, NM has accumulated 1,600+ patent applications worldwide with ~1,000 approved patents. There were no new patent litigations in 2021. We think innovatively and are defining window treatments' future.

In the manufacturing process, NM's QC Department conducts random inspections to ensure compliance with safety regulations for finished products. Meanwhile, we also conduct random autonomous inspections and send the products to a third-party inspection to reassure the product safety. When a safety risk of a product is identified, NM will follow the Product Recall Management Approach and effectively recall the unsafe product. NM regularly insures the product liability policy to manage the risks of personal and property casualties brought by the products. There was no violation of health-related regulations (safety, labeling, marketing communication) or violation of voluntary codes, illegal penalties or warning incident during 2017-2021.

0 Warning Incident Due to Non-Compliance with Regulations

0 Penalty Incident Due to Non-Compliance with Regulations

0 Incident Due to Non-Compliance with Voluntary Codes



New Patents
(15 patents in US, Canada, UK, Australia and Japan; 2021)

NM × NORMAN®

Create Delightful Ambience with Timeless Design

When people are asked about their expectations for life at home, some may mention a sense of privacy, relaxation, coziness, and safety. However, some people may want their living spaces to reflect their personal style too. They are dreamers who use vibrant shades to transform their spaces, they endeavor to become the best version of themselves, to be a picture of timeless class.

For our users, a beautiful scene stands whether the windows are opened or closed. Many think a major renovation is needed to create the feeling of home, we think it is as simple as changing your window coverings. When handcrafting window coverings with user-specific tastes, NORMAN® upholds the philosophy of socially responsible manufacturing. We make use of eco-friendly materials and strive for uncompromising perfection in window treatments. The superior quality of NORMAN® products is widely recognized by American and European interior designers and window coverings retailers, and they use the NM subsidiary company's name Norman to refer to NM's products. Being established in the word-of-mouth reputation, NM then registered NORMAN® as a brand trademark in 2004.



This Is

NORMAN's refinement means its products are built to last and easily incorporate other items, from yesterday, today and tomorrow.



This Isn't

NORMAN's refinement is not a fad. It is not avant garde, ornate, or opulent.



NORMAN® Strives for Uncompromising Perfection

As NM treasures the brand value of NORMAN®, in 2020, we distributed 910 copies of questionnaires to consumers who have purchased or might purchase window coverings in order to better understand their brand awareness of NORMAN®, targeting the North American market. We also used the first-hand research as a basis for the first NORMAN® brand book to pass on the brand connotation of “Striving for Uncompromising Perfection in Window Covering” to our internal employees and external customers to echo the group philosophy of “Quality First”.

When choosing home décor items, NORMAN® users expect not only superior and distinctive features and services, but also value the spirit of the brand. Norman® products are reliable through vertical integration and refinied exquisiteness. Furthermore, NORMAN®’s designs are with keen sense of color and touch that allows users to express their preferences. Our window coverings are of timeless design and taste.

NM's advertisements in Tokyo, Japan



Exploring the World of Lines, Angles, Sunlight and Shadow with NORMAN®

Established brands are like living assets that will grow and serve more users, allowing NM to obtain more resources for the evolution of craftsmanship of window coverings. To acquaint designers, street stores and general consumers with the NORMAN® brand personality and to reinforce our promise of trouble-free solutions, NM has held hundreds of sessions introducing the stylish window coverings in North America annually.

To enable consumers and channels to explore the unique world of lines, angles, sunlight and shadows and further experience the aesthetics of windows, we also set up worldwide showrooms, ranging from California in North America, Tokyo in Japan, and to Sydney in Australia, where various window coverings, color samples, design consultation are provided physically. Furthermore, for the convenience of customers in the suburbs, we provide a 3D virtual showroom with videos for a better understanding of our window coverings. We are also happy to provide color samples for potential customers and consumers to reduce incidences of products returns or disputes caused by the color difference between the color of the physical products and that shown on the smartphone or computer screens, hence facilitating a user-friendly environment.



3D Virtual Showroom



NORMAN® Brand History & Milestones



1974

In 1974,
Norman Nien (1944-2011)
founded Nien Made.



1994

In 1994, Nien Made established a blinds factory in China to expand its manufacturing capacity by several times.

Benefiting from the rapid growth of big box retailers (e.g. Home Depot and Walmart) in the US, Nien Made became the largest ready-made window treatment manufacturer.



2000

In 2000, Howard Nien, CEO and son of Norman Nien, was assigned to establish a shutters factory in China to enter the custom-made window treatment market.

1984

Nien Made grew quickly from a small workshop composed of merely 7 employees in early stages to the largest PVC Blinds manufacturer with thousands of employees.



1995

Norman Nien pioneered faux wood blinds, making the PVC blinds which imitates the appearance of wooden blinds.

Decades later, the volumes of faux wood blinds have reached tens of millions and become mainstream in the European and American markets.

2001

Nien Made set up Norman International, Inc., a US subsidiary, becoming the only Asian window treatment manufacturer to enter the custom-made shutters market in North America.

2004

NM's reputation of manufacturing window coverings of outstanding quality spread among American and European designers and street stores of window coverings. The name of NM's subsidiary was widely used among these professional customers as the equivalent of the stylish window coverings we produce. Established by word-of-mouth, **NM then registered NORMAN® as a brand trademark in 2004.**

In 2004, NM also established shades factories.

2007

Norman International, Inc. actively expanded its custom-made window coverings' channels to set up regional business centers(RBC) in North America.



2012



Nien Made established a ready-made blinds factory in Cambodia in order to meet the increasing demands from American retailers (e.g. Home Depot and Walmart).

NORMAN® entered the Japan market to provide various custom-made window treatments.



2015

Nien Made established a light-assembly plant in Dallas, USA.

2019

NORMAN® set up a subsidiary in Australia to offer custom-made window treatments.

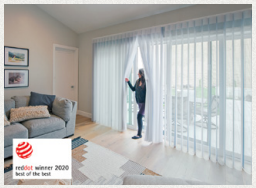


NienMade

2021

NM moved to its new headquarters and launched a new corporate logo.

Nien Made has 12,387 employees (2021), with an annual sales revenue of US$ 1,036mn (2021) and its capital market amounts to US$ 4.4bn.



2020

A manufacturing facility for custom-made blinds and shutters was established in Mexico. In addition, Nien Made's new US headquarters was established in La Palma, California in 2020.

From 2016 to 2020, NORMAN® received 50 global awards, from the United States Window Covering Manufacturers Association (WCMA), Japan's Kids Design Award, and Japan's Good Design Award, to the German Red Dot Design Award.

The patented SmartDrape™ was awarded the Best of the Best for outstanding achievements in the Red Dot Design Award.

reddot winner 2022

2022

NM's Motorized Honeycomb Shade clinched the Red Dot Design Award.

NORMAN® received 5 new awards from the United States Window Covering Manufacturers Association (WCMA).

We Are NORMAN

Local Employees Pave The Way to The World 52
Start From Respecting Humanity 55
Easing Occupational Injury Risk 58
Employees' Health Matters 62
To Be Perfect is to Change Often 63





NM's employee in our light assembly facility in Dallas, USA

Craftsmen of Natural Light and Beautification

In 1974, the founder of Nien Made, Norman Nien, established a small workshop of blinds in Lukang in Central Taiwan, with a total of 7 employees in the beginning. Over the next 45 years, Nien Made has grown to a multinational enterprise achieving the desired goals of the shareholders. The responsibility of taking care of NM's employees has been successfully handed over to the second generation of successors. As of the end of 2021, Nien Made's employment scale has reached 12,387 employees, and NM is an international window covering manufacturer taking care of thousands of families. The starting salaries we provide surpass the local statutory minimum wages by 5-26% in China and Cambodia. Along with other allowances and overtime fees, NM provides competitive salaries and benefits to attract talent.

Our employees get 20% of the NM's direct economic value generated. We obtained NT$2.36 benefit in return for every NT$1 invested in labor cost in 2021. In the "full-time employee salary for non-supervised positions" announced by TWSE in 2022, the average salary revealed by NM was far higher than the average salary of NT$940,000/year among TWSE-listed companies. Among all the 883 listed companies in Taiwan, NM was ranked the 103rd, indicating that its remuneration belonged to the top group.

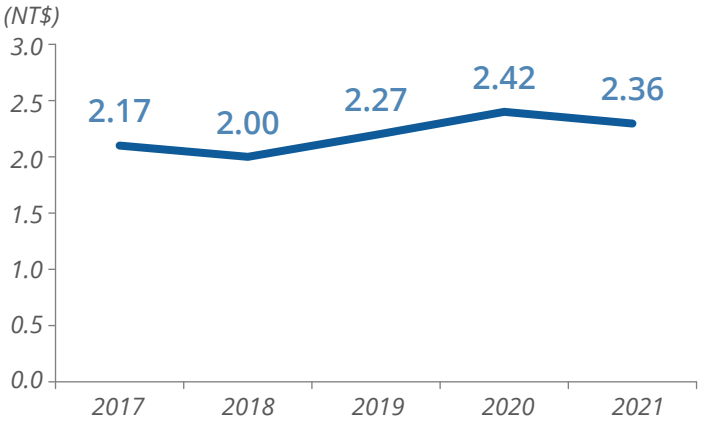
As time passes, those young employees who joined Nien Made in early years are now parents, turning their youth into the growth momentum for NM. Looking at the age structure of the employees at NM in Taiwan, 18% of our employees in Taiwan are over 50 years of age while 86+% of employees are over 30 years old in NM's plants in China. We provide labor pension reserves in accordance with the law to secure our employees' qualify of life after retirement.

In Taiwan, we make up for the pension reserves in the dedicated account based on actuarial assumption for employees choosing to join the old pension system/ Defined Benefit Pension Plan. By the end of 2021/2020, the pension reserves allocated to Bank of Taiwan was ~NT$100mn/NT$100mn respectively. For the employees who joined the new pension system/ Defined Contribution Pension Plan, NM allocates monthly reserves to the employees' individual accounts in accordance with the legal regulation in Taiwan. For employees in China, we allocate about 13% of the salary for the endowment insurance and save it in the employees' individual retirement accounts. In addition, we also provide allowances to local and overseas staffs according to local regulations.

Direct Economic Value Generated and Distributed (EVG&D, 2021)

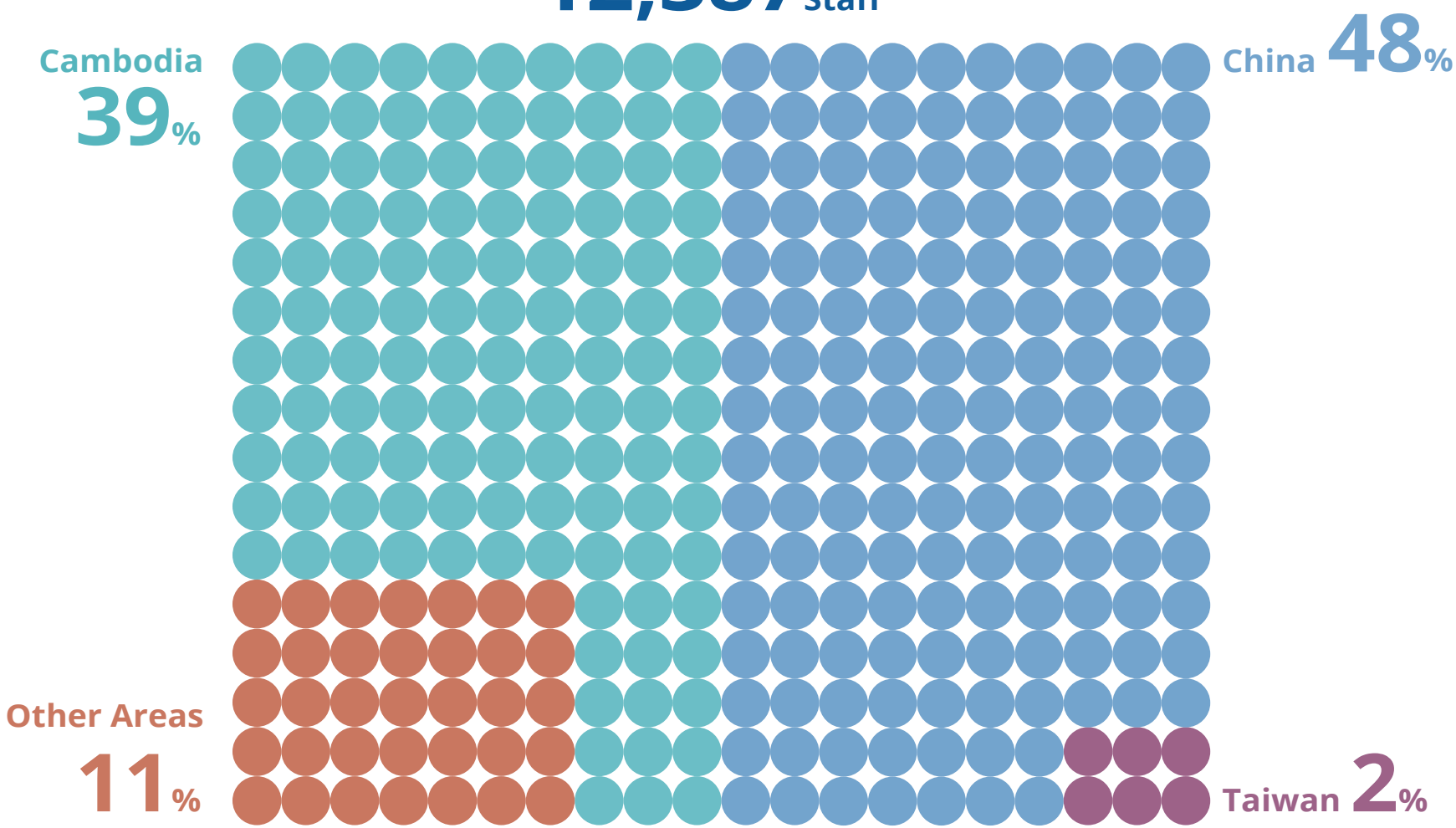
	Unit: NT$mn	%
a) Direct Economic Value Generated	**29,051**	**100.0%**
Revenues	29,024	99.9%
Interest from Financial Assets	27	0.1%
Property Rental Income	0	0.0%
Revenues from Sale of Assets	0	0.0%
b) Economic Value Distributed	**26,390**	**90.8%**
Operating Costs	15,588	53.6%
Employee Wages and Benefits	5,683	19.6%
Payments to Providers of Capital	3,223	11.1%
Payments to Government	1,896	6.5%
Community Investments	0	0.0%
c) Economic Value Retained [c) = a)-b)]	**2,661**	**9.2%**

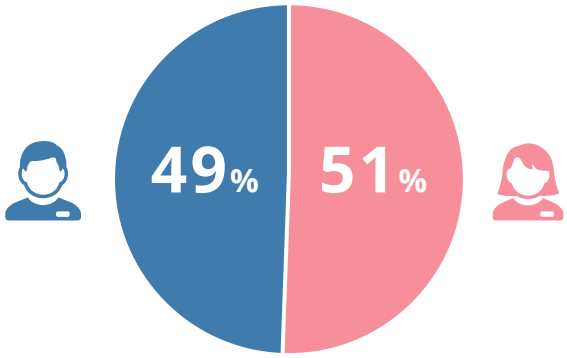
NM's Human Capital ROI



2021 Headcounts

12,387 Staff





Male and Female Ratio (2021)

Taiwan	China	Cambodia	Years of Age	Taiwan	China	Cambodia
5.9%	11.4%	79.0%	<Age 30	29.7%	12.7%	73.4%
71.2%	69.0%	20.5%	Age 30-50	58.6%	74.0%	26.4%
22.9%	19.6%	0.5%	>Age 50	11.7%	13.3%	0.2%

• Employees of major production sites in Taiwan, China and Cambodia are included.

Male Female

NM supports the SDGs

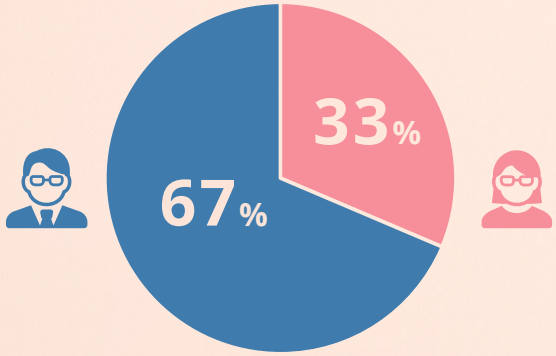
NienMade | 5 GENDER EQUALITY

More about SDGs: www.un.org/sustainabledevelopment

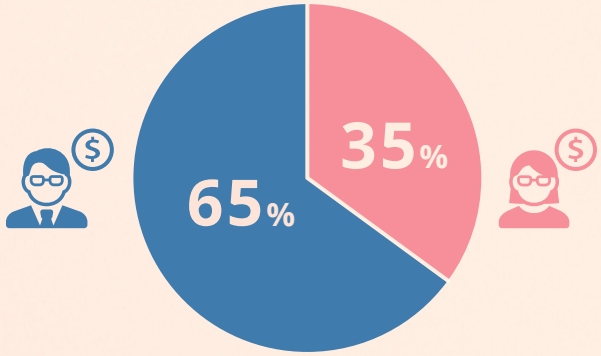
Local Employees Pave The Way to The World

We respect the career and life plans of our staffs in different places. Through different approaches of employment (regardless of nationality, origin and gender), we strive to combine the visions of the firm with the career development goals of local staff. We treat employees of different genders equally in terms of remunerations, benefits and promotion, and expect to maintain the male/female ratio at 50/50 by 2025E. NM's staffs at different operating bases are mainly full-time employees (temporary employees only account for 0.26%). Some staffs can make flexible adjustment of working hours due to job or project requirements. In response to the pandemic in 2021, 74% of employees in Taiwan worked from home in the month of June. NM pays staff overtime wages that comply with all local laws and regulations. To enhance our staff's competency, we provide orientation for new hires in line with annual education and training programs. We implement internal/external on-the-job training to ensure quality, strengthen technical skills and boost occupational risk management skills. To encourage our employees to enhance their professional skills, we provide a subsidy program for further education in accordance with the announced "Measures for Implementing Staff Education and Training".

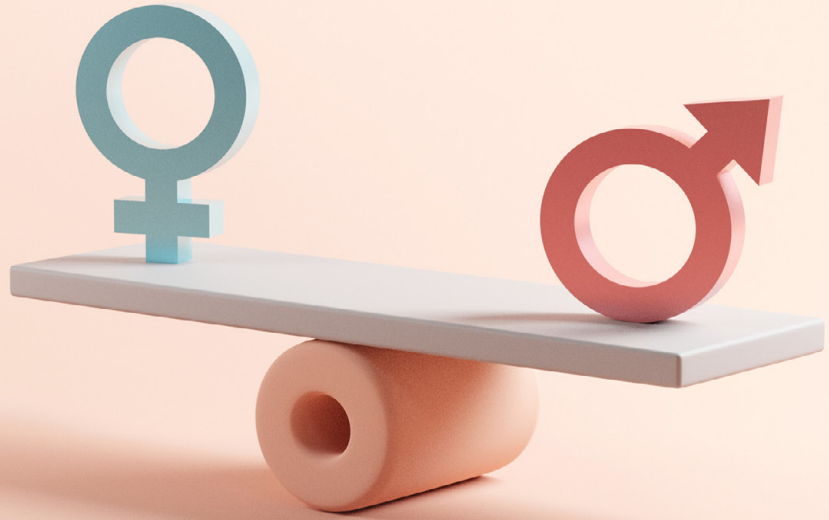
To be a global window covering maker, we make use of outstanding local management talents as the guide and provide cadre training course for the reserve of talents, paving the way to the world. The local (naturalized citizen) middle/high level supervisors in China account for 90% of the overall middle/high level supervisors. In NM's shutters plant, there are only 3 Taiwanese supervisors managing thousands of employees. In our facility in Cambodia, the local middle/high level supervisors account for 2% of the overall middle/high level supervisors, and the ratio of local supervisors is relatively low among the NM's group. The lack of basic education and residents' preference for agriculture are the difficulties we need to overcome for the cultivation of Cambodian cadres. NM is the first in the industrial zone in Cambodia to provide employees with a comfortable dining canteen. With great benefits and development opportunities, we look forward to attracting more local talents to bring about a diversified corporate culture.

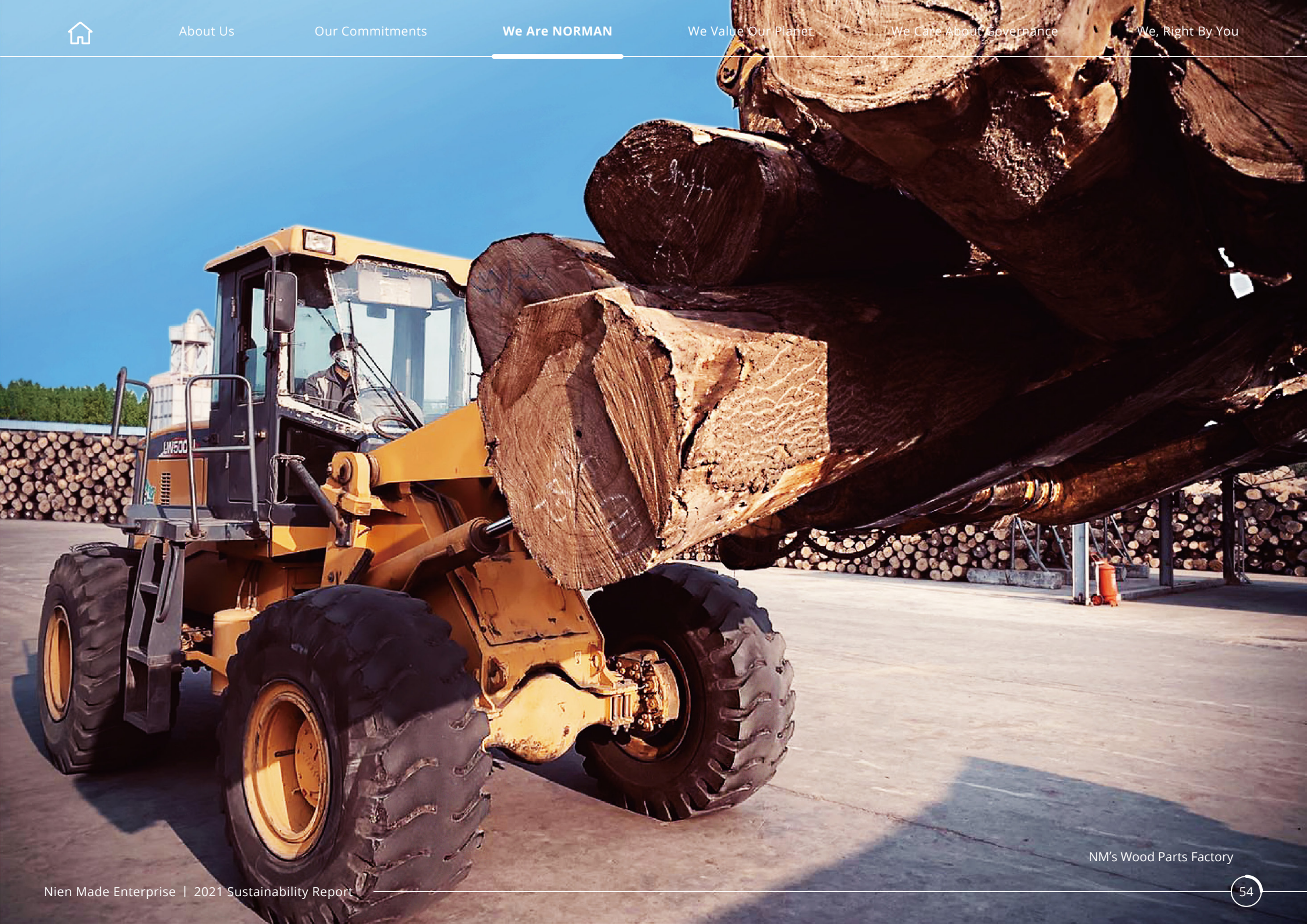


Gender of Managers (%, 2021)



Gender of Managers
In Revenue-Generating Functions (%, 2021)





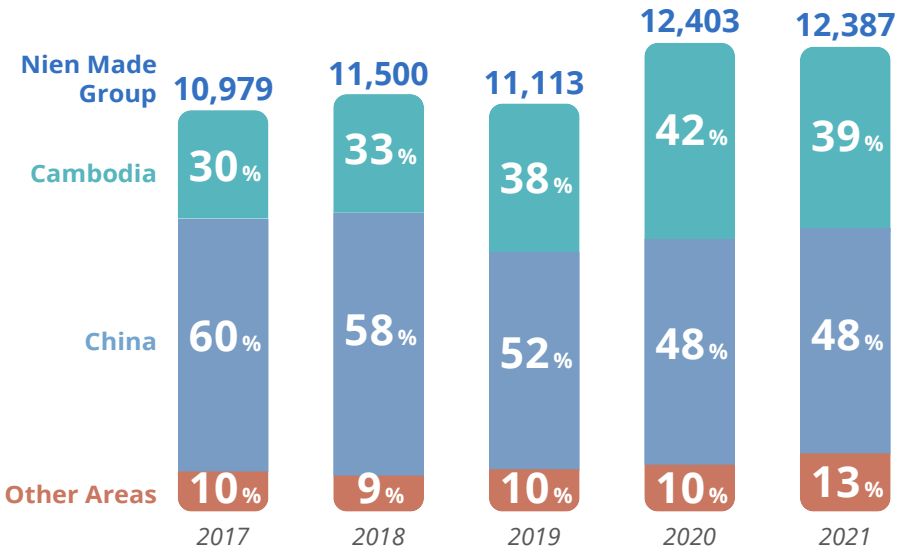
NM's Wood Parts Factory

Let's Start From Respecting Humanity

As a labor-intensive traditional industry, the majority of our employees are first-line workers in the production lines. NM attaches great importance to the basic human rights of our employees and abides by human rights-related laws and regulations, including prohibiting use of child labor, non-discrimination and no forced labor. When hiring new employees, we would check the original IDs of the applicants to avoid the use of child labor. In addition, to prevent our employees from discrimination or sexual harassment, all the complaints filed are processed in accordance with the announced company policy "Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace" while protecting the rights and privacy of the employees. We do not allow any form of forced labor, nor would we allow any detention of employees' IDs, corporal punishment and verbal abuse. To facilitate labor-management cooperation, a labor union, Voice Cambodia Workers Union of San Feng (Cambodia) Company Limited, has been set up in our Cambodian factory. Every year, as requested by our customers, an external 3rd party is commissioned to conduct human rights reviews of our window covering plants.

We recruit thousands of employees in the first quarter every year. However, with the economic development in China, young people are less willing to join the traditional industry. As a result, NM's plants in China face both high rates of new employee hires and employee turnover. For instance, the wood parts factory acknowledged that the growth of the area where it is located in China together with increasing factories in the surrounding area squeeze its human resources. Facing the challenge of manpower recruitment, the net loss of human capital of the wood parts factory has reached over 10% during 2018- 2020. The wood parts factory can only optimize its production and utilize semi-automation to ensure the quality of products and overcome the challenges of human resource shortage. Amidst the unfavorable conditions of labor shortage and wage hikes in China, we were unable to reflect the rising costs to the ready-made window coverings. Therefore, NM is now making good use of the sufficient manpower and cost advantages in Cambodia and Mexico to alleviate the bottlenecks in capacity and the pressure of rising costs we face in China.

NM's Mix of Headcount (Unit: Person or %)





NM's Staff Orientation in our Blinds Factory in Cambodia



Rate of Headcount Growth (2021)



Rate of New Employees (2021)

Taiwan	China	Cambodia		Taiwan	China	Cambodia
5.2%	71.6%	45.5%	Sub Sum	15.3%	59.6%	50.0%
11.1%	298.4%	52.3%	< Age 30	36.4%	193.6%	62.5%
6.4%	47.2%	18.9%	Age 30-50	7.7%	41.8%	15.7%
0.0%	25.2%	55.6%	> Age 50	0.0%	30.3%	0.0%



Turnover Rate of Employees (2021)

Taiwan	China	Cambodia		Taiwan	China	Cambodia
7.8%	74.0%	41.6%	Sub Sum	5.4%	57.2%	62.9%
22.2%	313.3%	47.0%	< Age 30	12.1%	198.8%	70.2%
9.2%	49.9%	21.7%	Age 30-50	3.1%	39.3%	42.9%
0.0%	19.3%	11.1%	> Age 50	0.0%	21.4%	28.6%

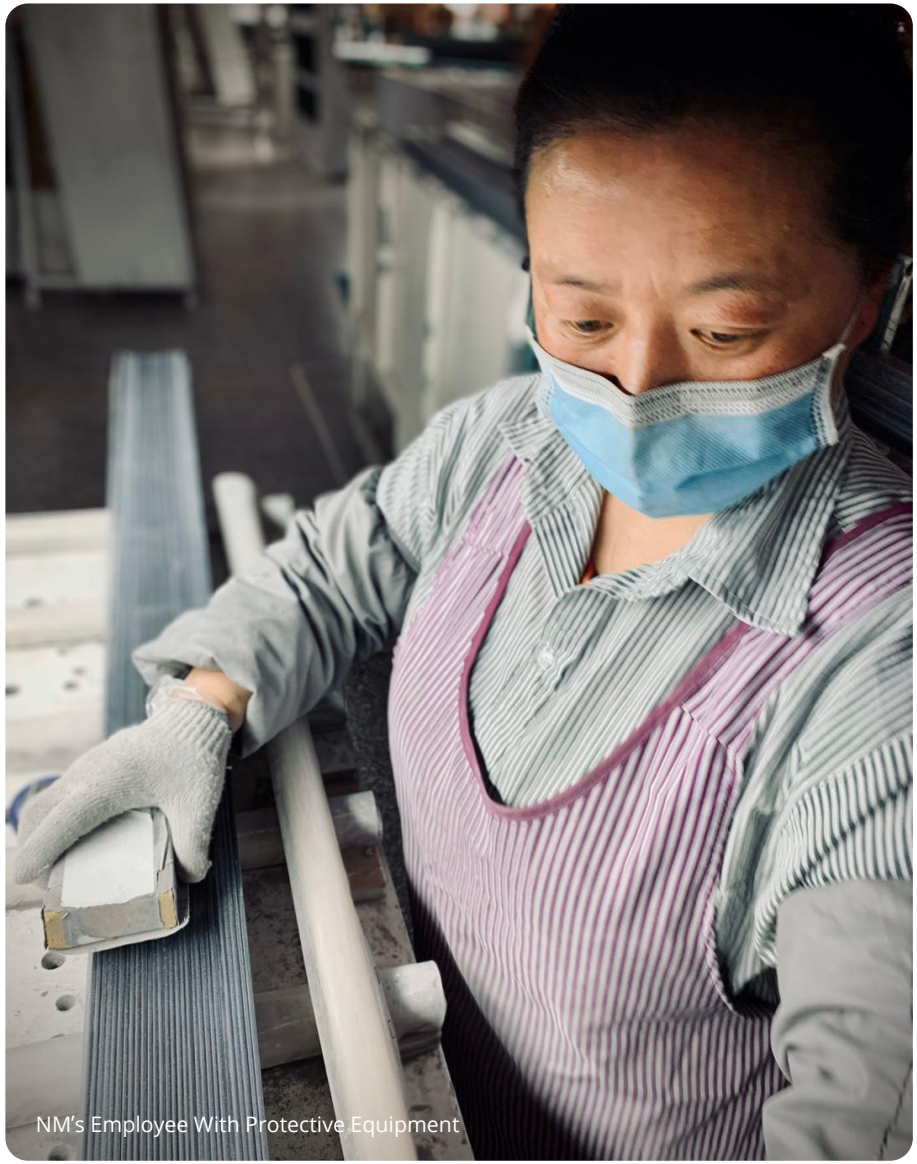


Percentage of Temporary Employees (2021)

Taiwan	China	Cambodia		Taiwan	China	Cambodia
0.0%	0.3%	0.0%	Sub Sum	0.0%	0.7%	0.0%
0.0%	0.8%	0.0%	< Age 30	0.0%	0.0%	0.0%
0.0%	0.1%	0.0%	Age 30-50	0.0%	1.0%	0.0%
0.0%	0.6%	0.0%	> Age 50	0.0%	0.0%	0.0%

- Employees of major production sites in Taiwan, China and Cambodia are included. Employees who left within one week are not counted.
- Rate of New Employees=New Employees over the period / Year End Headcounts.
- Turnover Rate of Employees=Left Employees over the period / Year End Headcounts.
- Voluntary Turnover Rate of Employees(2021)=100%
- Intenal Hires(2021)=0.2%

Male Female


NM's Employee With Protective Equipment

Managing Occupational Risk

No significant casualties or fire accidents were reported in our window covering factories in 2021. Through the promotion of the simple automated system for production, we actively reduce redundant workload and labor intensity whilst improving the workplace safety and managing costs. The main reasons for work injury include collision, crush and contusion or cut caused when changing mold/lane. To safeguard our employees' health and to reduce the risks in the workplace, injury prevention as well as education and training are our top priorities. In the log cutting process, we improve equipment to reduce operational risks; during the processing of wood scraps and short wood, we adopt safety measures to prevent the rebound of materials to improve work safety. We also improved the loading and unloading of materials and the way of handling and moving the materials to reduce the labor intensity of our employees. Due to sequential optimization the working environment to reduce industrial safety risks, no employee had serious occupational injury in 2021. NM has set up safety and health organization and personnel that meet the scale of the company in accordance with Occupational Safety and Health Act and has autonomously established our own occupational safety and health management system. Regarding the safe transport of plastic resin that our big box retailer customers care about, we limit the transport volume of a single batch and require a lid attached to prevent raw material powder from being scattered in the wind.

We carry out the fire-fighting exercises annually to enable the employees to be familiar with the emergency evacuation operations. We also mark and post relevant material safety data sheets (MSDS) of chemicals used. In the workplace with organic solvent, dust and noise, we commission an external organization to conduct regular monitoring of the workplace environment. According to the risk assessment, employees working in high-noise areas in the window covering factories account for 3.9% of the total employees. After an industrial injury event, we will promote countermeasures for improvement so as to reduce risks of occupational accidents.

NM's Work-related injuries (2021)

	All Employees							Non-employees	Explanation
	Taiwan	China				Cambodia	Sum		
		Blinds	Shutters	Shades	Wood Parts				
Fatalities	0	0	0	0	0	0	**0**	0	
Rate of Fatalities	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	0.00	Number of fatalities as a result of work-related injury/Number of hours worked x 1,000,000
High-Consequence Work-related Injuries	0	0	0	0	0	0	**0**	0	
Rate of High-Consequence Work-related Injuries	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	0.00	Number of high-consequence work-related injuries (excluding fatalities)/Number of hours worked x 1,000,000
Recordable Work-related Injuries	1	6	18	7	12	8	**52**	0	
Rate of Recordable Work- Injuries	1.85	1.53	3.26	2.81	13.38	0.72	**2.12**	0	Number of recordable work-related injuries/ Number of hours worked x 1,000,000
Main Types of Work-related Injuries									
- Crush injuries	0	2	7	1	6	4	**20**	0	
- Cuts/Crashes	1	3	6	1	1	3	**15**	0	
- Burns	0	0	0	1	0	1	**2**	0	
- Sprains/Collision	0	0	5	3	5	0	**13**	0	
- Electrical injuries	0	0	0	0	0	0	**0**	0	
- Others	0	1	0	1	0	0	**2**	0	



Fire Drills - NM's Wood Parts Factory in China

NM's Employee Avg. Training Hours (2021)



Taiwan	China	Cambodia		Taiwan	China	Cambodia
9.8	13.2	1.5	Manufacturing Department (hr/employee)	2.0	10.2	1.4
3.6	7.2	1.8	Non Manufacturing Department (hr/employee)	5.1	6.7	1.3

NM's Employee Training Expenses (2021)



Taiwan	China	Cambodia		Taiwan	China	Cambodia
0	2,719	61,183	Manufacturing Department (NT$'000)	0	1,618	100,359
38	564	19,567	Non Manufacturing Department (NT$'000)	34	401	6,405

% of Employees Receiving Training on Anti-Corruption (2021)



Taiwan	China	Cambodia		Taiwan	China	Cambodia
100%	100%	100%	Manufacturing Department	100%	100%	100%
100%	100%	100%	Non Manufacturing Department	100%	100%	100%

• % of Employees Receiving Training on Anti-Corruption (Male/Female) = Employees Receiving Training on Anti-Corruption (Male/Female)/ Year End Headcounts (Male/Female)

% of Security Personnel Trained in Human Rights Policies/Procedures (2021)



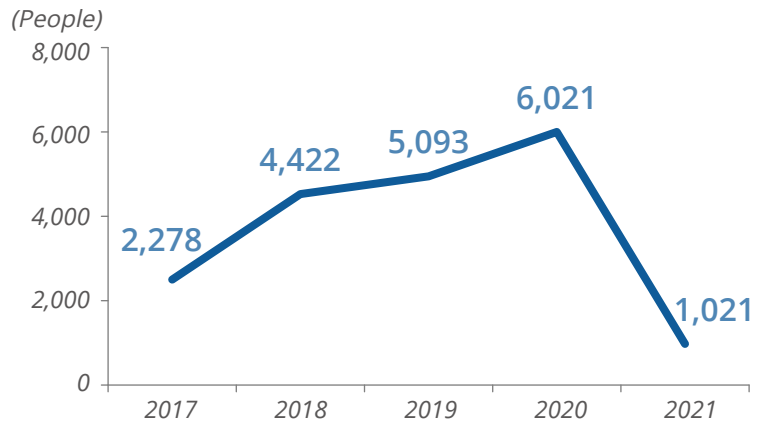
Taiwan	China	Cambodia
0%	98%	100%

Male Female Security Personnel

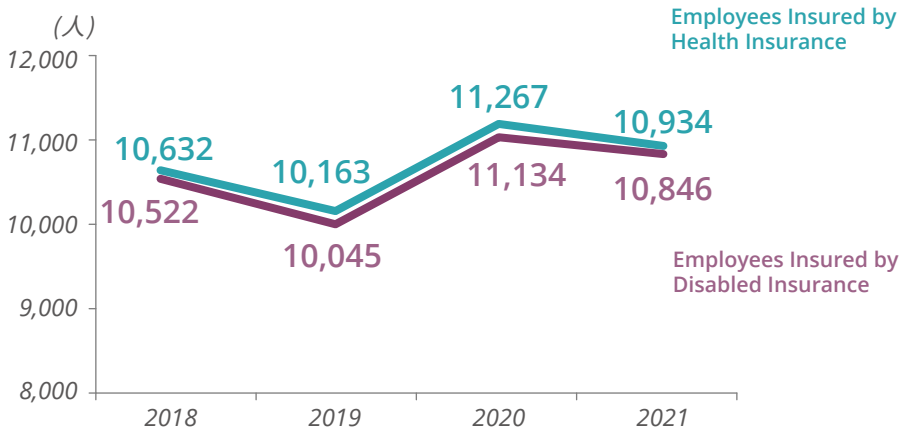
Employees' Health Matters

We familiarize employees with the Company's regulations and system, job scope and precautions through the new employee orientation, job-related training, on-job training, training for new cadre members and cadre training. In addition, NM also accepts professional training from external training units to obtain the latest information and enhance the employees' professional skills and competitiveness. The personnel training in 2021 totaled 71,309 hours, with the average of 8 hours/5 hours for male/female employees respectively. As male employees handle more heavy-duty tasks, they received additional training hours to avoid occupational injuries. We also provide employees handling special type of work with external special health check annually. Due to the pandemic situation in 2021, large-scale health checks were not conducted at some of NM's facilities, hence the number of employees receiving health checks amounted to 1,021, -83% YoY. The total spending on annual health checks amounted to NT$256,337 (-89% YoY). In 2021, the Administration Department in Taiwan conducted 3 health lectures and consultations, covering topics on hepatic and gastrointestinal health, covid-19 vaccination, and workplace wellness. As surveys indicated 93% of our participants are satisfied with the sessions, we intend to extend online health lectures to our overseas facilities as well.

NM's Employee Health Checks



NM's Employee Insured by Health/Disabled Insurance



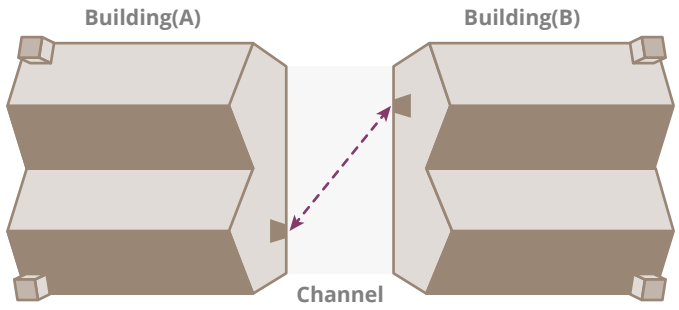
To Be Perfect is to Change Often



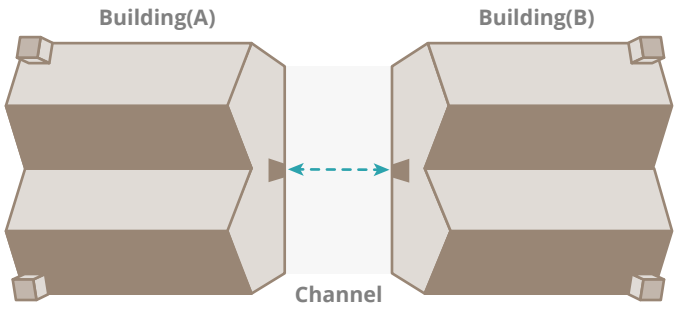
NM's Kanban Tool for Lean Production

16th Year of Unwavering Endeavors of Lean Production

We have set clear management policies for the NM group (including quality management, rationalization activities, implementation of lean production and so on), and the key performance indicators (KPIs) are also established in accordance with the management policies. On the manufacturing end, instead of applying conventional production methods as traditional factories, Nien Made introduced Toyota Production System (TPS)/Lean Production and adopts the Pull Production System in the manufacturing process. Each process regards the follow-up process as the "client" and the goal is to meet the requirements of the yield and quality requested by the follow-up process/client during the production process. Another feature of lean production is the proposal for improvement (Kaizen) initiated by on-site employees. With the application of lean production management for more than a decade, we have been removing redundant processes and optimizing the quality of our products to advance the window covering industry.



Before



After

Thousands of Process Improvement (Kaizen) Cases for Pursuing Perfection

The multiple manufacturing stages in the factory, due to their unequal distribution of time for each stage, are very much prone to either surplus or deficient production of certain assembled components, leading to the unnecessary inventory of work-in-process parts or shortage of necessary parts for the later stages of manufacturing. With continuous on-site improvement (Kaizen) and adjustment, our manufacturing yields only the required quantities to attune ourselves to the production rhythm of the entire team. To reach optimal product quality, we encourage our employees to conduct autonomous improvement (Kaizen) proposals. Annual average of 2,506 cases spanning between 2017 and 2021 were reported. In 2021, the number of improvement (Kaizen) cases garnered from all levels of operation came in at 3,049. With unceasing implementation of lean manufacturing management and relentless improvement of internal corporate culture, we expect to enhance quality, reduce manufacturing stage numbers, augment the efficiency of energy use and fend off negative impacts caused by steadily increasing labor wages and labor shortage.



Case 1: Streamlined Layout Betters Product Quality

In recent years, we have made improvements in our production flow. With reduced material transportation distance, we are able to conserve on energy consumed and manpower required. In addition to the above, we also supplement the factory with more rain shelter facilities to drastically reduce the rain-caused humidity risks and ensure product quality.

Now



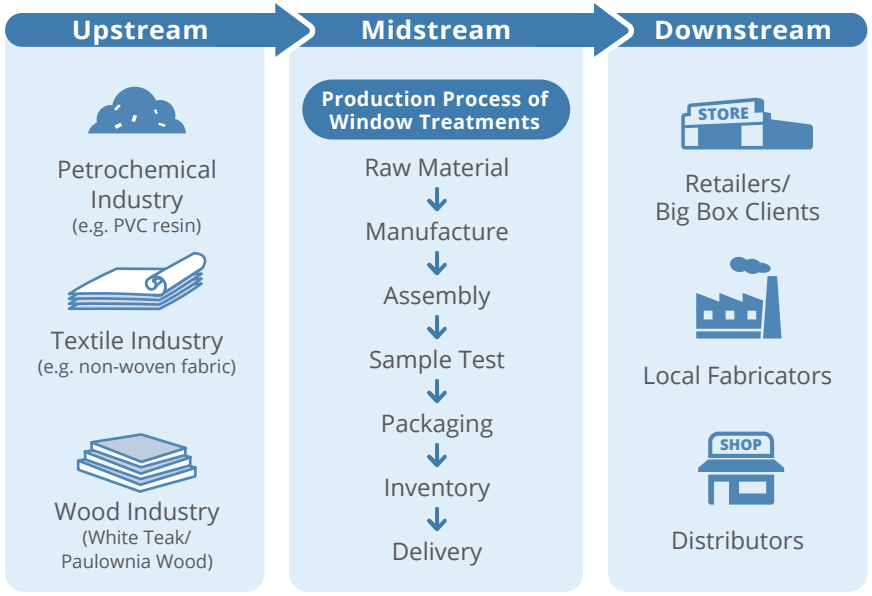
Case 2: Upgrade The Mold Center For A Better Working Environment

NM has the highest level of vertical integration in the global window covering industry. 90+% of plastic parts and 70+% of metal parts are manufactured in-house by NM. Supporting us is the Nien Made's Mold Manufacturing Center that masters the design, workmanship, molding, mechanical process and special processing techniques. During 2019-2020, we optimized the die (mold) repairing production line, made the working space more comfortable and the traffic flow for materials replenishment easier. The industrial fans were also replaced by air-conditioning equipment to provide a conducive working environment. To reduce the annoying noise generated from die (mold) repairing, noise reduction materials are carefully selected for the compartments and sound-proof covers for different machines are also tailor-made. We also give serious consideration to the possible impact of oil fume and dust collection of cutting. Therefore, highly efficient air cleaner is introduced to filter oil and mist to fully upgrade the working environment of Nien Made's Mold Manufacturing Center.

Case 3: Less Chemical Solvent, More Eco-Friendliness

The non-woven fabric of NM's honeycomb shades is glued with different layers of materials. During the gluing process, our suppliers may inevitably use solvents which produce volatile chemicals such as toluene and MEK. With the innovative breakthrough of our R&D Department, we start the adoption of zero-solvent adhesive formulation. The improved non-woven manufacturing process can reduce suppliers' use of approximately 110 tons of volatile solvent in a year and significantly reduce the generation of volatile gases for a more environmentally friendly production.

Information of Supply Chain





Case 4:
Green Energy, Working towards a Low-carbon Future

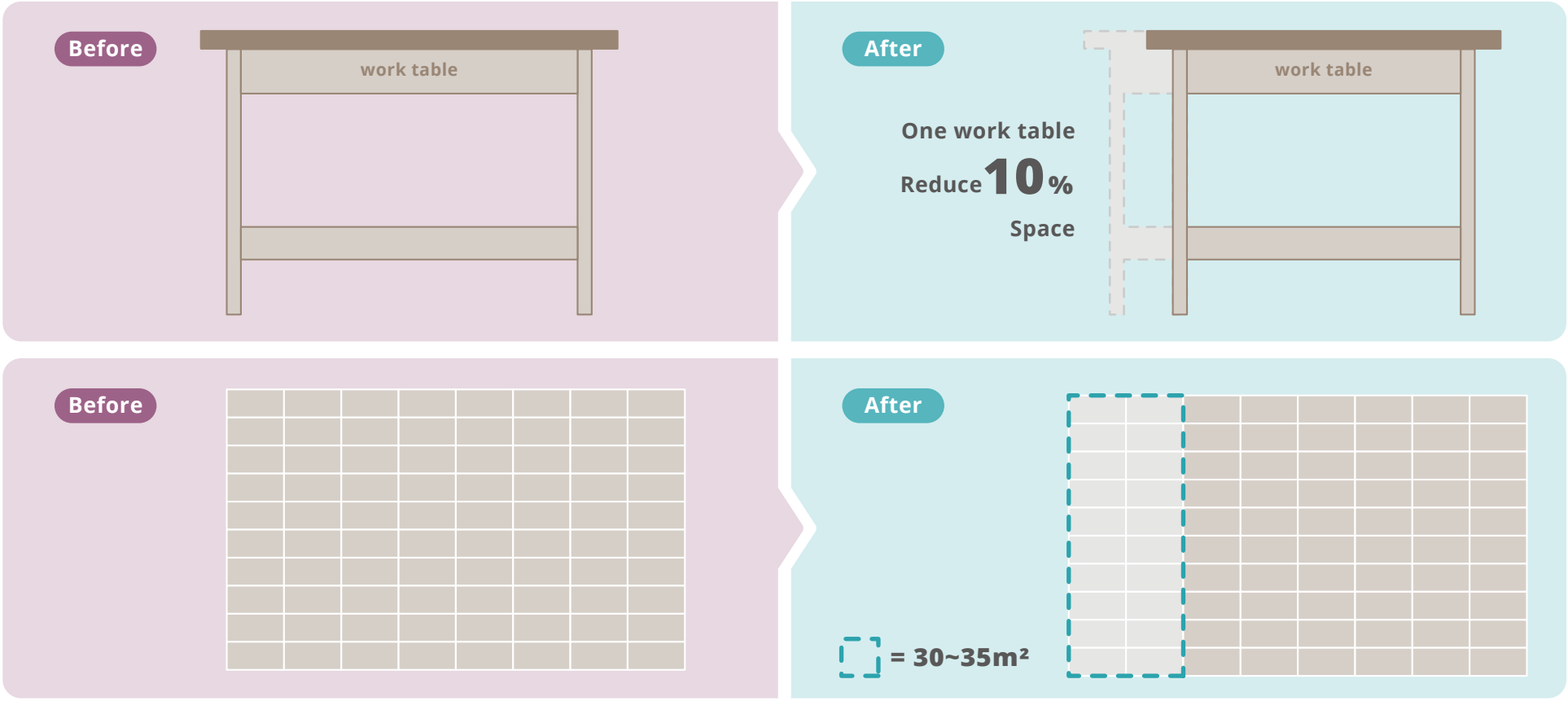
Our light-duty assembly plant in Dallas, USA successively installed high-efficiency solar panels in 2018-2020, which enabled us to be self-sufficient for 57% of our energy needs in 2021. The installed solar panels also provide thermal insulation, greatly reducing the factory room temperature. Better yet, it further alleviated the impact of +18.5% YoY in electricity price in Dec 2021 in the U.S. Despite the project costing nearly NT$28mn, a future of lower carbon emissions and low-carbon manufacturing is worth the investment.



High Efficiency Solar Panels at NM's Window Covering Light Assembly Facility in Dallas, USA

Case 5: Our Focus on Table Length

Many institutional investors are interested in NM's efficient improvements. They are curious about why there are thousands of improvement cases every year. Is it costly to implement these improvements? In the blinds factory in Cambodia, less than 1% of the shipments are extra wide-width products. However, the long work table design for limited extra wide-width assortment creates unnecessary waste of space. By shortening the length of the work table, it is easier to deliver the products and reduce the unnecessary waste of space in the production line by 10%. A single improvement enables the release of 30-35 sqm of space. Through continuous on-site survey and careful research, we can always generate economic and productive improvements as well as the good results.



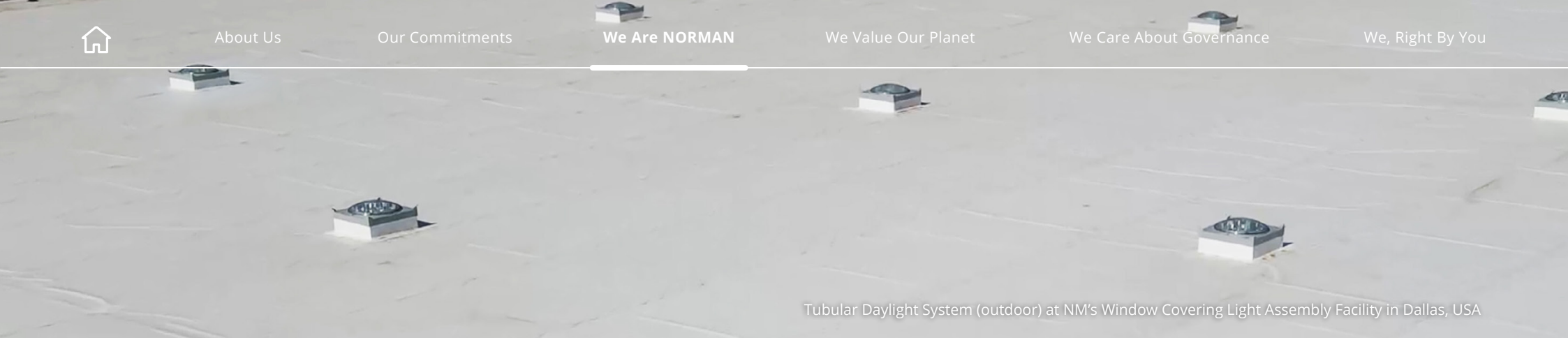
Case 6: Water Paint Upgrades Product Quality

The unit cost of water-based paint we use on wood related products is higher than traditional oil-based paint. However, water-based paint has the advantages of better color fastness, low Volatile Organic Compounds (VOC) and no irritating odor. After internal evaluation, we believe that the higher cost on water-based paint can be offset through simpler process flow (with less manpower required), release of equipment space and improvement of product quality (reduce costs associated with return goods), and the water-based paint process has been introduced.

An additional benefit of water-based paint is the elimination of the pre-sanding process required on traditional oil-based painting. This would relieve our employees from vibration induced discomfort from sanding and reduce wood dust on production floor. Production space is also squeezed after the re-planning of the work space. In our shutter plant in China, we expanded the original production line into two by using the released space. In the meantime, we also bring in the automatic spray-painting procedure, dust-free work space and negative pressure fans to improve the factory production environment while upgrading product quality.



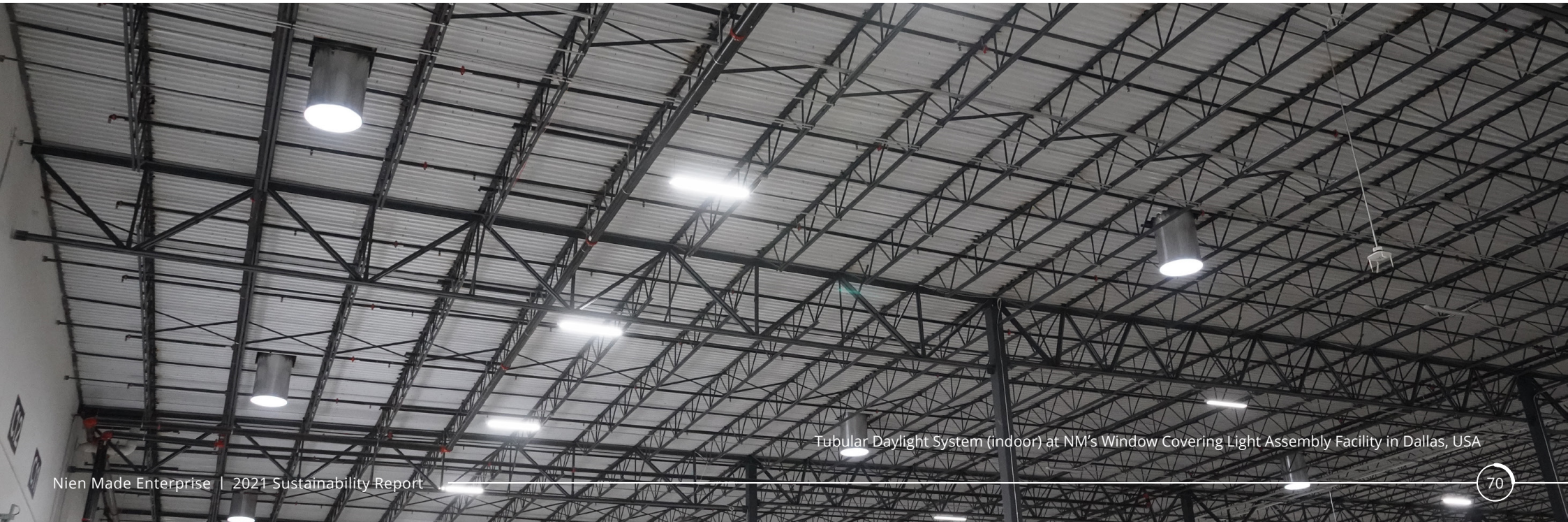
In 2020, we pledged to decrease oil paint used per unit in our factory (i.e., usage volume/revenue) by 20% compared to that of 2015. As such, the VOC (including Benzene and Toluene) released per unit during the manufacturing process is assessed to be reduced by 15-25%. As the proportion of oil-based paint used in 2020 has dropped by 20+% compared to that of 2015, our original target was successfully achieved. We have thus raised our 2025E target and aim to reduce the oil paint used per unit in the factory (i.e., volume /revenue) by 40% compared to that of 2015 to keep working for a better future.



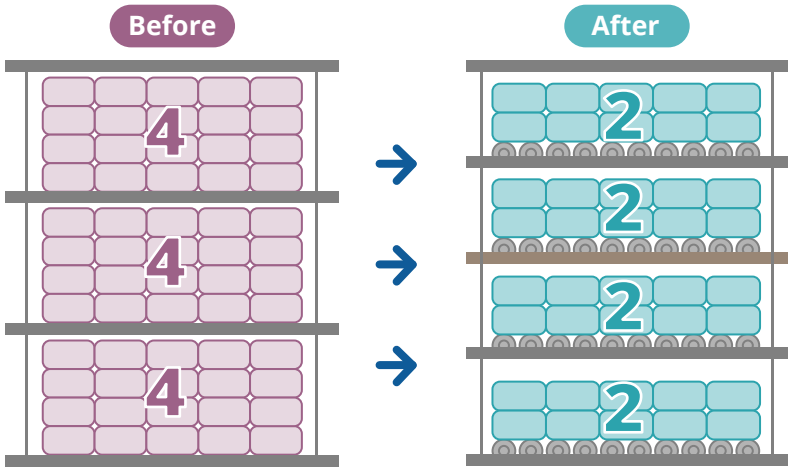
Tubular Daylight System (outdoor) at NM's Window Covering Light Assembly Facility in Dallas, USA

Case 7: Sunlight for Zero-Emissions Lighting

You may notice that in some traditional factories, light transmitting corrugated panels are used in part of the roofs to allow sunlight in, yet it also brings radiant heat into the factory area. To create a cooler working environment, we have installed a large number of tubular daylight systems (2,742 units) between 2018-2022. Every reflection of the system can reduce 50% of the heat radiation, while introducing 98% of the sunlight into the factory after multiple reflections, replacing a large number of lamps, while allowing our craftsmen to focus on their art at a comfortable temperature. This investment of tens of millions NT$ has brought us one step closer to green manufacturing.



Tubular Daylight System (indoor) at NM's Window Covering Light Assembly Facility in Dallas, USA



Now



Case 8: Warehouse Rack's Turnaround

We also pay attention to inventory management to improve efficiency. In NM's blinds factory in China, our original material handling racks were three tiers, and forty compartments were stacked together as one block. Using this block stacking method, there would be a total of 120 compartments of components in one material handling rack. Due to the fact that the 4-compartment stacking method has a blind spot for visual management (it is difficult to inspect the condition of inside compartments), we changed the material handling racks into 4-tier racks, with 2- compartment stacking together, making the management of the inventories easier and more user-friendly. At the same time, we also applied the rotary rack system to make it easier for our staff to perform first-in-first-out (FIFO) handling of the materials.



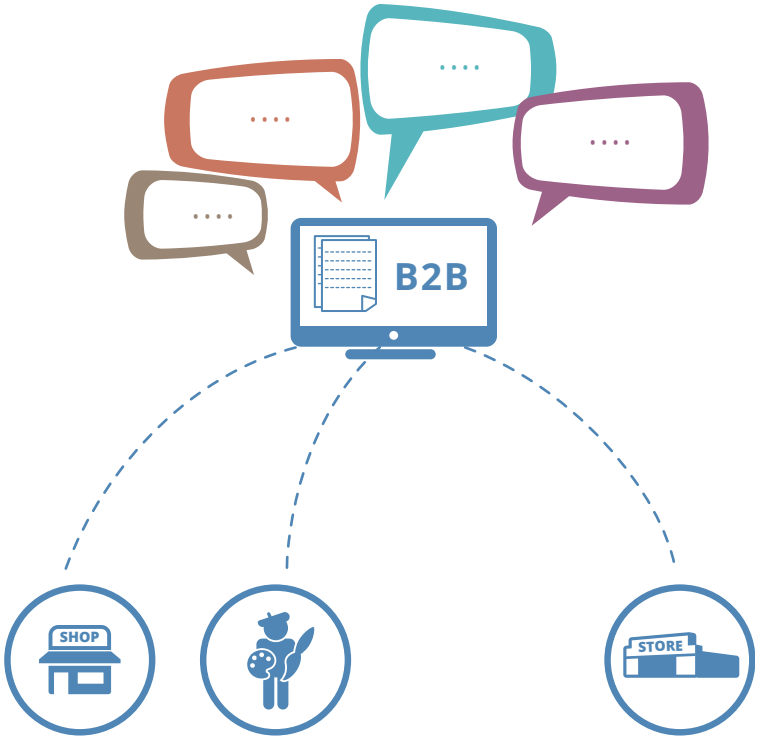
Case 9: Reuse of Wood Scraps And Short Wood

Longer wood can be made into various furniture and products, and therefore is widely used in furniture, building materials or wood processing factories. After cutting long wood in the factories, there will be a lot of good quality wood scraps and leftover pieces in the factory area. Due to the size limitation, these wood scraps and short wood may not be widely used. Wood is renewable material, yet it still takes years to grow. In order to reach the goal of being environmentally-friendly, NM's Wood Parts Factory (China) makes use of the wood-joining techniques to join the short wood to the applicable length or width so as to effectively make use of the wood scraps and short wood. For the remaining wood flour, NM adopts the central dust collection to ensure a dust-free environment to avoid the impact of the flying wood flour and dust in the working environment. The collected dry wood flour and dust can be converted into the heat energy needed in the factory area through the steam boiler. Some wood flour and dust with higher humidity is processed by external manufacturers and becomes eco-friendly biofuel.

Case 10: Improvement For An Ideal Ordering Process

Custom made window treatments are made to serve the end consumers for the decoration of only one window and have to go with the interior design and décor style in terms of the color, size, material and accessory to meet the needs for tailor-made window coverings that are “small in volume and large in variety”. Therefore, we adopt the B2B online ordering method to serve thousands of small specialty stores and designers.

In the channel of large-scale customer of ready-made/large hypermarkets, we obtain and confirm orders by the customers’ network platforms (B2B). However, for smaller ready-made customers with limited scale, due to the incomplete IT resources, transmission of order information relies on conventional correspondence for the PDF and Excel files and requires longer communication time and more manpower to check the information. To avoid and reduce mistakes of billing and to shorten the time wasted on mail and correspondence, NM continues to implement systematic integration of orders from customers and the ordering system of our marketing department. After more than one year of internal testing and improvement, we started to provide a tailored online ordering platform to our smaller ready-made customers in 2017. Our customers can make immediate confirmation of orders and also make online inquiry of the order status. Meanwhile, the error rate for the staff to check the orders also drops significantly. The time wasted on communication also reduced by 60%. Through the information management, we eliminate waste, optimize work quality and also enhance work efficiency.



Case 11: Electric Vehicles Create A User-Friendly Working Environment

Activities of production always generate sound/ noise. What options do we have besides ear protection? We found that in-plant transport is heavily depended on diesel forklifts, which generate noise exceeding 85 dB/75 dB during operation/ standby modes respectively and emit exhaust. Using an e-forklift with the same capacity would only generate 50-60 dB /background noise. Therefore, we have introduced 80+ units of e-vehicles (forklifts, pallet trucks, and so on) and decommissioned old ones. The operators-friendly e-vehicles enable employees to complete their tasks more easily in a healthier working environment.

Electric Forklift at NM's Window Covering Light Assembly Facility in Dallas, USA

Case 12: Container Load Rate Improvement

To reduce the environmental impact of product transportation, we introduced automatic container loading system to enhance product delivery efficiency. Along with the continuous improvements of the loading and packaging methods, NM's loading rates of containers have increased from the original 70% to 90+% since 2016. The current loading rate of containers has reached a peak level.

70%

Loading Rates (Before)

90+%

Loading Rates (After)



Loading Rates= Volumetric Weight (CBM) of Shipments/ Volumetric Weight (CBM) of Containers

We Value Our Planet

Energy Efficiency	77
Water Use	84
Responsible Sourcing	88
Waste Management	92



Energy Efficiency

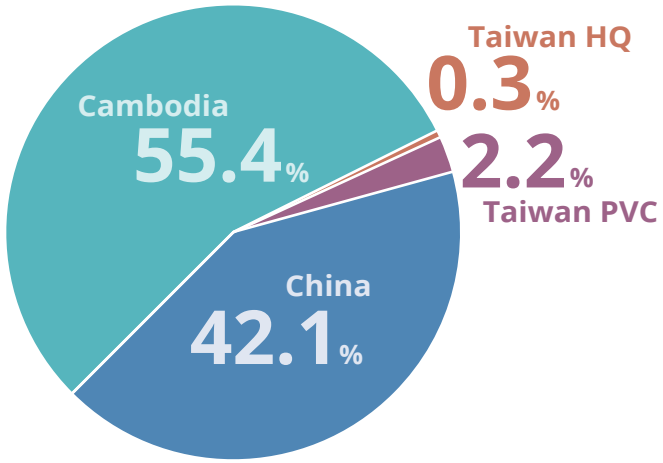


Energy Efficiency

Energy Conservation – Improving Energy Use Efficiency

With progressive implementation of lean manufacturing management and relentless improvement of the corporate culture, we improve our energy efficiency and resource use, providing global customers more and better window treatments while moving toward our medium- and long-term sustainability targets. The energy consumption of our factories in China was +8% YoY in 2021 compared with a sales increase of +14% YoY. Based on the calculation of energy intensity, the energy consumed in NM's factories in China for one million NT$ in revenues decreased by 6% when compared with 2020, indicating increased energy efficiency. Due to the Covid-19 pandemic, we faced capacity growth challenges in our Cambodian facilities. However, through improvements to our production line, production efficiency increased, bringing an increase in revenue, leading to a 24% YoY decrease in energy intensity. As for the PVC pipe factory in Taiwan, as construction demands resumed momentum, the energy intensity decreased by 25% YoY. While for the Taiwan headquarters, an expansion of new office space caused a temporary energy inefficiency, resulting in an increase +94% YoY in energy intensity. In 2021, the energy consumption in the major operating bases within NM Group reached 752,668 GJ (1 GJ=1 bn Joule), with a total of 133,000 tons of CO_2e emissions, +9% YoY. As revenue growth of the Group (+19% YoY) was higher than that of carbon emissions, this reflects that NM made good use of resources and created more value. We have once again successfully achieved our goal for GHG management and control.

Energy heating value of Nien Made (2021)



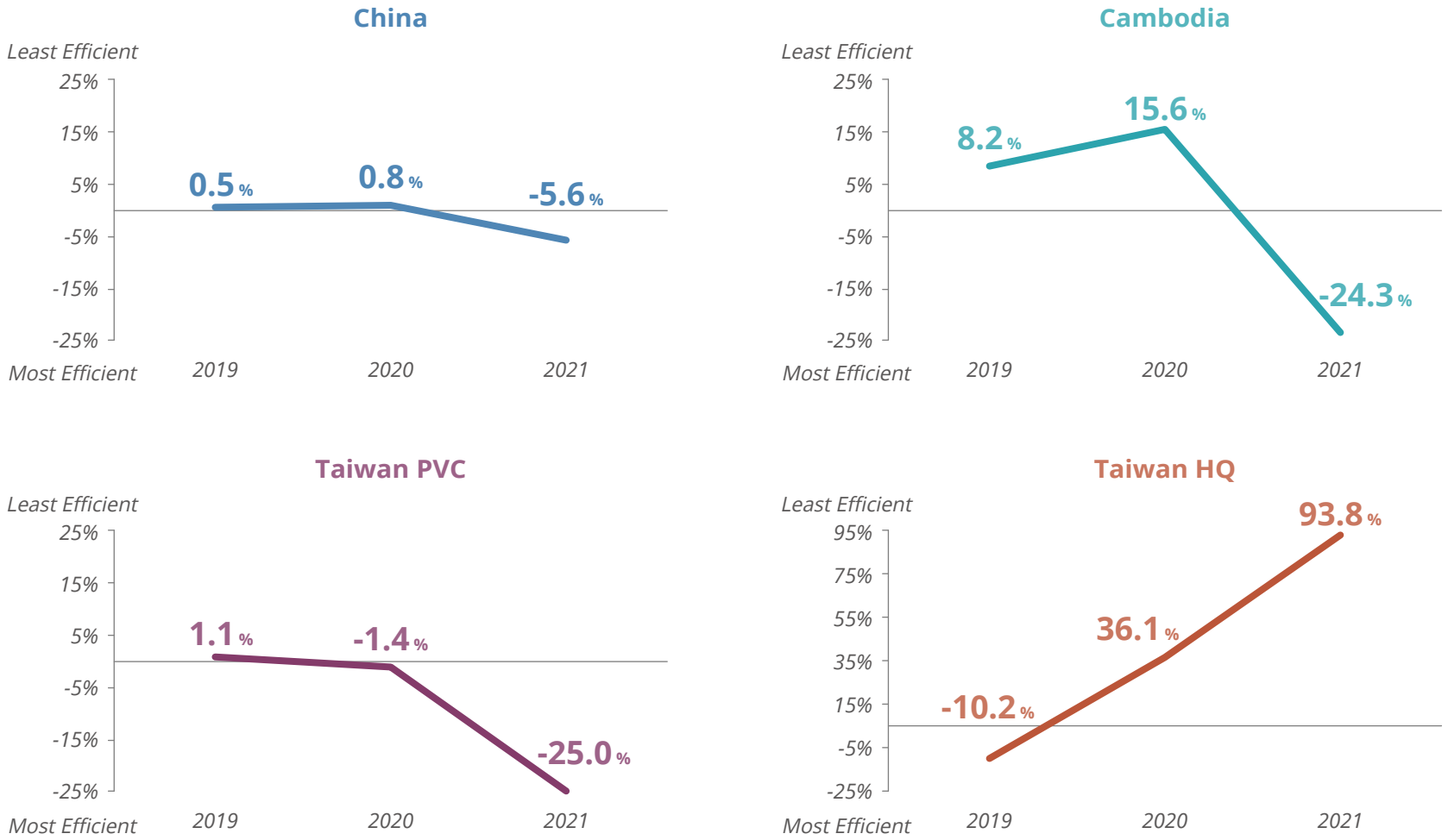
GOAL

NM's GHG Control Targets

The window coverings NM manufactures and sells have multiple advantages of interior space beautification, light regulation control and energy efficiency improvement. Take the cellular shades for example, they can save electricity bills by as much as 20-30%. The reduction in energy consumption can lower the emissions of GHG.

NM continues to achieve enhanced quality, reduced working hours and improved energy efficiency through the lean production management. Our goal is to provide customers with more quality window coverings with the same resources (to reach the goal of keeping the growth rate of GHG lower than the growth rate of revenues).

Energy Intensity YoY of Nien Made



- 2021 Sales intensity= Energy consumption(GJ)/ Factory's revenue. Sales intensity of China, Cambodia and PVC(Taiwan) came in at 152 GJ /Rmb mn, 2,242 GJ /US$ mn and 45 GJ /NT$ mn, respectively.
- 2021 Product intensity(Taiwan) = Taiwan energy consumption(GJ)/ Taiwan headcount= 13 GJ /headcount
- Energy intensity YoY=(2021 Energy intensity /2020 Energy intensity) - 1

NM's Energy Consumption and CO_2e Emission

	2019	2020	2021	YoY	
				2020	2021
Purchased Electricity (mWh)	104,187	101,306	116,785	-3%	+15%
Gasoline ('000 L)	39	25	26	-35%	+2%
Diesel Oil ('000 L)	8,100	9,986	9,286	+23%	-7%
LPG (Ton)	2	2	1	+1%	-28%
Natural Gas ('000m^3)	33	29	36	-12%	+27%
Energy Consumption (GJ)	665,436	721,951	752,668	+8%	+4%
GHG Emissions (Ton CO_2e)	119,464	121,992	133,193	+2%	+9%
- GHG Emissions (Ton CO_2e) - Scope 1	31,832	39,130	36,412	+23%	-7%
- GHG Emissions (Ton CO_2e) - Scope 2	87,633	82,862	96,782	-5%	+17%
GHG Emissions Intensity (Ton CO_2e /NT$mn)	4.99	5.00	4.59	+0%	-8%

- Given the incomplete official emission statistics, we estimated CO_2e emissions of heavy oil, gasoline, diesel oil and LPG in Cambodia and China on the base of Taiwan's emission parameters.
- GHG emission factor of purchased electricity in Taiwan, Ton CO_2e/mWh=0.509 (2021 data as the latest reference in 2021 study reports);
- GHG emission factors of purchased electricity in South China/North China, Ton CO_2e/mWh= 0.8042/0.9419respectively (2020 data as the latest reference in 2019 study reports);
- GHG emission factor of purchased electricity in Cambodia, Ton CO_2e/mWh sits at 0.924 (2021 data as the latest reference in 2020 study reports).

We grind & polish used metal parts so that they can be reused. So far, we have reduced the consumption of new metal parts by 700+ pieces.

GJ

HQ (Taiwan)

An air compressor was replaced by an energy-efficient converter compressor, reducing energy consumption.

13GJ

PVC Pipe Factory (Taiwan)

The tubular daylighting system was introduced to reduce power consumption.

144GJ

Shutters Factory (China)

The production process is improved to reduce power consumption.

700GJ

Wood Parts Factory (China)

The production line has been improved and the energy consumption has been optimized.

274GJ

Shades Factory (China)

The extrusion machine has been improved to reduce energy consumption.

95GJ

Shades Factory (China)

The finishing process was optimized to reduce energy consumption.

142GJ

Wood Parts Factory (China)

Less efficient machines were removed from the production process, eliminating energy waste.

102GJ

Wood Parts Factory (China)

The energy efficiency of the extrusion machine has been increased through the improvement of the heating mode.

618GJ

Blinds Factory (Cambodia)

The inverter screw air compressor was used, cutting down the electricity consumed.

1,792GJ

Blinds Factory (Cambodia)

Air compressors were replaced by energy-efficient converter compressors, reducing energy consumption.

1,318GJ

Blinds Factory (China)

The energy efficiency of the extrusion machine has been increased through the improvement of the heating mode.

1,640GJ

Blinds Factory (China)

- Reduction of CO_2e emissions = Energy Reduction (kW) x 2021 Electricity Emission Factors
- Emission factor data (version: 6.0.4) of Bureau of Energy, MoEA, is used.

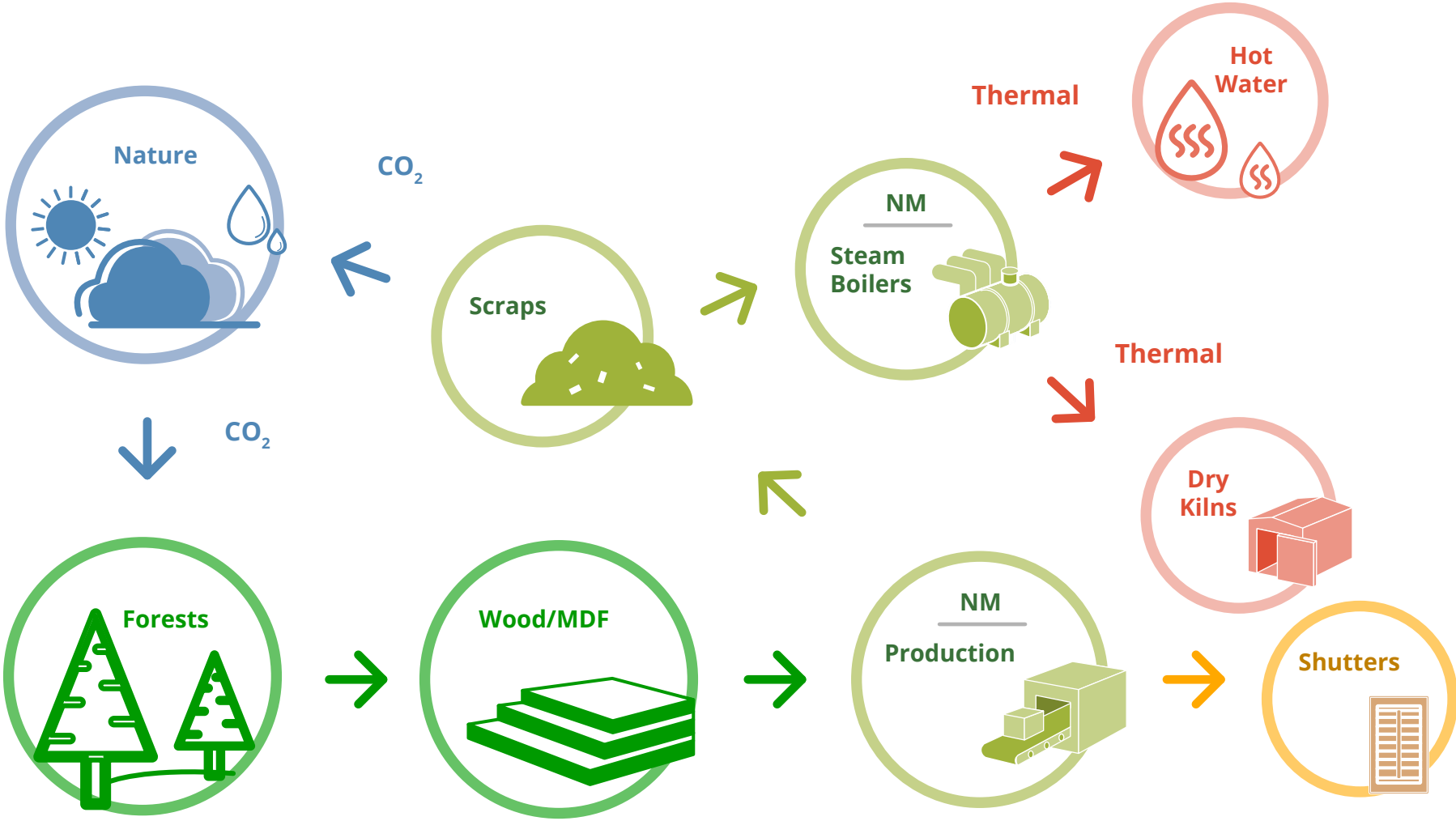


Filtration Tower of the Wood Scraps Steam Boiler in the Wood Parts Factory

Converting Wood Scraps into Energy

The wood scraps/flour and leftover pieces produced when cutting wood in the wood furniture factory often drift in the factory area that would have negative impact on the tidiness of the factory and the work quality of the first-line staff. Although the implementation of 4S (Seiri, Seiton, Seiso, and Seiketsu) is in place for on-site management, NM further adopts a more active and autonomous method, using a steam boiler for wood scraps, so that our staff can save time needed for cleaning and eliminate the need to purchase heavy oil for burning. In our Shutter factory, we make use of the exhaust duct set on the cutting site for the direct pumping of the wood waste produced by cutting or grinding into the steam boiler. The heat energy produced by burning these wood scraps in the steam boiler is transmitted to the wood dry kilns through the pipelines, reducing the dependence on external fossil fuels. Furthermore, we also use excess heat energy to provide hot water in the staff dormitories. Similar concepts have been simultaneously adopted in NM's Wood Parts Factory (China), potentially reducing electricity purchased for heating the workshops in winter.

Operation of NM's Steam Boilers





Water Use

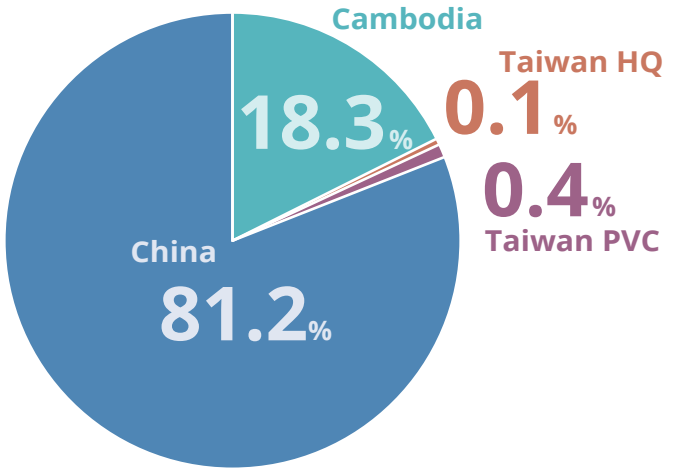
Water Use

Water Efficiency – Recycling of Water Resources

The window covering business is not a high water-consumption industry. In the manufacturing process of PVC window coverings and hoses/pipes, we make use of water for the cooling of extruded components. After being used, water would be repeatedly cycled through the circular design of the sink, pipe and pump. We actively evolve the process of the production line to avoid waste of water resources. The optimization of domestic water usage in the factory is also the key. NM reduced the unnecessary water consumption through the review, repair and adjustment of the basic pipelines and the improvement of the old pipelines in the staff dormitories.

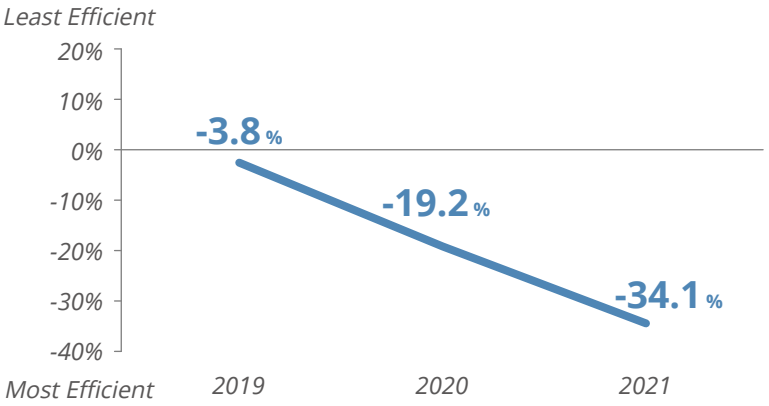
In terms of the sources of water, the tap water in China is from Dongjiang River in Guangdong and the Chaobai River in Shandong. Water resource for our Cambodian factory is from groundwater. As for the water source in Taiwan, the tap water used is mainly from the reservoir in Taichung. The water usage of the major operating bases of NM Group in 2021 reduced by 18% YoY. The 2019-2021 compound annual growth rate(CAGR) reached +10%. Despite the continued expansion in business, our effectiveness and persistence in reducing water consumption is reflected in the 3-year compound change of -17%.

Water Consumption of Nien Made (2021)

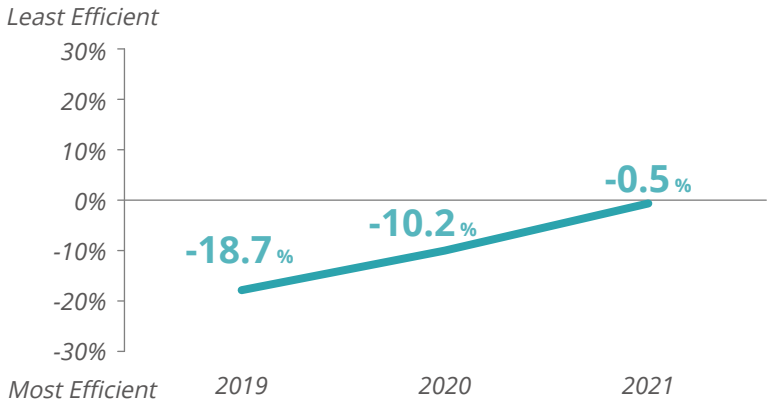


Water Intensity YoY of Nien Made

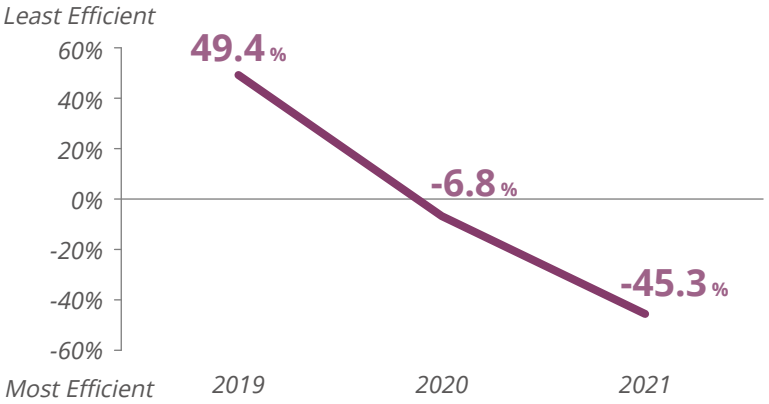
China



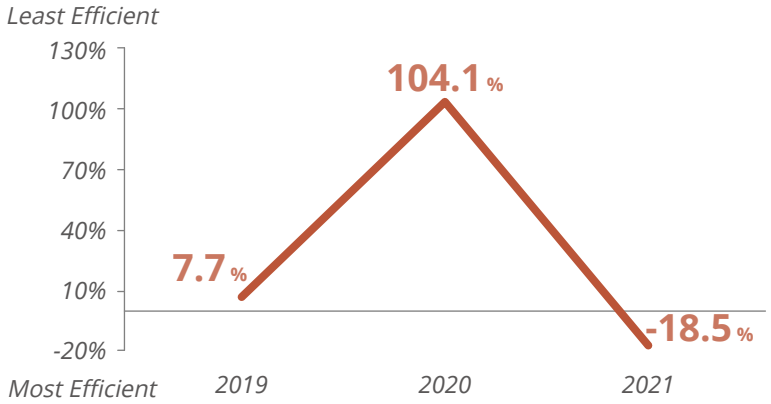
Cambodia



Taiwan PVC



Taiwan HQ

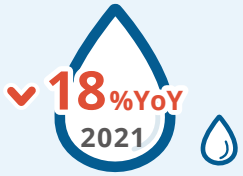


- Water Intensity= Water consumption(Megaliters)/ Factory's revenue
- Taiwan water intensity= Taiwan water consumption(Megaliters)/ Taiwan headcounts
- Water intensity YoY= (2021 water intensity /2020 water intensity) -1

The water used within NM Group comes from tap water and ground water (the majority of water used is tap water). The water consumption in major operating bases in 2021/2020 was 885/1,081 Megaliters respectively, -18% YoY in annual water consumption.



NM Group Water Use



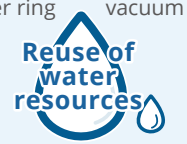
NM Group Water Use

Other than domestic water in the factory and for the cleaning of the circulating water storage tank, water used for cooling in the manufacturing process of the PVC pipe factory is all recycled.



PVC Pipe Factory (Taiwan)

The water consumption in the production line of the shutter factory is limited. The main consumption of water is domestic water usage. The employees are encouraged to conduct water conservation measures in the factory. Water is recycled and reused through water ring vacuum pump.



Shutters Factory (China)

The condensed water of the cold air system is recycled and reused to reduce the temperature of the roof of the factory building.



Shades Factory (China)

The pipelines in the whole plant have been thoroughly checked for the detection of water leakage, and repair has been immediately made to stop the leak.



Wood Parts Factory (China)

The water recycling system is set up to avoid loss and waste of water.



Blinds Factory (China)

99% of the cooling water in the extrusion process of the blind factory is recycled for reuse.



Blinds Factory (Cambodia)

The waste water discharged in the major operating bases within NM Group in 2021/2020 was 867/1,067 megaliters, -19% YoY. Due to limited firm resources, there has not been a complete waste water detection or analysis report. Besides actual data from the PVC Factory, waste water discharged from the rest of our bases is estimated based on the amount of water inflow multiplied by 80-90% (80% in Taiwan, 100% in China; since there is no national standard in Cambodia, 90% is used). Waste water in our wood parts factory is treated with the internal filtration system. Our Cambodian factory is located in Manhattan Special Economic Zone, and wastewater is treated through the treatment system in the economic zone. The PVC Factory in Taiwan is located in Fangyuan Industrial Park where wastewater in the industrial park is treated to reach the regulated water effluent standards.



NM Group Waste Water



NM Group Waste Water



Responsible Sourcing

Responsible Sourcing

Thoughtfully Selected Materials

60-80% of the materials used in Nien Made's shutters is wood based, which includes lumber and Medium-Density Fibreboard (MDF). When it comes to material sourcing, we cherry-pick the lightest, most durable and fastest-growing wood for our window coverings, just to ensure we reduce our environmental impact on forest and land resources.

Sources of timber/lumber include North America, China, Africa, the Solomon Islands, etc. Lumber sourced from North America is supplied in accordance with the American Hardwood Export Council regulations, ensuring legality, sustainablility and low environmental impact. Nien Made's shutter and wood parts factories are supplied with the Forest Stewardship Council (FSC) Chain of Custody Certificate.

MDF is produced using wood fibre from plantation-grown softwood and hardwood, incorporated with wood shavings and off-cuts of wood that are normally discarded, recycling them into a durable product, thereby reducing waste.

As the weight of the components is far lighter than renewable materials including wood, MDF and paper packaging, NM's shutter products consists of 90+% renewable materials (including packaging materials) by weight. In addition, the percentage of the number of FSC-certified cardboard packaging suppliers and the proportion of purchase amount have both exceeded 50+%.



NORMAN® supports the SDGs

NORMAN®
SHUTTERS. BLINDS. SHADES.

11 SUSTAINABLE CITIES AND COMMUNITIES

More about SDGs: www.un.org/sustainabledevelopment

FSC®

Climate Change and the Opportunities It Brings (NORMAN® Green™)

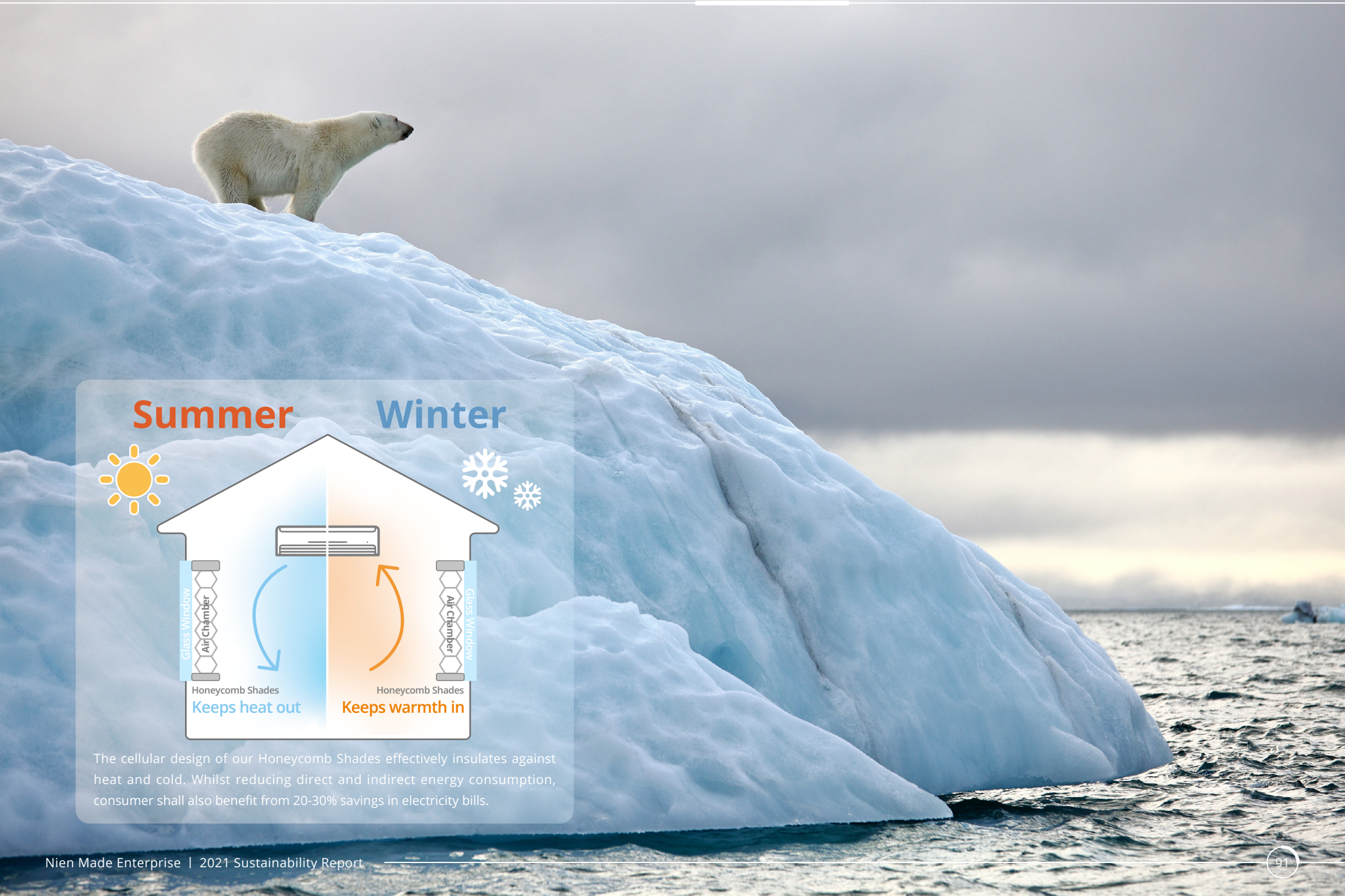
The temperature in North America increases by about +0.4°F (+0.2°C) every 10 years. The United Nations Intergovernmental Panel on Climate Change predicts that global warming may reach 1.5°C in 2030-2052[3]. If the temperature rises to 2.0°C, the probability of drought/heavy precipitation and the affected area will increase, which may even cause long-term and persistent irreversible results. We believe that environmental protection is a daily action rather than just a slogan. The window treatments we produce have the advantage of regulating the indoor temperatures, reducing the energy use of air-conditioning in summer and the heater in winter. In the future, we will continue to develop new products toward environmental sustainability.



As far as production equipment is concerned, in 2021/2020, we have purchased/upgraded a) wet electrostatic precipitators, which uses gravity, water and electrostatic forces to gather and remove trace dust while reducing nitrogen oxides emissions; b) photocatalytic oxidation equipment to promote the removal of organic and non-degradable substances; and c) tubular daylighting systems, making use of sunlight, and d) other large-scale environmental protection equipment. The total environmental investment for 2021/2020 was NT$96mn/24mn respectively. NM participates in sustainable/green development not only through products, optimization of efficiency, careful selection of suppliers, and investment in environmentally friendly equipment, but also through Green Deposits[4].

[3] Except, Global Warming of 1.5 ºC; IPCC - Intergovernmental Panel of Climate Change

[4] NM has deposited part of its foreign currencies as Green Deposits through Sumitomo Mitsui Banking Corporation. This deposit will only be provided for financing purposes for the environment, especially in the field of renewable energy, and will be audited by an independent third-party certification/report issued by a global ESG professional rating agency, Sustainalytics, every year to ensure Green Deposits-driven progress in this field.



The cellular design of our Honeycomb Shades effectively insulates against heat and cold. Whilst reducing direct and indirect energy consumption, consumer shall also benefit from 20-30% savings in electricity bills.

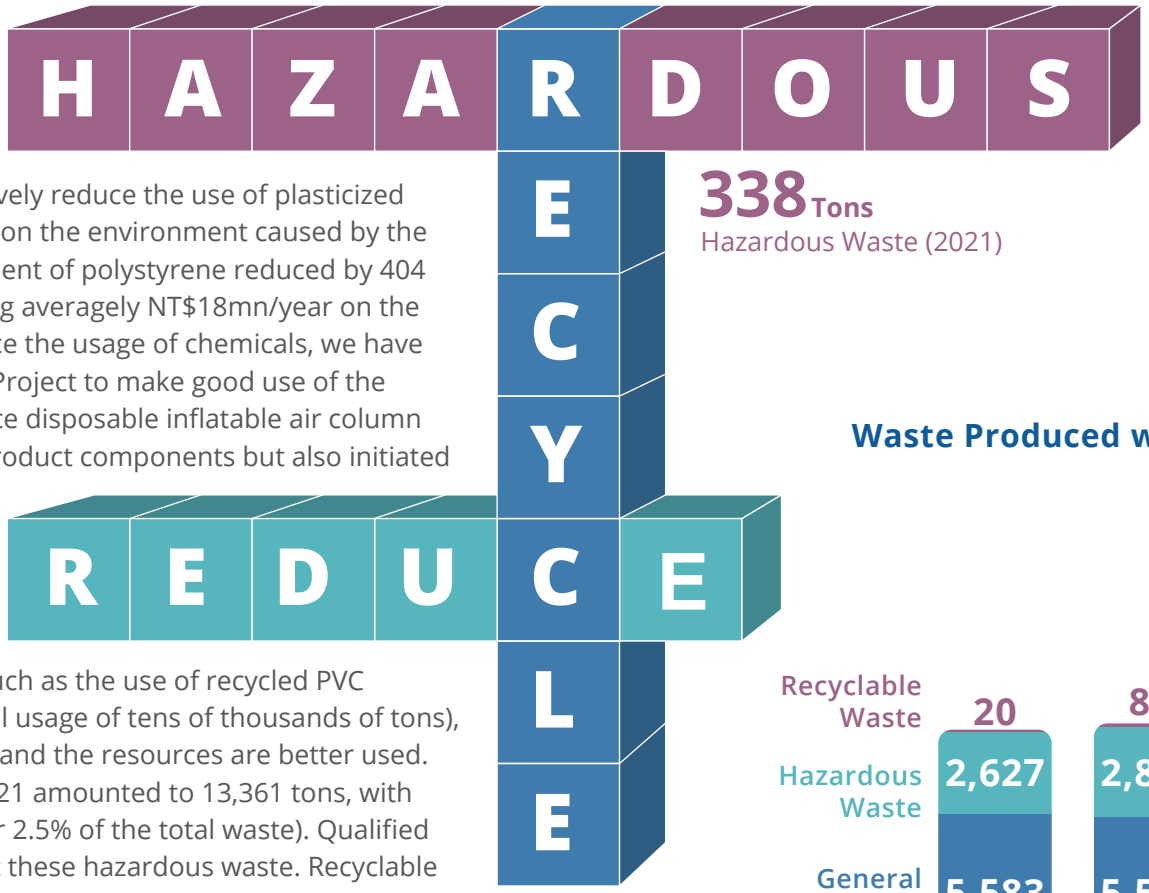


Waste Management

Waste Management

Waste Reduction for a Wonderful World

To avoid the environmental impact brought about by polystyrene (PS) materials in the product transport process, NM makes use of Airbag Packaging for our products. When the airbag is inflated, the volume can be expanded by 100 times (with only 1% of packaging material), which can effectively reduce the use of plasticized packaging materials, alleviating the impacts on the environment caused by the industry. Between 2015-2019, the procurement of polystyrene reduced by 404 tons, equivalent to 20,910 m^3 of fillers, saving averagely NT$18mn/year on the procurement of styrofoam. To further reduce the usage of chemicals, we have initiated the Packing Material Evolution 2.0 Project to make good use of the renewable filler (corrugated paper) to replace disposable inflatable air column bags. We not only disclose information of product components but also initiated a project in 2020 to label product boxes for recycling, working with the consumers and our big-box retailer customers for a cleaner future.

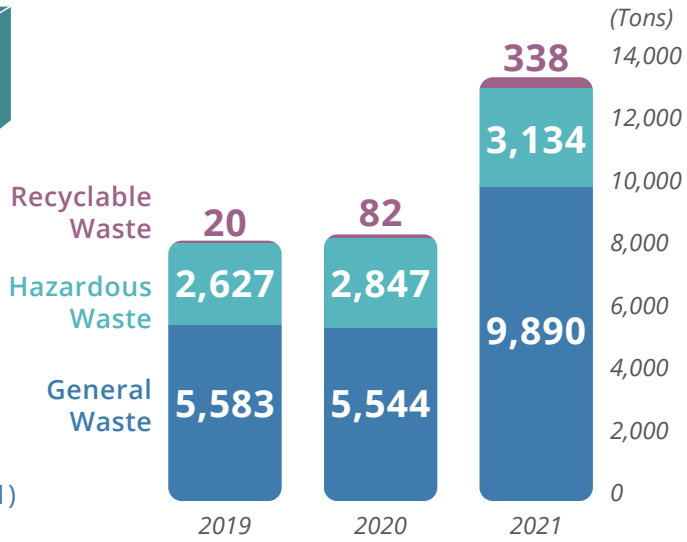


338 Tons
Hazardous Waste (2021)

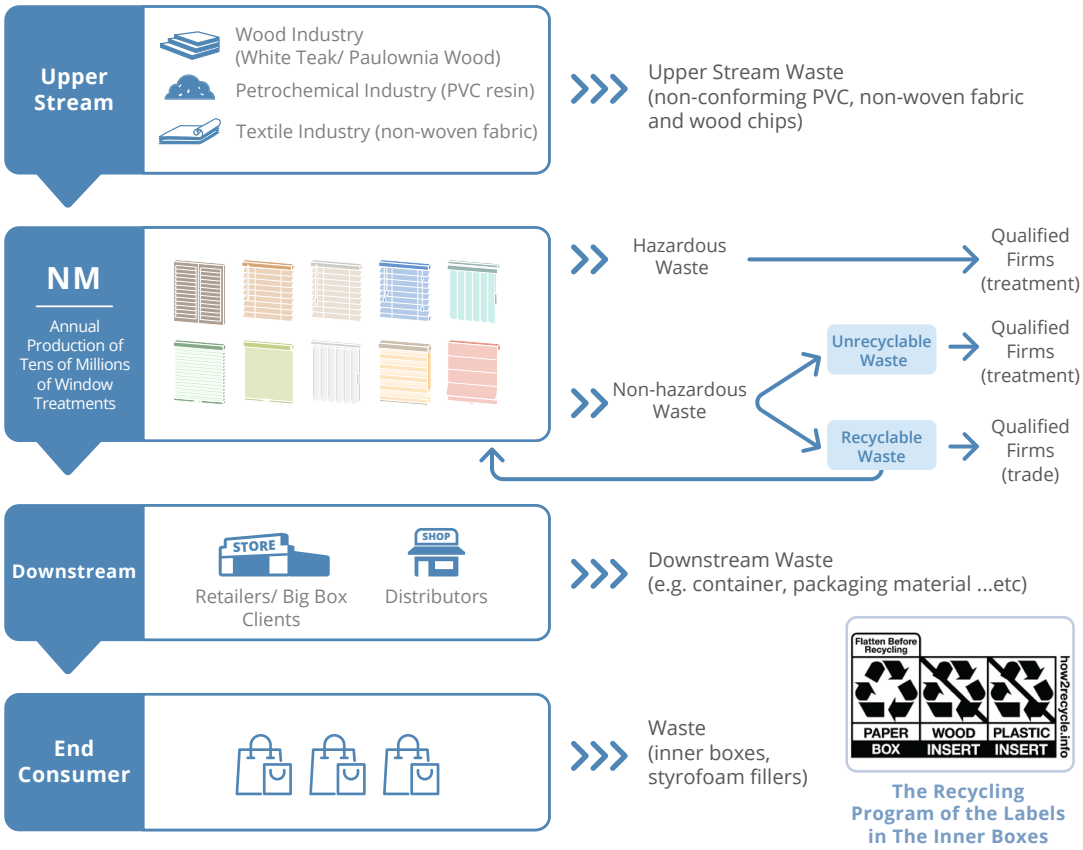
9,890 Tons
Recyclable Waste (2021)

Through our internal recycling processes (such as the use of recycled PVC materials, accounting for +10% of the overall usage of tens of thousands of tons), the amount of waste production is reduced and the resources are better used. The waste produced within NM Group in 2021 amounted to 13,361 tons, with 338 tons of hazardous waste (accounting for 2.5% of the total waste). Qualified service providers are commissioned to treat these hazardous waste. Recyclable waste amounted to 9,890 tons, accounting for 74% of the total waste, and we commission qualified firms to sell recyclable waste. We entrust the general waste disposal and management to qualified service operators. Our factories have also paid taxes in accordance with the Environmental Protection Tax Law of China since its implementation on Jan 1st, 2018.

Waste Produced within Nien Made



Nien Made's Processes of Waste Management



The Recycling Program of the Labels in The Inner Boxes

0 Penalties for Air Pollution

0 Penalties for Effluents

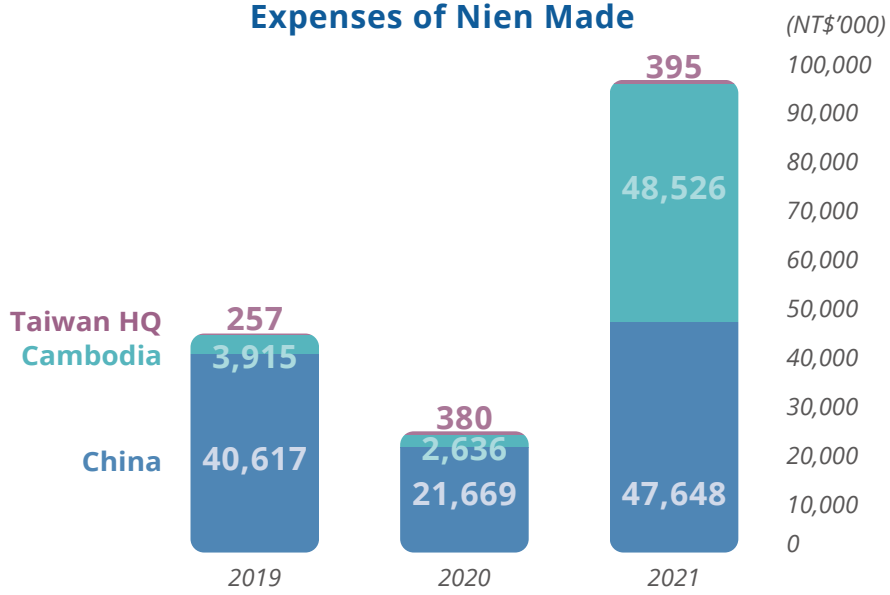
0 Penalties for Waste Disposal

In 2021, NM's major facilities were not penalized with substantial fines for violations of air pollution, effluents and pollution from waste disposal.

Nien Made's Environmental Protection Expenses (2021)

NT$'000	Taiwan	China	Cambodia
Environmental Protection Capital Expenses	**0**	**38,600**	**45,276**
Environmental Protection Recurrent Expenses	**395**	**9,048**	**3,250**
- Expenses of Air Pollution Management	31	536	0
- Expenses of Water Discharge	43	5,276	18
- Expenses of Waste Disposal	321	2,809	562
- Licensing Expenses	0	0	0
- Training Expenses	0	0	0
- Other Expenses	0	427	2,670

Historical Environmental Protection Expenses of Nien Made



We Care About Governance

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The NM Board

We communicate regularly with our shareholders through the shareholders' meeting which resolves the proceedings proposed by the NM Board. Our highest governance body, the NM Board, is composed of 9 directors appointed in accordance with NM's Procedures for Election of Directors, and the election of Board members takes into account the multi-disciplinary professional competence and experiences (such as ages, nationality, experiences and background in industries, professional skills, law, accounting, finance and so on). The NM Board members were reelected in 2020 by the shareholders' meeting. NM's 3 seats of independent directors (Chi-Wei Lin, Shen-Yi Huang and Chung-Ching Hung) are experienced in finance/accounting, business management and legal affairs. The other 6 directors include one external director who is experienced in industrial management. Among the board members, one is from Hong Kong (China) and one holds Cambodian nationality.

The Board holds a regular session at least once every quarter. In 2021, a total of 8 board meetings were held to assess operational plans, resolve important issues, conduct financial planning, and review operating performance & risk management. Our Rules of Procedure for Board of Directors Meetings clearly stipulate that when there is an issue of conflict of interests about the decision in the Board, the Board members shall exercise their powers in accordance with the Article of Director's Avoidance of Conflict of Interest. When discussing the proposals, the Board will take full account of the independent directors' opinions and list reasons for their agreement/disagreement in the meeting minutes. In accordance with the Self-Evaluation of the Board of Directors, NM conducts regular self-evaluation of the Board. The results of 2021 self-evaluation are released on the official website. In addition, we also entrust an external evaluation agency to conduct triennial evaluations of the performance of the Board based on 35 indicators across 5 major aspects, namely "Board Operation and Participation in the Operation of the Company", "Quality of Decision Making", "Board Composition and Diversity", "Quality of the Monitoring and Risk Management" and "Sustainable Management and Corporate Social Responsibility". The results of the external evaluation are also disclosed. Based on the 5-point scale analysis by Industrial Sustainable Development Center, National Cheng Kung University, the board scored 4.96 points on average in 2019. The overall performance of NM's board was outstanding according to the external evaluation institute.

NM's independent directors are equipped with solid backgrounds (e.g. accounting, management or law).

3 Seats

Independent Director

9 directors with a 3-year term form NM's board. In 2020, the latest re-election of board members was held.

9 Seats

Director



Gender of Board Members (Male/ Female)



Age of Board Members

Multiple & Diverse Experiences and External Trainings of Nien Made's Board Members

Name/Title	Operation/ Management	Risk Mgmt./ Environmental Protection/ Lean Manufacturing	Leadership/ Decision Making	Finance/ Accounting	Legal & Compliance	2021 Duration (Hours)	Training	Information of Cross-Board Membership & Others
Howard Nien Chairman	●	●	●	●	●	6	Trade secrets and non-competition Key factors for M&A tax	
Michael Nien Director	●	●	●	●		6	Trade secrets and non-competition Key factors for M&A tax	
Ken Chuang Director	●	●	●	●		6	Trade secrets and non-competition Key factors for M&A tax	
Benson Peng Director	●	●	●	●		6	Trade secrets and non-competition Key factors for M&A tax	
Ming-Shan Lee Director	●		●	●		6	Enterprise operation and crisis management strategy for public opinion news On Corporate Governance 3.0 and Directors' Liability	**Director:** Bafang Yunji International Company Ltd., and DFI Inc. **Independent Director:** Dafeng TV Ltd., and Wistron Corporation. **Chairman:** Legal Representative of Magicapital Financial Advisory. Co., Ltd., Legal Representative of MagiCapital, Legal Representative of Xinsi Investment Co., Ltd., Legal Representative of Sigaoi Investment Co., Ltd., Legal Representative of Prometheus Capital, Legal Representative of Belos Investments Ltd, Legal Representative of Gordias Investments Ltd., Legal Representative of Hyllus Investments Ltd., and Legal Representative of AchiCapital Management Limited.
Edward Jok Director	●		●	●		6	Trade secrets and non-competition Key factors for M&A tax	
Chi-Wei Lin Independent Director	●		●	●		6	Trade secrets and non-competition Key factors for M&A tax	**Independent Director:** Lelon Electronics Corp. **Member of Remuneration Committee:** Lelon Electronics Corp.
Shen-Yi Huang Independent Director	●		●	●		15	13th Taipei Corporate Governance Forum Trade secrets and non-competition Key factors for M&A tax Corporate Sustainability Governance from the Perspective of Risk - From Corporate Governance to ESG Improving the self-compiling ability of corporate financial reports to strengthen corporate governance	**Director:** Horwath HTL Corp., Ruihua International Consultancy Service Co., Ltd., and Quan Ying Investment Ltd. **Independent Director:** Sinon Corporation. Co., Ltd. **Member of Audit Committee:** Sinon Corporation. Co., Ltd. **Member of Remuneration Committee:** Sinon Corporation. Co., Ltd. and Shian Yih Electronic Industry Co., Ltd.
Chung-Ching Hung Independent Director	●		●		●	6	Trade secrets and non-competition Key factors for M&A tax	Practicing Lawyer of Tai An Law Firm

Details of lessons are posted on MOPS. In 2021, members of socially vulnerable groups were not in the composition of NM Board.

1. NM shall provide competitive products and customer-first service to fulfill customer needs.

2. NM shall strengthen the firm's corporate constitution for sustainable development amidst the rapidly changing environment.

3. NM shall add value, fulfill the firm's social responsibility and make contributions to the development of the society.

Quality First is NM's fundamental concept. Providing product of "excellent quality" is an absolute necessity for the sustainable development of a company. Dedication to quality paves a shortcut to cost and delivery satisfaction.

Busines
Concep

NM's Internal Control System

The design of our internal control system is based on Taiwan's Regulations Governing Establishment of Internal Control Systems by Public Companies and with reference to the characteristics of the operating cycle of the window covering industry. Important consideration factors include control of the environment, risk assessment, control operations, information and communication and supervision operations. We identify deficiencies with the self-monitoring mechanism through internal control and adopt corrective actions. To prevent corruption in procurement, we have included key points of prohibiting bribes and reporting bribes in our Ethical Conduct Commitment since 2016.

NM's Tax Policy

Our plants in China currently enjoy import duty and VAT exemption for raw materials listed in China's Processing Trade Goods Manual, while our plant in Cambodia is exempt from import duty and VAT on imports listed in the Master List of the Council for the Development of Cambodia (CDC). NM's consolidated income tax in 2021 reached NT$1.9bn, with the effective income tax rate of 25.4%. Our operations are all in accordance with relevant tax laws and regulations, and the audit department will inspect whether each operating process conforms to regulations and actual conditions from time to time. We also consider tax effects in the business decision-making process.

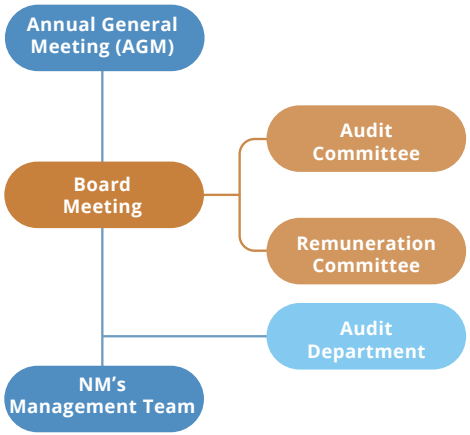
NM's Dividend Policy

In the annual audits, the surplus shall be allocated for the payment of all the taxes first, and the remaining surplus for the year shall be used as loss replenishment for the previous years, followed by the allocation for the legal reserve. In a mature industrial environment, NM has stable profitability and a sound financial structure. After considering the Capital Budgeting and the Shareholder's Returns, the dividends are distributed in cash/stock where the proportion of cash dividends shall be no less than 20% of the dividend distributed to shareholders. In 2017-2020, NM distributed cash dividends of NT$10/share (DPS; total amount of NT$2.93bn per year) while in 2021, accrual-basis cash dividends were NT$11/share, amounting to NT$3.22bn.

Board Member's Action for Conflict of Interest Prevention

Date of the Board Meeting	Related Board Member (Name/ Title)	Resolutions and Discussed Items	Reason for Conflict Interest Prevention	Member's action for voting
Jan 27, 2021	Howard Nien Chairman Michael Nien Director Ken Chuang Director Benson Peng Director Edward Jok Director	Remuneration adjustment of managers and bonus distribution.	Items related to personal interests.	Recused and not participated in the discussion and voting.
Mar 17, 2021	Howard Nien Chairman Michael Nien Director Ken Chuang Director Benson Peng Director Edward Jok Director Ming-Shan Lee Director Chi-Wei Lin Independent Director Shen-Yi Huang Independent Director Chung-Ching Hung Independent Director	Employees' compensation and directors' remuneration (2020).	Items related to personal interests.	Recused and not participated in the discussion and voting.

Structure of Nien Made

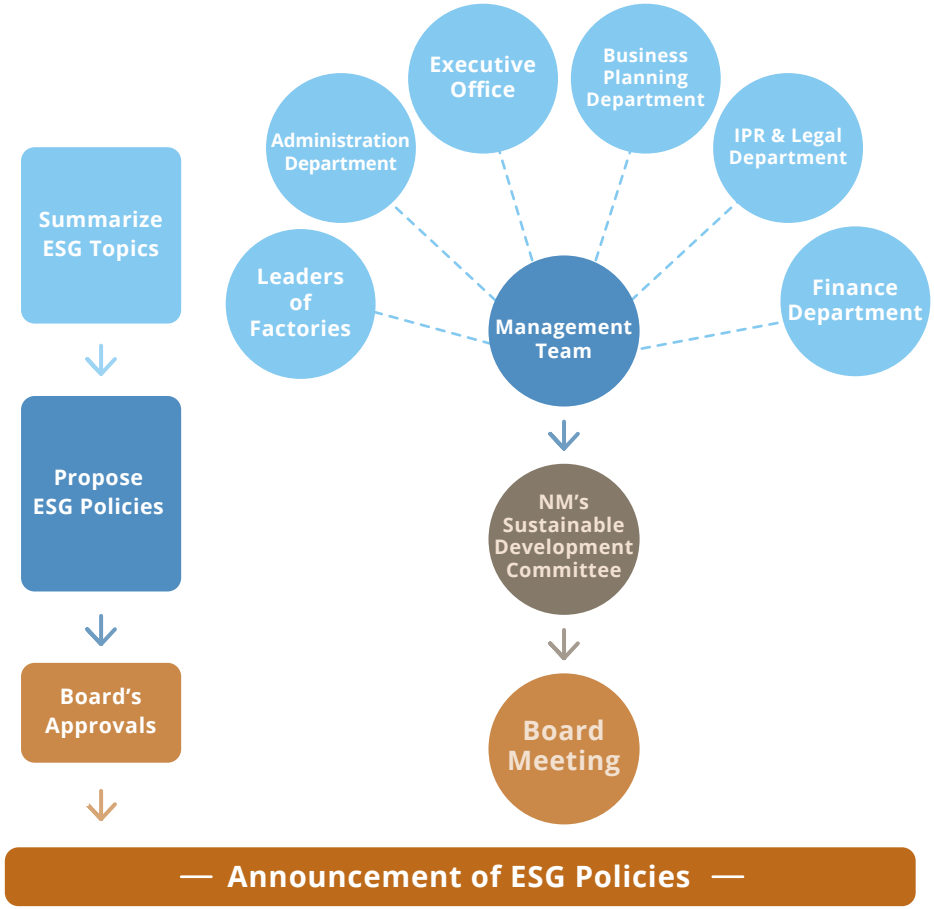


Corporate Governance × Nien Made

In the pursuit of operating growth, we also strive to uphold good corporate governance, ensure environmental sustainability and fulfill our social responsibility. In addition to the 3 board members who can express views of external stakeholders, we also set up a "Stakeholder Section" on our official website, which also enables us to listen to the stakeholders' opinions. NM's Sustainable Development Committee was appointed by the Board of Directors in Aug 2022, consisting of senior executives from the Administration Department, Business Planning Department, Finance Department, Audit Department, and the Executive Office, cooperating together to plan and promote ESG policies. We publicly disclose the results and performance of the management and projects as well as the Company's non-financial information in the annual Sustainability Report.

In 2021, the board of director approved Jane Wang, Manager, to assume the position of Chief Corporate Governance Officer. Ms. Wang is in charge of the Administration Department, a dedicated unit for the promotion of integrity management, legal use of personal data, and protection of the privacy of our associates. The Audit Committee and the Audit Department assist the Board with the execution of accounting/ financial audits, implementation of internal control, and supervision of the integrity quality. The integrity and corruption cases are investigated in accordance with the announced Measures for Whistleblowing, and the summary will be reported to the Board at least once a year. NM's Ethical Corporate Management Best Practice Principles and the Code of Ethical Conduct were set up and approved by the Board, explicitly prohibiting bribery, provision of illegal political contributions, improper charitable donations or sponsorships, illegitimate interests; prevention of intellectual property rights infringement and prevention of unfair competition, in order to strengthen the anti-fraud regime of corporate governance. In 2016, we published the Corporate Social Responsibility Best Practice Principles (revised as Sustainable Development Best Practices Principles with the approval of the shareholders' meeting in 2022) and the Corporate Governance Best Practice Principles to respond to the major issues of concern to the stakeholders.

Nien Made's Processes for Evaluation of ESG Policies



To better the Company's overall welfare and pay system, NM established the Remuneration Committee. According to NM's Articles of Incorporation, when the Company makes profits, the Company shall set aside no more than 1.5% of the annual profit as the bonus to the directors and 1%-4% to the employees. However, when the Company still has accumulated losses, the Company shall offset its losses in previous years first. The members of the Remuneration Committee/Audit Committee are composed of all the independent directors, with a total of 3/7 meetings convened respectively in 2021. The CEO's remuneration in 2021 fell within the range NT$3.5-5.0mn/year, which was 2.5~3.6/3.2~4.6 times the average/median salary of non-managerial employees respectively.

Communication for Better Understanding

We attach great importance to enhancing transparency of disclosed information to ensure that the overseas/domestic institutional investors can be fully aware of and participate in major issues. In 2021/2020, we were invited to 9/9 investor forums, and communicated with 520+/450+ institutional investors. ~80% of the discussions were conducted via video conference and teleconference for the convenience of our shareholders in the face of travel suspension amidst the COVID-19 pandemic.

Since 2018, in addition to the English publications of "Financial Report" and "Annual Report", we have further published the English version of "Meeting Agenda of Shareholder's Meeting", "Announcement of Shareholder's Meeting", "Meeting Minutes of Shareholder's Meeting", "Rules of Procedures for Board of Directors Meetings", and "Articles of Incorporation" to help foreign stakeholders obtain complete corporate information and to promote corporate governance.

According to the evaluation from thousands of fund managers and analysts sampled by Institutional Investor Magazine, a publication valued in the capital market, NM has achieved 7 major awards in 2021 (Consumer Discretionary Sector), including Rest of Asia's 4th Most Honored Companies, Rest of Asia's 3rd Best ESG (Combined), Rest of Asia's 3rd Best ESG (Buyside), Rest of Asia's 2nd Best CEO (Buyside), Rest of Asia's 3rd Best IR Programs (Combined), Rest of Asia's 3rd Best IR Programs (Buyside), and Rest of Asia's 3rd Best IR Professionals (Buyside).

In addition, NM was honored with the 2020 "Best in Region: Taiwan" Investor Relations by IR Magazine. In 2020 and 2021, NM was also recognized by Asiamoney as the Winner in Taiwan - Consumer Discretionary Sector in its Asia's Outstanding Companies Poll. Harvard Business Review conducts a biennial ranking of performance of business leaders, and NM was listed among Taiwan Top 100 Best Performing CEOs in 2020.

MSCI ESG RATINGS

BBB

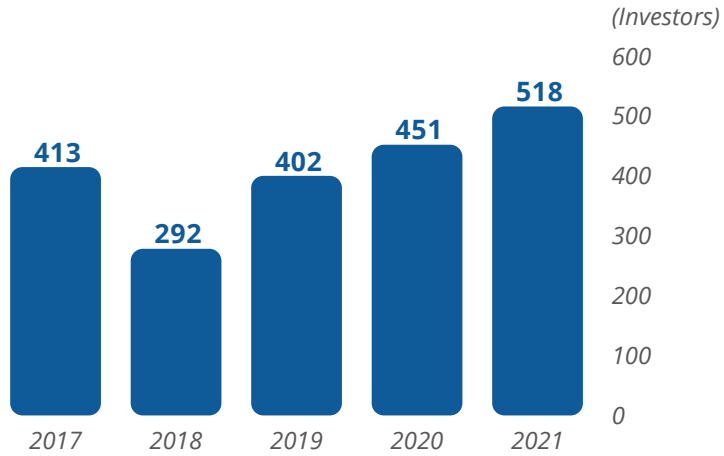
CCC	B	BB	BBB	A	AA	AAA

In May 2022, Nien Made maintained at a rating of BBB in the MSCI ESG Ratings assessment. We believe that our constant insistence will bring positive benefits for NM's sustainable development, risk management and shareholder value.

DISCALIMER STATEMENT

THE USE BY [Nien Made] OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF [Nien Made] BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

Communication of Institutional Investors with Nien Made






ASIA'S OUTSTANDING COMPANIES
ASIAMONEY
NORMAN
SET
ALL
SINGAPORE
SECTOR
COMPANY
Consumer staples:
Bumitama Agri
Financials:
DBS
Industrials
Keppel Corporation
Real estate:
Mapletree Commercial Trust
TAIWAN
SECTOR
COMPANY
Small Caps:
Sercomm
Small/mid caps:
Sercomm
Automobiles & components:
BizLink
Consumer discretionary:
Nien Made
Consumer staples:
President Chain
Financials:
(tie) = E.Sun FHC
(tie) = Mega FHC
AirTAC
Formosa Plastics
TSMC
Brogent Technologies
Wistron NeWeb
(tie) = Chunghwa Telecom
(tie) = Taiwan Mobile
VIETNAM
SECTOR
Small/mid caps:
Agriculture:
Automobiles & components:
Construction & Engineering:
Consumer discretionary:
Consumer staples:
Energy:
Financials:
Healthcare:
Industrials:
Materials:
Real estate:

Let's Talk About Risks

Operational Risks

The hard window covering industry is labor intensive. Although NM's window treatment production bases are located in the industrial areas in China and Cambodia, not in the environmental protection zones, it is still necessary to pay attention to the operational risks of the rising wages and increasing production costs in China and Cambodia. With the economic development in China, environmental protection awareness is on the rise. NM's Wood Parts Plant in Shandong Province is faced with the pressure of increasing costs resulted from the lack of raw materials due to the discontinuation of non-scale and non-compliant timber/paper suppliers.

Since Sep 2019, the U.S. has imposed a 15% surcharge on custom size window coverings exported to the U.S. (Trade Action, List 4A), bringing the impact of new tariffs. Although the U.S. halved the tariffs on goods exported from China (the surcharge was down to 7.5%), the rise of global economic protectionism has affected the development and changes of the industry.

In the face of the outbreak of the global pandemic of new coronavirus in 2020, we encountered our first operational impact in China. The originally planned recruitment of manpower in early Feb 2020 was therefore delayed for about a week in compliance with anti-epidemic measures. Thereafter, state governments in the U.S. announced their anti-epidemic measures successively, requiring their residents to stay at home as much as possible and stop non-essential commercial activities. To this end, NM's office and production bases in California initiated the corresponding measures of working in shifts and working from home. As the pandemic spread, NM's forwarding station of the custom size window coverings in the U.S. was also suspended. Meanwhile, the border between Cambodia and Vietnam was closed to prevent the spreading of the epidemic. This measure indirectly impaired NM's containers transfer between these two countries. The distribution centre in the U.S. resumed operations a few weeks later and the shipping situation in Cambodia also returned to normal. In Nov 2021, in cooperation with the Wulian County Government of Shandong Province's epidemic prevention measures, NM also temporarily adjusted the shipment schedule. In Mar 2022, NM cooperated with Guangdong Province's anti-epidemic measures, temporarily suspending the factory in Changping Town, and mobilizing the resources of the Mexican factory and Cambodia factory to reduce the impact.



Sanitization against COVID-19

Risk Management and Opportunities

NM actively promotes the simple automated system for production to reduce manpower (workforce) and labor intensity, improving work efficiency and reducing costs. Our management receives risk alerts for avoiding/reducing the operational risks by multiple methods, such as the factory recruitment reports and information feedback of the capital market. We optimize the production process and continue investments in environmental protection equipment to avoid the risks brought about by the increasing environmental awareness. We have adopted the new UV air purifier, panel air purification system, and the use of negative pressure fans to improve the air circulation in the workshop in NM's Wood Parts Plant (China). With our continuous efforts and improvement, our Wood Parts Plant (China) was granted the "Integrity Enterprise Award" by the local county government in 2017-2018. The Management Committee of the development zone also awarded our Wood Parts Plant (China) for its "corporate contributions to the economic development".

In the face of the unceasing global economic protectionism, NM adopts multinational arrangement for risk diversification. Our Phase III Factory for ready-made window coverings in Cambodia has been successfully expanded. As for our custom-made window coverings, our new factory in Mexico had taken off since 2020 and is currently expanding. Due to its proximity to the market, this newly added capacity is alleviating Nien Made's transnational logistic risks.

To enable all our stakeholders to obtain transparent information of the ongoing impact of the epidemic, we have made multiple material information releases and conducted online investor conferences in 2020-2022 to actively explain the anti-epidemic measures taken in the U.S., China, Cambodia and other countries and the extent to which our business had been impacted. On the other hand, we also actively communicate and cooperate with our customers, make timely responses, adjust our transnational production capacity, change internal shipment schedules, make good use of the factory warehouse and other channels to reduce the impact.



NM's Wood Parts Plant (China)



Legal Risks

In response to the continued focus on the child safety issues with the safety standards in North American market, we provide series of cordless products, and Tilter Wand option to consumers. In future, we will carry out additional R&D on safety features and introduce them to all series of new window treatments to avoid causing potential personal injury and continue to protect the safety of children, elders and pets at home.

Risk Management and Opportunities

In order to minimize the legal risks of patent infringement and set up Nien Made's own and complete layout of patents, Nien Made's R&D Department and IPR & Legal Department have teamed up to conduct a international patent search, clearance and analysis before launching any new products. In addition, Nien Made has established a categorized internal patent database and continuously works with experienced external intellectual property attorneys to reduce risks for disputes. We further exclude competitors from entering the main technical fields we protect and we strive to consolidate our technological scope whilst avoiding product infringement. In order to continue upgrading our in-house patent engineers' knowledge of intellectual property rights, NM focuses on both the internal education training and external counselling of professional skills.

Market Risks

The window treatment industry is closely related to the economic cycle and transactions in the real estate market. The North American market accounts for 73% of NM's revenues. Looking back on the new housing supply in the United States in 2021, there were 1.6 mn of new housing starts (+15.6% YoY), making it the 12th year of increase in new housing supply from the trough in 2009. Although it is still far from the 20-year peak of new housing starts (2mn), since the U.S. Federal Reserve stopped bond purchases, started a cycle of interest rate hikes, and began tapering quantitative easing (QE), we have paid close attention to the risks of fluctuations in the housing market in 2022.

The North American house price index fell during the Global Financial Crisis (GFC) and reached the bottom in 2011. By 2018, the house price index had rebounded by +40-50% from the bottom, and in 2021, the North American housing prices continued to increase (+18% YoY). The transaction days reduced from 10 months to as short as 5-6 months in 2021. After the strong demand in 2021, the U.S. housing market began to cool in 2022H1. In addition, NM also faces risks of hiking raw material prices eroding the purchasing power of consumers. At the same time, rising mortgage interest rates and shortage of global transportation capacity (longer delivery of customized window coverings) are the uncertainities NM is currently faced with.

Risk Management and Opportunities

In addition to the heavy bargaining pressure from the chain hypermarkets, we also face the ups and downs of the orders and the fluctuations of unstable raw material costs. The customers' information sharing and the mechanism of B2B ordering platform help us master the changes in the window treatment market and manage risks. In response to prolonged delivery time, NM is expanding the production capacity of custom-made window treaments in Mexico and setting up distribution centers on the east coast of the U.S. to reduce the impact.

Financial Risks

We are often asked about the financial impact of exchange rate and interest rate when we communicate with hundreds of institutional investors. NM and its subsidiaries' foreign exchange losses and gains accounted for -1.13%/-1.92% respectively of 2021/2020 consolidated sales revenue. The interest expenses of 2021/2020 were NT$33,960/31,550 thousand, accounting for 0.12%/0.13% of the consolidated sales revenue and 0.46%/0.48% of the consolidated net income before tax. Changes in interest rate still have limited impact on NM's consolidated revenues and profitability.

Risk Management and Opportunities

NM's principle in foreign currency funds management is stable and conservative. Relevant financial information of international exchange rate is collected at any time to fully grasp the trend of changes in exchange rate so as to reduce the impact of changes in the exchange rate.

NM's Investor and Analyst Conference Materials (Mandarin Version)

NM's Investor and Analyst Conference Materials (English Version)



NM's global operations headquarters

Cybersecurity Risks

Cybersecurity risks can roughly be divided into the aspects of system and management. Cybersecurity risks in the aspect of system include software, hardware, data, and the network while those in the aspect of management cover physical, human and operational abnormalities. NM has been actively managing the aforementioned risks. Hence, no infringement of customer's privacy rights and leakage of company information were reported during 2017-2021.

Risk Management and Opportunities

To avoid cybersecurity risks in the aspect of system, we continue to upgrade the software/hardware and the firewalls. The IT Department tested the anti-virus software, firewall, and version of programs on the host separately in accordance with the Cybersecurity Checklist in Mar and Jun, 2020. Multiple mechanisms including user account, password, and firewalls have been applied to strengthen cybersecurity. Relevant networks of NM Group (including Order Management System, Email Hosting, Intellectual Property Management System, etc.) passed the internal inspection of disaster tests in 2021. We even make good use of a professional information security and health diagnosis institution, Acer Cyber Security, to carry out penetration tests for malicious cyber-attack and activity of server. To avoid the loss of business secrets and customer data, and to prevent possible system interruption or serious system failure, we have remote backup of the host database. Monthly, quarterly, semiannual and annual drills and tests of different cybersecurity items are conducted to ensure the restoration of backup data and the normal operation of the virtual machine.

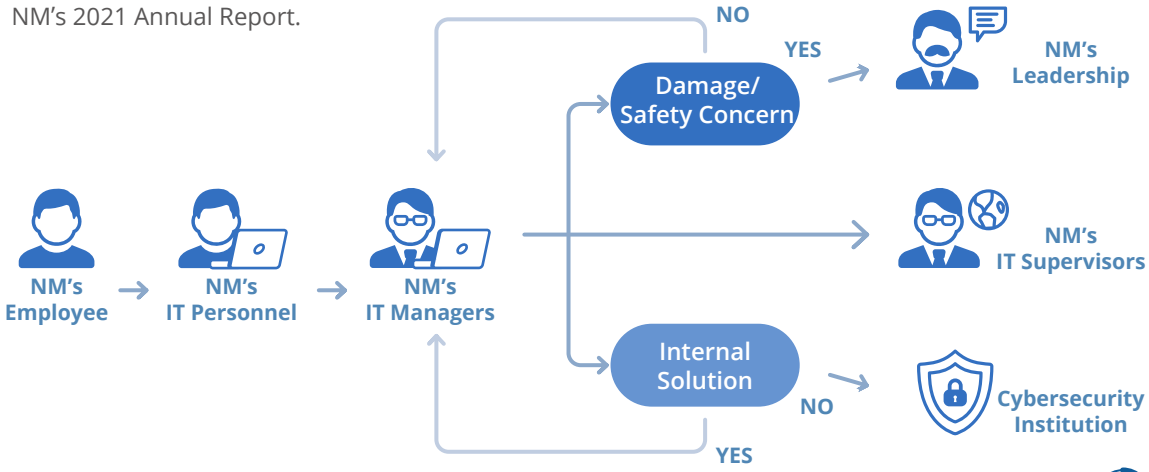
In the aspect of management and rules, to reduce the losses caused by negligence of the employees and to prevent the spread of computer viruses within the Group, we have published the NM's Cybersecurity Policy and simultaneously required our employees to regularly change their passwords and not to install or execute illegal software. In addition, we also strengthen the employees' awareness of cybersecurity through multiple channels, such as videos, emails and education & training. In 2021, 2 emails were sent, 1 session of education & training was conducted and 2 biannual Vulnerability Assessments were executed by third-party to fulfill our management responsibility. The employees' awareness of information security is also included in the item of "Professional Knowledge and Skills" of the Annual Appraisal Form of the department, accounting for 20% of the total score.

When faced with suspicious cybersecurity matters, our employees can report to their associates or the supervisor in the IT Department. In addition to reporting to senior executives and related departments immediately, we also escalate the major issues and trends of cybersecurity to NM's SD Committee through the Sustainability Report annually. The Head of NM's SD Committee, Michael Nien, also the board director of NM and Vice President in the executive management team, has the bachelor's degree in Department of Electrical Engineering, National Taiwan University, being able to report and discuss relevant issues concerning cybersecurity in the board of directors. We report cybersecurity status to the board of directors once a year. The latest cybersecurity records reported to the board of directors in Nov, 2021, have been disclosed in NM's 2021 Annual Report.

Cybersecurity Breaches (2021)

	2019	2020	2021
Total Number of Information Security Breaches (Case)	0	0	0
Total Number of Data Breaches (Unit)	0	0	0
Total Number of Customers & Employees Affected by Data Breach (Person)	0	0	0
Fines/Penalties Paid in Relation to Information Security Breaches (NT$mn)	0	0	0

Cybersecurity Escalation Process



We, Right by You

Living and Growing with Nien Made 109

Pursuing a Future Together 111



Living and Growing with Nien Made

We believe that business operations generate certain inevitable impacts and influences on the local community. Therefore, the environmental, economic and social aspects should be considered when implementing corporate social responsibility. NM's new plant in Cambodia was put into production in 2014H2. After more than 7 years of operation, the Cambodian factory has over 4,800 employees at the end of 2021, and our minimum starting salary (excluding overtime) far exceeds the per capita consumption expenditure in Cambodia. We believe through continuous economic income generated and taxes paid in different countries, we indirectly contribute to the local society's development and the improvement of quality of life for local residents, working towards the United Nations' Sustainable Development Goals (SDGs) for Decent Work and Economic Growth.

In terms of the supply chain, the main raw materials in window treatment manufacturing include PVC (Poly Vinyl Chloride), MDF (Medium Density Fiberboard), wood, fabrics, iron sheets, aluminum sheets and others, and approximately 71% of the raw materials in NM Group are purchased locally. 20+% of materials used in our final product (by total spend) was produced by suppliers which have reported their Scope 1 and 2 greenhouse gas emissions. In Cambodia, there are no PVC suppliers in the industrial area where our plant is located. Hence, we rely on overseas procurement of PVC materials in our Cambodian plant. We make use of our technical advantage (such as plastic injection) to enhance the local production technology. In Cambodia, corrugated cartons and corrugated boards are not available in the industrial area. Our new plant is capable of producing cartons and cardboards to not only meet our internal needs but also serve external manufacturers, which can help with the robustness of the local industrial supply chain. To manage operational risks in the supply chain, NM has included suppliers' labor health and safety, compliance with human rights norms (such as anti-discrimination, working hours), environmental standards into the Supplier Management Practices of all the plants. The percentage of the Supplier Code of Conduct signed and returned to NM is currently at 20%.

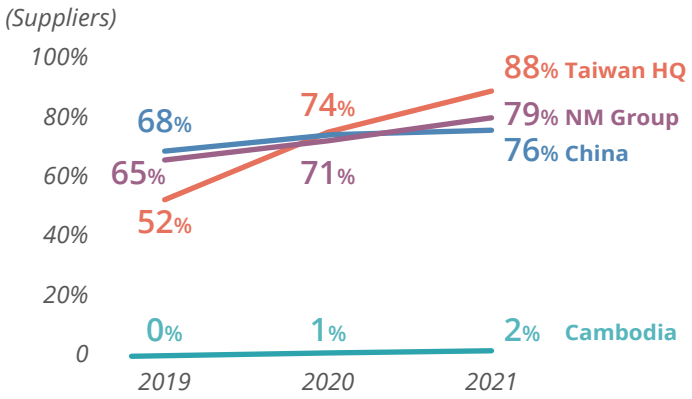
According to the survey of our suppliers in 2020-2021 in terms of 5 major aspects (environment, labor rights, human rights, society and product liability), the average score of NM's suppliers was 89.7points in 2021. Looking into details, our suppliers performed relatively well in product liability, society, labor rights and human rights. However, in the environmental aspect, our suppliers still have a lot of room for improvement in the use of recyclable raw materials.

NM supports the SDGs



More about SDGs: www.un.org/sustainabledevelopment

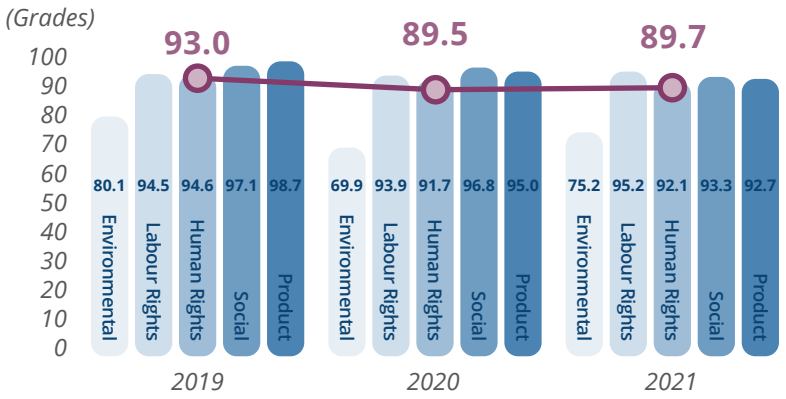
Proportion of Spending on Local Suppliers (Raw Material)



Signed Supplier Code of Conduct by Suppliers



Results of Supplier Survey



Survey of 82 Suppliers on Topics of Environmental, Labour Rights, Human Rights, Social and Product Liability (2021)

NM's Supply Chain Risk Identification & Management

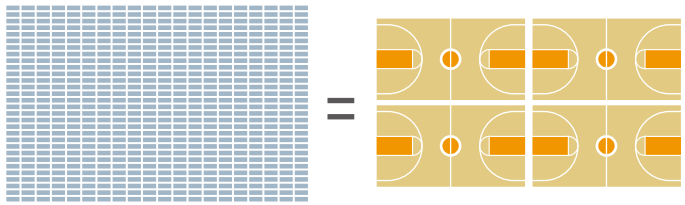
	Supplier (Unit: Suppliers)	$ Procurement ratio (Unit: %)	Suppliers Assessed over past 3 years (Unit: Suppliers)	Suppliers that Need to be Assessed Annually (Unit: Suppliers)	Suppliers that Need to be Assessed Once Every 3 Years (Unit: Suppliers)	Identified Sustainability High-Risk (Unit: Suppliers)
a) Total Tier 1 Suppliers	757	89%	356	377	12	0
Critical Tier 1 Suppliers	316	76%	190	183	10	0
b) Critical Non-Tier 1 Suppliers	1,097	11%	140	255	2	0
c) Sum(c=a+b)	**1,854**	**100%**	**496**	**632**	**14**	**0**

Pursuing a Future Together

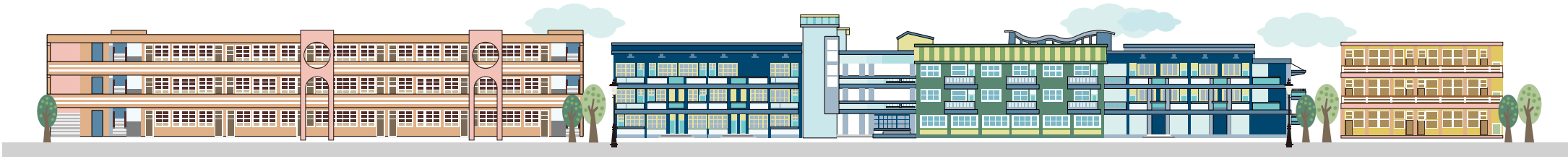
We care for our community

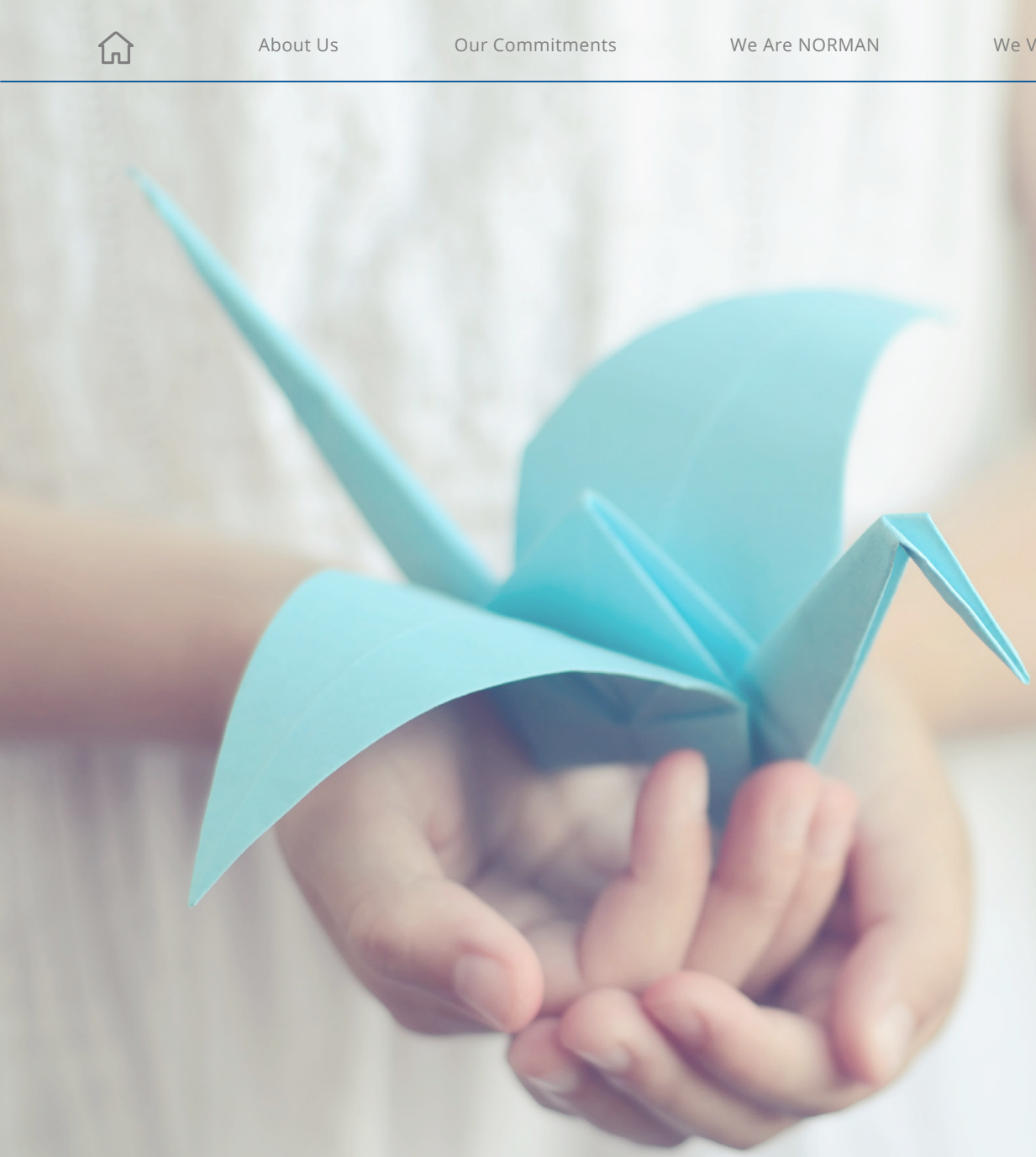
NM creates hundreds of jobs every year in Cambodia. After years of development, our production facilities in Cambodia have become a primary base for NM. In addition to economic development, we also care about the lives of local people. The Bavet Square designed by Nien Made in Cambodia was completed in 2014, providing the locals with a space for shopping and relaxation besides the traditional markets. In 2016, NM helped low-income families by providing 1.2 tons of rice, 50 boxes of instant noodles and 300 mosquito nets to the needy residents. In response to nationwide flooding in Cambodia in 2020, and NM made a timely donation to help those in need. The epidemic of COVID-19 also influenced people's lives in Cambodia. In addition to donating funds for epidemic prevention, NM also donated 10,000 pieces of protective clothing to the medical staff in need and anti-epidemic masks, alcohol and face shields to front-line police officers. In 2022, NM donated US$3,000 (approximately NT$90,000) to the Svag Rieng Cambodian Red Cross branch in support of local social education programs and humanitarian activities.

Changhua County's Fuxing Township is located on the western coast of Taiwan, and the local landscape includes tidal zones, mangroves and oyster fields. One of the very few century-old schools in Taiwan, Guan Yu Elementary School, has long cultivated schoolchildren in Fuxing Township. To fulfill our corporate social responsibility, NM donated 609 sets of roller shades and vertical blinds to Guan Yu Elementary School and installed them in the classrooms, kindergarten, activity center and the faculty office with a total area of 1,600 m^2 of window coverings, equivalent to the area of 4 basketball courts. In addition to NM's investment in resources, our distributors in Taiwan, "Summery" and "Hung-Yeh International" also mobilized a large amount of manpower and resources to this Corporate Social Responsibility Protect. We donated 879 window coverings in 2017-2018 (609 window coverings for Guan Yu Elementary School, 78 window coverings for Lugang Elementary School, 192 window coverings for Fusing Junior High School), helping thousands of students and faculties with the adjustment of classroom lighting to reduce unnecessary energy consumption. In addition to being the company donating the most window treatments in Taiwan, the market value of the window coverings NM donated also hit the record high in history, amounting to as much as NT$8mn.



1,600m^2 = 4 basketball courts





NM's Australian subsidiary, (Veneta Blinds Pty Ltd.; henceforth known as Veneta Blinds) embarked on a Measure Insurance program with charity organisation Salvation Army in 2019. When ordering blinds, measurement mistakes are sometimes inevitable, resulting in mis-measured blinds. When these brand-new mis-measured window coverings are returned by consumers, they are scheduled to be scrapped, causing waste. However, through our Measure Insurance program, consumers can now donate their mis-measured window coverings to 300+ Salvation Army second-hand goods stores Australia-wide, to furnish homes for the less fortunate and victims of domestic violence. And we will replace our customers' blinds for free while they do a good deed.

We found that consumers were keen to play their part and even sang praises of Veneta Blinds for this initiative. In fact, our goodwill touched the heart of an initially dissatified consumer who even sent us a paper crane as a symbol of peace, love, and healing to express his gratitude. In 2019, AU$30,000+ (NT$630,000) in blinds were donated to the Salvation Army. And as of 2021, Veneta Australia has cumulatively donated over AU$75,000 (NT$1.6mn) in window coverings to the Salvation Army for families in need.

Appendices

A Leading Managers of Nien Made
B P&L of Nien Made
C Balance Sheet of Nien Made
D Connections of Nien Made and Stakeholders
E Grievance Mechanism & Report of Nien Made (2021)
F Nien Made's Membership
G HR Related Statistics
H Nien Made's ESG Rules (Excerpt)
I NM's GRI Content Index
J External Assurance



Appendix A: Leading Managers of Nien Made

Name	Position	Description of Responsibility	Experience	Education Profile
Howard Nien	Chairman/ President	Setting/ implementing the organization's vision/ operating decisions.	22	▪ L.L.M., Southern Methodist University, US
Benson Peng	Executive Vice President	Planning and implementation of the Toyota Production System (TPS) for the entire organization.	45	▪ B.S., Hsiuping University of Science and Technology
Michael Nien	Vice President	Developing business for big-box stores/retailers. Responsibilities include: product R&D, operation, sales marketing and strategies.	21	▪ M.B.A., Boston University, US ▪ B.S., Department of Electrical Engineering, National Taiwan University
Ken Chuang	Vice President	Establishment and ongoing development of the Cambodian operation.	39	▪ B.S., Department of Business Administration, National Chung Hsin University
Ron Nien	Vice President	Responsible for developing the Asian and Australian markets.	17	▪ M.B.A., Kellogg School of Management, Northwestern University, US ▪ M.E.M (Master of Engineering Management), Northwestern University, US ▪ B.S., Department of Economics, National Taiwan University
Oliver Chiu	Vice President	Responsible for developing Custom Made products and overseeing the European and African Markets.	23	▪ M.B.A., Fullerton, California State University ▪ B.S., Fullerton, California State University
Tai-Fung Wu	Vice President	Responsible for the window covering R&D and fabrication in tandem with the firm's operating strategies.	42	▪ B.S., Department of Mechanical Engineering, National Taiwan University
Ranjan Mada	President-US	Overseeing the operation for American Custom-Made sector.	42	▪ M.B.A., University of Western Ontario, Canada
Dr. Harjit Singh	President-US	Overseeing the complete operation of the Sales & Marketing for the big-box / large chain sectors.	34	▪ Ph.D., Strategic Management, University of Tennessee ▪ M.B.A., University of South Carolina
Edward Jok	CFO	Responsible for finance operations, profit/cost analysis, forecasting needs and the securing of new funding.	34	▪ M.B.A., University of British Columbia ▪ B.S., University of California Berkeley, Computer Science

Appendix B: P&L of Nien Made

NT$ mn	2018	2019	2020	2021	2022 1Q	Growth YoY (%)			
						2019	2020	2021	2022 1Q
Sales Revenue	**21,878**	**23,929**	**24,414**	**29,024**	**6,930**	**+9.4%**	**+2.0%**	**+18.9%**	**+2.1%**
Gross Profit	9,884	12,150	13,633	15,801	3,639	+22.9%	+12.2%	+15.9%	-0.2%
Operating Profit	4,670	6,154	6,960	7,754	1,578	+31.8%	+13.1%	+11.4%	-11.4%
Income Before Tax	4,941	6,111	6,567	7,459	2,445	+23.7%	+7.5%	+13.6%	+39.0%
Net Income to Parent Shareholders	**3,630**	**4,504**	**4,795**	**5,320**	**1,506**	**+24.1%**	**+6.5%**	**+10.9%**	**+17.2%**
EPS (NT$)	**12.39**	**15.37**	**16.36**	**18.15**	**5.14**				
Cash Dividend (NT$)	**10.00**	**10.00**	**10.00**	**11.00**	**--**				
Gross Margin (%)	45.2%	50.8%	55.8%	54.4%	52.5%				
Operating Margin (%)	21.4%	25.7%	28.5%	26.7%	22.8%				
Net Margin (%)	16.6%	18.8%	19.6%	18.3%	21.7%				

Appendix C: Balance Sheet of Nien Made

NT$ mn	2018	2019	2020	2021	2022 1Q	Growth YoY (%)			
						2019	2020	2021	2022 1Q
TOTAL ASSETS	**18,623**	**22,158**	**27,901**	**29,394**	**30,962**	**+19.0%**	**+25.9%**	**+5.3%**	**+5.1%**
Cash	**4,573**	**7,474**	**10,766**	**10,424**	**11,819**	**+63.4%**	**+44.0%**	**-3.2%**	**-1.3%**
NR & AR	3,027	2,460	2,765	2,993	2,939	-18.7%	+12.4%	+8.3%	+0.5%
Inventory	3,565	3,354	3,750	4,625	4,674	-5.9%	+11.8%	+23.3%	+17.6%
Fixed Asset	5,060	6,197	7,026	7,447	7,882	+22.5%	+13.4%	+6.0%	+11.7%
TOTAL LIABILITIES	**5,895**	**8,204**	**12,240**	**11,495**	**11,036**	**+39.2%**	**+49.2%**	**-6.1%**	**-11.4%**
Loans	790	2,583	4,917	2,817	2,817	**+227.0%**	**+90.4%**	**-42.7%**	-42.7%
NP & AP	832	718	846	794	642	**-13.7%**	**+17.8%**	**-6.1%**	-18.2%
TOTAL EQUITY	**12,727**	**13,953**	**15,661**	**17,899**	**19,926**	**+9.6%**	**+12.2%**	**+14.3%**	**+17.3%**
A/R turnover days	44	42	39	36	39				
Inventory turnover days	102	107	120	116	129				
A/P turnover days	24	24	26	23	20				

Appendix D: Connections of Nien Made and Stakeholders

Stakeholders	Main Topics	Communication Channels	Period
Staffs	Employment	Sustainability Report	Yearly
	Labor/ Management Relations	Lean Production Meetings, Monthly Meetings, Website of NM or MOPS website	Instant
	Training and Education	Lean Production Meetings, Monthly Meetings, Website of NM or Emails	Instant
Customers	Customer Health and Safety	Colour Label of Products, Product's Warning Tag, Manual, Direct Communication or Annual Customer Satisfaction Survey	Instant
	Marketing Communications	Sustainability Report	Yearly
	Customer Privacy	Website of NM or Sustainability Report	Instant
Consumers	Customer Health and Safety	Sustainability Report	Yearly
	Product, Service Labeling & Customer Satisfaction	Colour Label of Products, Product's Warming Tag, Manual, Direct Communication or Annual Customer Satisfaction Survey	Instant
	Customer Privacy	Website of NM or Sustainability Report	Instant
Suppliers	Product, Service Labeling & Customer Satisfaction	Sustainability Report	Yearly
	Customer Health and Safety	Sustainability Report	Yearly
	Procurement Practices	Direct Communication or Supplier Analysis Report	Periodic
Governments	Compliance	Official Document Communication	Casual
	Emissions	Official Document Communication	Casual
	Child Labor	Official Document Communication	Casual

Appendix D: Connections of Nien Made and Stakeholders

Stakeholders	Main Topics	Communication Channels	Period
Academic & Research Institutions	Compliance	Sustainability Report	Yearly
	Customer Health and Safety	Sustainability Report	Yearly
Media	Economic Performance	Annual /Financial Report	Periodic
	Labor/ Management Relations	Sustainability Report	Yearly
	Compliance	MOPS website	Instant
Investors	Compliance	MOPS website	Instant
	Customer Privacy	Sustainability Report	Yearly
	Patent	MOPS website	Instant
Banks	Compliance	MOPS website	Instant
	Biodiversity	Sustainability Report	Yearly
	Emissions	Sustainability Report	Yearly
Society	Emissions	Sustainability Report	Yearly
	Labor/Management Relations	Sustainability Report	Yearly
	Equal Remuneration	Sustainability Report	Yearly

Appendix E: Grievance Mechanism & Report of Nien Made (2021)

Category	Grievance Cases		Addressed Cases	Status
Environment	HQ (Taiwan)	0	n.a.	n.a.
	PVC Pipe Factory (Taiwan)	0	n.a.	n.a.
	Blinds Factory (China)	0	n.a.	n.a.
	Shutters Factory (China)	0	n.a.	n.a.
	Shades Factory (China)	0	n.a.	n.a.
	Wood Parts Factory (China)	0	n.a.	n.a.
	Blinds Factory (Cambodia)	0	n.a.	n.a.
Labour	HQ (Taiwan)	0	n.a.	n.a.
	PVC Pipe Factory (Taiwan)	0	n.a.	n.a.
	Blinds Factory (China)	0	n.a.	n.a.
	Shutters Factory (China)	0	n.a.	n.a.
	Shades Factory (China)	0	n.a.	n.a.
	Wood Parts Factory (China)	0	n.a.	n.a.
	Blinds Factory (Cambodia)	0	n.a.	n.a.
Human-Right	HQ (Taiwan)	0	n.a.	n.a.
	PVC Pipe Factory (Taiwan)	0	n.a.	n.a.
	Blinds Factory (China)	0	n.a.	n.a.
	Shutters Factory (China)	0	n.a.	n.a.
	Shades Factory (China)	0	n.a.	n.a.
	Wood Parts Factory (China)	0	n.a.	n.a.
	Blinds Factory (Cambodia)	0	n.a.	n.a.
Social/Society	HQ (Taiwan)	0	n.a.	n.a.
	PVC Pipe Factory (Taiwan)	0	n.a.	n.a.
	Blinds Factory (China)	0	n.a.	n.a.
	Shutters Factory (China)	0	n.a.	n.a.
	Shades Factory (China)	0	n.a.	n.a.
	Wood Parts Factory (China)	0	n.a.	n.a.
	Blinds Factory (Cambodia)	1	Addressed Instantly	Solved

Appendix F: Nien Made's Membership

Name of Committee/ Association	Primary Activities	Member Style
Window Covering Manufacturers Association	Participate in policy discussion of window treatment's safety rules	Member
Window Covering Safety Council	Propagate safe window treatments to US residents	Member
Taichung City Industrial Association	Researching industrial information	Member
Taiwan Plastics Industry Association	Researching information/requirements of constructions	Member
Association of Fangyuan Industrial Zone	Researching industrial information	Member
Association of Changhua Industrial Relations	Researching industrial information	Member

Appendix G: HR Related Statistics

Parental Leave (Taiwan)

	Male			Female		
	2019	2020	2021	2019	2020	2021
A) No. of employees entitled to parental leave	12	15	13	4	4	1
B) No. of employees who took parental leave	1	0	0	2	1	1
C) No. of employees due to return after parental leave	1	0	0	1	2	1
D) No. of employees that returned after parental leave	1	0	0	1	2	1
E) Return to work rate (%) (D/C)	100%	n.m	n.m	100%	100%	100%
F) No. of returning employees still employed 12 months after parental leave ended	0	1	0	0	1	2
G) Retention ratio (%) (F/No. of employees that returned from parental leave in prior reporting period)	n.m	100%	n.m	n.m	100%	100%

Non-managerial Positions and Salary (Taiwan)

	2019	2020	2021	2019 YoY	2020 YoY	2021 YoY
Number of non-managerial full-time employees	202	219	231	+17	+17	+12
Average salary of non-managerial full-time employees (NT$'000)	1,344	1,262	1,373	+30	-82	+111
Median salary of full-time non-managerial employees (NT$'000)	1,021	1,030	1,095	-	+9	+65

Appendix G: HR Related Statistics

Ratio of Employees Receiving Performance Review at NM (2021)

Taiwan		China								Cambodia	
		Blinds		Shutters		Shades		Wood Parts			
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
98%	100%	98%	99%	96%	96%	91%	92%	96%	95%	92%	93%

The sections concerning attendance, assessment, reward and punishment and promotion in the Working Rules stipulate the punishment of the act of fraud in the name of the Company. The Company's annual evaluation also includes the items and weights of "Sustainability" and "Feedback on Cybersecurity Risks". As for any violation of regulations of Corporate Governance, Integrity Management, and so on with specific facts and proofs, the performance appraisal will be adversely affected, and such facts and proofs will also be listed in the Employee Appraisal Form.

Local Employee Ratio (2021)

		Taiwan		China								Cambodia		Total	
				Blinds		Shutters		Shades		Wood Parts		Blinds			
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Local Employees	Age (<30)	5%	30%	6%	5%	8%	15%	33%	23%	5%	3%	79%	73%	36%	45%
	Age (30-50)	61%	58%	67%	74%	75%	74%	58%	69%	67%	86%	20%	27%	51%	49%
	Age (>50)	20%	12%	27%	21%	17%	11%	9%	8%	28%	11%	1%	0%	13%	6%
	Local Subtotal	86%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Non Local Employees	Age (<30)	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Age (30-50)	10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Age (>50)	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Non Local Subtotal	14%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%
Local as % of Total Employees		91%		100%		100%		100%		100%		100%		100%	
Local Mid & Senior Management as % of Total Mid & Senior Management		95%		87%		95%		87%		80%		2%		74%	

Appendix G: HR Related Statistics

Indigenous Employee Ratio (2021)

		Taiwan		China								Cambodia		Total	
				Blinds		Shutters		Shades		Wood Parts		Blinds			
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Indigenous Employees	Age (<30)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Age (30-50)	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Age (>50)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Indigenous Subtotal	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Non Indigenous Employees	Age (<30)	6%	30%	6%	5%	8%	15%	33%	23%	5%	3%	79%	73%	36%	44%
	Age (30-50)	71%	57%	67%	74%	75%	74%	58%	69%	67%	86%	20%	27%	51%	49%
	Age (>50)	23%	12%	27%	21%	17%	11%	9%	8%	28%	11%	1%	0%	13%	7%
	Non Indigenous Subtotal	100%	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Indigenous as % of Total Employees		0%		0%		0%		0%		0%		0%		0%	

Ratio of Employees with Disability (2021)

		Taiwan		China								Cambodia		Total	
				Blinds		Shutters		Shades		Wood Parts		Blinds			
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Employees with Disability	Age (<30)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Age (30-50)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Age (>50)	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Disability Subtotal	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Employees with No Disability	Age (<30)	6%	30%	6%	5%	8%	14%	33%	23%	5%	3%	79%	73%	36%	44%
	Age (30-50)	71%	58%	67%	74%	75%	74%	58%	69%	67%	86%	20%	27%	51%	49%
	Age (>50)	22%	12%	27%	21%	17%	12%	9%	8%	28%	11%	1%	0%	13%	7%
	Non Disability Subtotall	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Employees with Disability as % of Total Employees		1%		0%		0%		0%		0%		0%		0%	

Appendix H: Nien Made's ESG Rules (Excerpt)

Board Independence Statement

Ethical Corporate Management Best Practice Principles (Partial; original version: Jun 3, 2015)

Article 2 Prohibition of Unethical Conduct

When engaging in commercial activities, directors, managers, employees, and mandatories of Nien Made or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty for purposes of acquiring or maintaining benefits (hereinafter referred to as "unethical conduct"). Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

Board Diversity Policy

Procedures for Election of Directors and Supervisors (Partial; 3rd revision: Jun 28, 2016)

Article 2

The overall composition of the board of directors shall be taken into consideration in the selection of this Company's directors.

The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following 2 general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, and technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of this Company shall consider adjusting its composition based on the results of performance evaluation.

Appendix H: Nien Made's ESG Rules (Excerpt)

Codes of Conduct [Corruption and bribery]

Codes of Ethical Conduct (Partial; 1st revision: Mar 16, 2015)

Article 4

When the company has an opportunity for profit, it is the responsibility of the directors, supervisors, managerial officers and employees to maximize the reasonable and proper benefits that can be obtained by the company. Directors, managers and employees shall not obtain personal gain by using company property or information or taking advantage of their positions and shall not engage in the act of competing behavior against the company.

Measures for Whistleblowing (Partial; original version: Feb 23, 2017)

Article 4

Types of Reporting Items

1. Violation of applicable laws and regulations of the company;
2. Violation of company policies, internal control systems and management practices;
3. Violation of the company's financial system or the behavior that affects the accuracy of the company's financial reporting;
4. Encroachment on company assets;
5. Collection of improper benefits;
6. Any form of fraud by NM's manager/ employee; and
7. Other acts that damage the company's interests and reputation.

Codes of Conduct [Confidentiality of information]

Codes of Ethical Conduct (Partial; 1st revision: Mar 16, 2015)

Article 5

Directors, managers and employees shall be bound by the obligation to maintain the confidentiality of any information regarding the company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the company or the suppliers and customers.

Codes of Conduct [Anti -Discrimination]

Sustainability Best Practice Principles (Partial; 1st revision: Jun 21, 2022)

Article 18

The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights;
2. Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handing processes;
3. Reviewing on a regular basis, the effectiveness of the corporate policy or statement on human rights; and
4. In the event of any infringement of human rights, the company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labor, including caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The Company shall respond to any employee's grievance in an appropriate manner.

Appendix H: Nien Made's ESG Rules (Excerpt)

Codes of Conduct [Insider trading/ dealing]

Measures for preventing illegal insider trading (Partial; original version: Oct 3, 2014)

Article 2

This Company shall implement its handling and disclosure of material inside information in accordance with applicable laws and regulations, orders and the regulations and operating procedures of the TWSE.

Article 6

This Company's directors, Audit Committee, managerial officers, and employees shall exercise the due care and fiduciary duty of a good administrator and act in good faith when performing their duties, and shall sign confidentiality agreements. No director, Audit Committee, managerial officer, or employee with knowledge of material inside information of this Corporation may divulge the information to others. No director, Audit Committee, managerial officer, or employee of this Corporation may inquire about or collect any non-public material inside information of this Corporation not related to their individual duties from a person with knowledge of such information, nor may they disclose to others any non-public material inside information of this Corporation of which they become aware for reasons other than the performance of their duties.

Codes of Conduct [Conflicts of interest]

Codes of Ethical Conduct (Partial; 1st revision: Mar 16, 2015)

Article 3

Directors, managers and employees shall avoid conflicts of interest when personal interests are involved in the company's overall interests, including but not limited to the fact that the person cannot handle the company's affairs in an objective and efficient manner, or when a person in such a position takes advantage of their position in the company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of kinship. In order to prevent conflicts of interest, the company's funds with the aforementioned personnel or their affiliated companies must be reviewed by the board of directors in advance, and the relevant import (sales) transactions should be conducted by putting the maximum benefits of the company into consideration.

Codes of Conduct [Whistleblowing]

Measures for Whistleblowing (Partial; original version: Feb 23, 2017)

Article 3

Reporting channels

1. Reporting hotline: 04-36000999 (Transfer to the Department of Management / Associate Supervisor or Auditor)
2. Dedicated fax: 04-24727762
   Dedicated e-mail for reporting: ESG@nienmade.com.tw

Codes of Conduct [Environment] [Health and safety]

Sustainability Best Practice Principles (Partial; 1st revision: Jun 21, 2022)

Article 15

The Company is advised to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:

1. Reduce resource and energy consumption of their products and services;
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly;
3. Improve recyclability and reusability of raw materials or products;
4. Maximize the sustainability of renewable resources;
5. Enhance the durability of products; and
6. Improve efficiency of products and services.

Article 20

The Company shall provide safe and healthful work environments for employees, including necessary health and first-aid facilities and endeavors to curb dangers to employees' safety and health and to prevent occupational accidents, and organizes training on safety and health for employees on a regular basis.

Appendix H: Nien Made's ESG Rules (Excerpt)

Supplier Code of Conduct [Child labor]

[Fundamental human rights]

[Working conditions]

[Remuneration]

[Occupational health and safety]

[Anti-Discrimination]

[Freedom of Association]

Supplier Code of Conduct (Partial; original version: 2019)

Article 4

1. Child labor: The company shall not employ or support the use of child labor. The definition of child labor is subject to the law of labor office where the promiser stays.
2. Forced and compulsory labor:
   - 2.1 The company shall not apply or support any forms of forced and compulsory labor, nor shall it require workers to pay a deposit or a bond or withhold identification cards or documents upon employment.
   - 2.2 The company shall not withhold the wages, welfare and property or identification document to force employs to keep working for the company.
   - 2.3 Employees are entitled to leave the working place after completing working hours for a standard business day. After giving a reasonable time for notification, the employee can terminate the employment contract at any time.
3. Discrimination and sexual harassment:
   - 3.1 In the matters involving recruitment, remuneration, training opportunities, promotion, dismissal and retirement, it is prohibited for the company to engage or support discriminations against race, national or social origin, social status, descent, religion, physical disability, gender, sexual orientation, family responsibility, marital status, members of a labor union, political opinions, age or other kinds of discrimination.
   - 3.2 The company shall not interfere with the beliefs and customs of employees, or racial, ethnic or social origin, social status, descent, ancestry, disability, gender, sexual orientation, family responsibility, marital status, members of a labor union, political opinion or any other needs that cause discrimination.
   - 3.3 The company shall not conduct any threats, abuses, exploitations, or compulsive sexual intrusions or harassment in the workplace, staff quarters, and other places, including posture, language, and physical contact.
   - 3.4 The company shall not ask employees to do pregnancy test under all circumstances.
4. Those who have criminal records and those who use false documents (such as ID cards, academic certificates, skill certificates, etc.) shall not be hired.

Supplier Code of Conduct [Business ethics]

Measures of Suppliers Management (Partial; original version: 2019)

Article 1: Compliance of integrity in a transparent procedure:

In the process of trading with NM and when fulfilling contractual obligations, the promiser shall uphold the principle of honesty and integrity and shall not give or provide monetary bribes or other means of undue or improper interests to NM personnel or relevant vendors or personnel of the suppliers to damage NM's interests. In addition, the promiser also agrees to boycott the personnel and vendors asking for or taking bribes, and when the above situation is discovered, he/she shall immediately disclose it to NM.

Dedicated e-mail for reporting: ESG@nienmade.com.tw, and dedicated personnel of the head office will be in charge.

Anti-Competitive Practices

Disciplinary Actions in Case of Breach [Warning, zero tolerance policy]

Ethical Corporate Management Best Practice Principles (Partial; original version: Jun 3, 2015)

Article 15: Competition Laws

NM shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 24: Disciplinary and Appeal system

NM shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Appendix I: NM's GRI Content Index

Types	Material Topics	GRI Standard		External Assurance	Reference	Page
General Disclosures						
Organizational profile						
Core (GRI Standards 2016)		102-1	Name of the organization		[About Us] [Our Commitments]	8
		102-2	Activities, brands, products, and services			8-10,40-41,43
		102-3	Location of headquarters			8
		102-4	Location of operations			7-10
		102-5	Ownership and legal form		[About Us] Please refer to the NM Annual Report: Profile of Share Ownership for details.	12
		102-6	Markets served		[About Us]	7,9-10
		102-7	Scale of the organization		[About Us] [Our Commitments] [We Are NORMAN] [Appendix B: P&L of Nien Made] [Appendix C: Balance Sheet of Nien Made]	7,12,31,49,51, 116-117
		102-8	Information on employees and other workers		[We Are NORMAN] [Appendix G: HR Related Statistics]	52-53,55,57, 122-124
		102-9	Supply chain		[We Are NORMAN] [We Value our Planet] [We, Right by You]	66,94,109-110
		102-10	Significant changes to the organization and its supply chain		[About Us] [We Are NORMAN]	8,12,66
		102-11	Precautionary Principle or approach		[We Care about Governance]	103-107
		102-12	External initiatives		[Appendix F: Nien Made's Membership]	121
		102-13	Membership of associations			
Strategy						
Core (GRI Standards 2016)		102-14	Statement from senior decision-maker		[About Us]	4-5
Comprehensive (GRI Standards 2016)		102-15	Key impacts, risks, and opportunities		[About Us] [We Care about Governance]	4-5,103-107

Appendix I: NM's GRI Content Index

Types	Material Topics	GRI Standard		External Assurance	Reference	Page
Ethics and integrity						
Core (GRI Standards 2016)		102-16	Values, principles, standards, and norms of behavior		[Our Commitments] [We Care About Governance]	25,96
Comprehensive (GRI Standards 2016)		102-17	Mechanisms for advice and concerns about ethics		[We Care About Governance]	100
Governance						
Core (GRI Standards 2016)		102-18	Governance structure		[We Care About Governance]	97,100
Comprehensive (GRI Standards 2016)		102-19	Delegating authority			
		102-20	Executive-level responsibility for economic, environmental, and social topics			
		102-21	Consulting stakeholders on economic, environmental, and social topics		[Appendix D: Connections of Nien Made and Stakeholders] We make use of communication channels of Sustainability Report of Questionnaire Survey, Stakeholder Section on the official website and so on to make internal and external interaction with our stakeholders. We set up the spokesperson mechanism for financial information from multiple parties and the capital market. ▪ Contact NM's Sales Team: CRM@nienmade.com.tw ▪ Contact NM's HR Team: HR@nienmade.com.tw ▪ Contact NM's ESG Team: ESG@nienmade.com.tw ▪ Contact NM's IR Team: IR@nienmade.com.tw	118-119
Comprehensive (GRI Standards 2016)		102-22	Composition of the highest governance body and its committees		[We Care About Governance] [Appendix A: Leading Managers of Nien Made]	96-97,100
		102-23	Chair of the highest governance body			96-97,115
		102-24	Nominating and selecting the highest governance body			96-97
		102-25	Conflicts of interest			96,99
		102-26	Role of highest governance body in setting purpose, values, and strategy			96,98
		102-27	Collective knowledge of highest governance body		[We Care About Governance]	97
		102-28	Evaluating the highest governance body's performance		[We Care About Governance]	96,100, Inside Back Cover
		102-29	Identifying and managing economic, environmental, and social impacts			
		102-30	Effectiveness of risk management processes			

Appendix I: NM's GRI Content Index

Types	Material Topics	GRI Standard		External Assurance	Reference	Page
Governance (continued)						
(continued)		102-31	Review of economic, environmental, and social topics		[We Care About Governance]	96,100, Inside Back Cover
		102-32	Highest governance body's role in sustainability reporting			
		102-33	Communicating critical concerns			
		102-34	Nature and total number of critical concerns		In 2021, we did not have any major incident in the communication with the highest governance unit.	-
		102-36	Process for determining remuneration		[We Care About Governance]	99-100
		102-37	Stakeholders' involvement in remuneration			
Stakeholder engagement						
Core (GRI Standards 2016)		102-40	List of stakeholder groups		[Appendix D: Connections of Nien Made and Stakeholders]	118-119
		102-41	Collective bargaining agreements		[We Are NORMAN]	55
		102-42	Identifying and selecting stakeholders		[About Us]	14-17
		102-43	Approach to stakeholder engagement		[About Us] [Appendix E: Grievance Mechanism & Report of Nien Made]	14-17,120
		102-44	Key topics and concerns raised		[Appendix D: Connections of Nien Made and Stakeholders]	118-119

Appendix I: NM's GRI Content Index

Types	Material Topics	GRI Standard		External Assurance	Reference	Page
Reporting practice						
Core (GRI Standards 2016)		102-45	Entities included in the consolidated financial statements		Please refer to the NM Annual Report: Subsidiary Information for details.	-
		102-46	Defining report content and topic Boundaries		[About Us]	14-17
		102-47	List of material topics			16,18-23
		102-48	Restatements of information		NM did not recompile the previous report (2020 Sustainability report).	-
		102-49	Changes in reporting		[About Us] There are no significant changes in the reporting boundary and period of the Report.	16
		102-50	Reporting period		Please refer to the inside back cover of this Sustainability report for details.	Inside Back Cover
		102-51	Date of most recent report			
		102-52	Reporting cycle			
		102-53	Contact point for questions regarding the report			
		102-54	Claims of reporting in accordance with the GRI Standards			
		102-55	GRI content index		Please refer to the Appendix I of this Sustainability report for details.	-
		102-56	External assurance		[Appendix J: External Assurance]	140-143
Economic						
Economic Performance (GRI Standards 2016)		201-1	Direct economic value generated and distributed	●	[About Us] [We Are NORMAN]	7,50
		201-2	Financial implications and other risks and opportunities due to climate change		[We Value our Planet]	89-90
		201-3	Defined benefit plan obligations and other retirement plans		[We Are NORMAN]	49
Market Presence (GRI Standards 2016)		202-1	Ratios of standard entry level wage by gender compared to local minimum wage		[We Are NORMAN] [Appendix G: HR Related Statistics]	49
		202-2	Proportion of senior management hired from the local community	●		52,123
Indirect Economic Impacts (GRI Standards 2016)		203-1	Infrastructure investments and services supported		[We, Right by You]	109-113
		203-2	Significant indirect economic impacts			
Procurement Practices (GRI Standards 2016)		204-1	Proportion of spending on local suppliers		[We, Right by You]	109-110

Appendix I: NM's GRI Content Index

Types	Material Topics	GRI Standard		External Assurance	Reference	Page
Economic (continued)						
Anti-corruption (GRI Standards 2016)	Material Topic (6)	205-2	Communication and training about anti-corruption policies and procedures	●	[About Us] [We Are NORMAN]	23,61
			Management Approach			
		205-3	Confirmed incidents of corruption and actions taken	●	[About Us] In 2021, no corruption cases were reported by the audit and legal units of NM.	23
			Management Approach			
Anti-competitive Behavior (GRI Standards 2016)		206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	●	Nien Made has no on-going litigation of anti-competition, anti-trust and monopoly.	-
Tax (GRI Standards 2019)		207-1	Approach to tax		[We Care About Governance] NM handles tax affairs in accordance with the laws of different countries. Through the audit department, we conduct random inspections of our operation bases for the compliance with the tax laws and actual conditions. We provide transparent and public information, including Sustainability Reports, annual reports, quarterly financial statements and disclose our tax information on the company's official website and government website for the stakeholders to refer to.	99
		207-2	Tax governance, control, and risk management			
		207-3	Stakeholder engagement and management of concerns related to tax			

Appendix I: NM's GRI Content Index

Types	Material Topics	GRI Standard		External Assurance	Reference	Page
Environmental						
Materials (GRI Standards 2016)		301-1	Materials used by weight or volume		[We Value our Planet]	93
		301-2	Recycled input materials used	●	[Our Commitments] [We Value our Planet]	29,89,93
		301-3	Reclaimed products and their packaging materials		[Our Commitments] [We Value our Planet]	29,89,93
Energy (GRI Standards 2016)		302-1	Energy consumption within the organization	●	[We Value our Planet]	78,80
		302-3	Energy intensity	●	[We Value our Planet] Energy Intensity: ▪ Taiwan HQ (2021)= +93.8% YoY ▪ Taiwan PVC Pipe (2021)= -25.0% YoY ▪ China (2021)= -5.6% YoY ▪ Cambodia (2021)= -24.3% YoY	78,79
		302-4	Reduction of energy consumption		[We Value our Planet]	81
		302-5	Reductions in energy requirements of products and services		[We Are NORMAN]	64-70,72-75
Water and Effluents (GRI Standards 2018)		303-1	Interactions with water as a shared resource		[We Value our Planet] The water used within NM Group comes from tap water and ground water (the majority of water used is tap water). The water consumption in major operating bases in 2021/2020 was 885/1,081 megaliters respectively (-18% YoY).	85,87
		303-2	Management of water discharge-related impacts			
		303-3	Water withdrawal	●		
		303-4	Water discharge			
		303-5	Water consumption			
Biodiversity (GRI Standards 2016)		304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		NM's major operating bases are not in the environmental protection zones. We purchase the Forest Stewardship Council (FSC) certified raw materials and use large amount of environmentally-friendly building material, the Medium-Density Fiberboard (MDF), in NM's shutters to reduce the impact of the products on the environment.	-
		304-2	Significant impacts of activities, products, and services on biodiversity			-
		304-3	Habitats protected or restored			-
		304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations			-

Appendix I: NM's GRI Content Index

Types	Material Topics	GRI Standard		External Assurance	Reference	Page
Environmental (continued)						
Emissions (GRI Standards 2016)		305-1	Direct (Scope 1) GHG emissions	●	[We Value our Planet] The total CO_2e emissions in major operating bases of NM Group are estimated to reach 133,000 tons in 2021 (with that in Scope 1/Scope 2 amounting to 36,000 tons /97,000 tons respectively), +9% YoY.	80
		305-2	Energy indirect (Scope 2) GHG emissions	●		80
		305-4	GHG emissions intensity	●	[We Value our Planet] In 2021, the GHG emission intensity in major operating bases reached 4.59 ton CO_2e/NT$mn, which is down 8.2% YoY.	80
		305-5	Reduction of GHG emissions		[We Value our Planet]	78,81-83
Waste (GRI Standards 2020)	Material Topic (5)	306-1	Waste generation and significant waste-related impacts		[We Value our Planet] The waste produced within NM Group in 2021 amounted to 13,361 tons, with 338 tons of hazardous waste (accounting for 2.5% of the total waste). Qualified service providers are commissioned to treat these hazardous wastes. Recyclable waste amounted to 9,890 tons, accounting for 74% of the total waste, and we commission qualified firms to sell recyclable waste. Most of our general waste is also treated by qualified service operators.	22,93-94
		306-2	Management of significant waste-related impacts			
		306-3	Waste generated			
			Management Approach			
Environmental Compliance (GRI Standards 2016)		307-1	Non-compliance with environmental laws and regulations	●	[We Value our Planet] In 2021, NM's major facilities were not imposed substantial fines for violations of air pollution, effluents and pollution from waste disposal.	94
Supplier Environmental Assessment (GRI Standards 2016)		308-1	New suppliers that were screened using environmental criteria		NM has included the suppliers' labor health/ safety, compliance with human rights norms (such as non-discrimination), environmental standards such as eco-friendly environment into the Supplier Management Practices of all the plants for the management of operational risks in the supply chain. Should the supplier cause significant environmental and social impacts due to illegal acts, Nien Made shall terminate or dissolve the contract.	-
		308-2	Negative environmental impacts in the supply chain and actions taken			-

Appendix I: NM's GRI Content Index

Types	Material Topics	GRI Standard		External Assurance	Reference	Page
Social						
Employment (GRI Standards 2016)		401-1	New employee hires and employee turnover	●	[We Are NORMAN] The employment rate/ turnover rate of NM's major operating bases was 57%/60% respectively in 2021.	57
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	●	[We Are NORMAN]	49-50,62
		401-3	Parental leave		[Appendix G: HR Related Statistics]	122
Labor/ Management Relations (GRI Standards 2016)		402-1	Minimum notice periods regarding operational changes		Our Minimum Advance Notice Period also abides by the local legal requirements. In Taiwan/China, the Minimum Advance Notice Period is 30-day advance notice while in Cambodia, it is +7-day advance notice, which shall be adjusted based on different contractral periods.	-
Occupational Health and Safety (GRI Standards 2018)		403-1	Occupational health and safety management system	●	[We Are NORMAN] We comply with the established safety and health regulatory and voluntary Occupational Safety and Health Act.	58
		403-2	Hazard identification, risk assessment, and incident investigation	●	[We Are NORMAN] According to the risk assessment, employees working in high-noise areas in the window covering factories account for 3.9% of the total employees. After an industrial injury event, we will promote countermeasures for improvement so as to reduce risks of occupational accidents.	58
		403-3	Occupational health services	●	[We Are NORMAN] We provide employees who engage in special type of work with external special health checks annually for them to understand their health conditions. In 2021, large-scale health check were not conducted in response to pandemic measures, hence the number of employees receiving health checks at NM's facilities amounted to 1,021 (-83% YoY). We respect our employees' privacy. When health incidents occur, we assist our employees in obtaining medical assistance and first aid.	62
		403-5	Worker training on occupational health and safety	●	[We Are NORMAN] We familiarize employees with the Company's regulations and system, job scope and precautions through the new employee orientation, job-related training, on-job training, training for new cadre members and cadre training. In addition, NM also accepts professional training from external training units to obtain the latest information and enhance the employees' professional skills and competitiveness. The personnel training in 2021 totaled 71,309 hours, with the average of 8 hours/ 5 hours for male/ female employees respectively.	62
		403-6	Promotion of worker health	●	[We Are NORMAN] In 2021, we conducted 3 health lectures and consultations, covering topics on hepatic and gastrointestinal health, covid-19 vaccination, and workplace wellness. 93% of our participants are satisfied with the lectures. We intend to promote online health lectures for our factories overseas.	62

Appendix I: NM's GRI Content Index

Types	Material Topics	GRI Standard		External Assurance	Reference	Page
Social (continued)						
(continued)		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	●	[We Are NORMAN] Through the promotion of the simple automated system for production, we actively reduce redundant workforce needs and labor intensity to improve the workplace safety and to manage costs. The main reasons for work injury include collision, crush and contusion or cut caused when changing mold/line. To safeguard our employees' health and to reduce the risks in the workplace, injury prevention as well as education and training are our top priorities.	58
		403-9	Work-related injuries	●	[We Are NORMAN]	58-59
		403-10	Work-related ill health			
Training and Education (GRI Standards 2016)		404-1	Average hours of training per year per employee	●	[We Are NORMAN]	61-62
		404-2	Programs for upgrading employee skills and transition assistance programs			49,58,60-62
		404-3	Percentage of employees receiving regular performance and career development reviews	●	[Appendix G: HR Related Statistics]	123
Diversity and Equal Opportunity (GRI Standards 2016)		405-1	Diversity of governance bodies and employees		[We Are NORMAN] [We Care About Governance] [Appendix G: HR Related Statistics]	52-53,57,97, 123-124
		405-2	Ratio of basic salary and remuneration of women to men		In NM's operating bases in Taiwan, the salary ratio difference in female and male employees was less than 9%, the average difference existed in different job nature and seniority; no significant difference existed in salary of the same work.	-
Non-discrimination (GRI Standards 2016)		406-1	Incidents of discrimination and corrective actions taken		[Appendix E: Grievance Mechanism & Report of Nien Made]	120
Child Labor (GRI Standards 2016)		408-1	Operations and suppliers at significant risk for incidents of child labor	●	All of NM's plants in China and Cambodia hire employees at appropriate ages in accordance with the legal requirement. There was no use of child labor in 2021.	-
Forced or Compulsory Labor (GRI Standards 2016)		409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		Through the lean production policy, the working intensity was reduced to avoid forced/compulsory labor.	-
Security Practices (GRI Standards 2016)		410-1	Security personnel trained in human rights policies or procedures	●	[We Are NORMAN] In 2021, the percentage of security personnel who received training in human rights policies or procedures, including anti-terrorist force training, reached nearly 100%.	61

Appendix I: NM's GRI Content Index

Types	Material Topics	GRI Standard		External Assurance	Reference	Page
Social (continued)						
Rights of Indigenous Peoples (GRI Standards 2016)		411-1	Incidents of violations involving rights of indigenous peoples		[Appendix E: Grievance Mechanism & Report of Nien Made]	120
Human Rights Assessment (GRI Standards 2016)		412-1	Operations that have been subject to human rights reviews or impact assessments	●	[Our Commitments] NM's customers of the hypermarkets in North America pay occasional visits annually to our production bases in China and Cambodia to conduct human rights review. To protect our employees from discrimination or sexual harassment, all the complaints filed are processed in accordance with the announced "Measures of Prevention, Complaint and Punishment of Sexual Harassment in the Workplace" while protecting the rights and privacy of the complainants. We do not allow any form of forced labor, nor would we allow any detention of employees' IDs, corporal punishment and verbal abuse. In 2021, our factories have passed 50+ times of external inspections of environment, emissions, water discharge, human rights and so on.	26
		412-2	Employee training on human rights policies or procedures			-
Local Communities (GRI Standards 2016)		413-1	Operations with local community engagement, impact assessments, and development programs		[We, Right by You]	111-113
		413-2	Operations with significant actual and potential negative impacts on local communities			
Customer Health and Safety (GRI Standards 2016)	Material Topic (1)	416-1	Assessment of the health and safety impacts of product and service categories	●	[About Us] [Our Commitments]	18,28,35
			Management Approach			
		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	●		4,6,18,39
			Management Approach			
Marketing and Labeling (GRI Standards 2016)		417-1	Requirements for product and service information and labeling	●	[Our Commitments] The window covering products accounted for 96.3% of our consolidated sales revenue. We provide safety instructions for using our products and services with color labels, warning signs (tags) and instructions that were in line with ANSI/WCMA safety standards, and disclosed the contents of the products as well as the supplier information. NM's window covering products all conformed to safety regulations.	29,34-35,39
		417-2	Incidents of non-compliance concerning product and service information and labeling	●		
		417-3	Incidents of non-compliance concerning marketing communications	●	There was no violation of health-related regulations (safety, labeling, marketing communication) or violation of voluntary codes, illegal penalties or warning incident during 2017-2021.	

Appendix I: NM's GRI Content Index

Types	Material Topics	GRI Standard		External Assurance	Reference	Page
Social (continued)						
Customer Privacy (GRI Standards 2016)		418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	●	[About Us] [We Care about Governance] No infringement of customer's privacy rights and leakage of company information were reported during 2017-2021.	4,107
Socioeconomic Compliance (GRI Standards 2016)	Material Topic (3)	419-1	Non-compliance with laws and regulations in the social and economic area		[About Us] In 2021, NM was not subject to substantial fines or non-monetary sanctions for the provision or use of products and services in the domestic/ foreign markets.	4-6,20
			Management Approach			
Patent Right	Material Topic (4)	PT	Report numbers of new infringements		[About Us] [We Care about Governance]	6,21,39,105
			Management Approach			
Taiwan TWSE's Corporate Governance Aspect	Material Topic (2)	CG	Results of corporate governmance evaluations		[We Care About Governance]	19,99-101
			Management Approach			

Appendix J: External Assurance

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Assurance Report of Independent Auditors

To: Nien Made Enterprise Co., Ltd.

1. Scope

We have been engaged by Nien Made Enterprise Co., Ltd. ("Nien Made") to perform a limited assurance engagement in relation to and report on selected sustainability performance indicators included in Nien Made's 2021 Sustainability Report ("the Report").

Regarding the sustainability performance indicators selected by Nien Made and their applicable criteria, please refer to Appendix A.

Management Responsibility
Nien Made is responsible for the preparation of 2021 Sustainability Report in accordance with adequate criteria, including referencing to the GRI Standards issued by the Global Reporting Initiative, and for the design, execution and maintenance of internal controls in regard with report preparation to support the collection and presentation of the Report.

Independent Auditor's Responsibility
Our responsibility is to plan and perform limited assurance engagement in accordance with *Assurance Engagements No.1 – "Assurance Engagements Other than Audits or Reviews of Historical Financial Information"* issued by the Accounting Research and Development Foundation.

2. Assurance

The procedures performed in limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement so that the level of assurance is substantially lower than reasonable assurance engagement. While we considered the effectiveness of Nien Made's internal controls when determining the nature and extent of procedures, our review was not designed to provide assurance on internal controls.

To conclude for limited assurance, our procedures performed included:

- Interviewing with Nien Made's management and personnel to understand Nien Made's implementation of overall sustainable responsibility and reporting process;
- Understanding the main stakeholders of Nien Made and their expectations and needs as well as interaction protocols by interview or examination of documentation and how Nien Made responded to those expectations and needs.

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- Performing analytical procedures on selected sustainability performance indicators; gathering and checking other supporting documentation and management information obtained, testing on sample basis if necessary.
- Reading Nien Made's Sustainability Report to ensure the implementation of overall corporate social responsibility and reporting process is consistent with our understanding.

3. Limitations

Non-financial information contained within sustainability reports are subject to measurement uncertainties. The selection of different measurement techniques can result in materially different measurement. Also, assurance engagements are based on selective testing of information being examined, and it is not possible to detect all of the existing material misstatements whether resulting from fraud or error.

4. Quality and Independence

We are in conformity with *Statements of Auditing Standard No. 46 "Quality Control for Public Accounting Firms"* to establish and maintain a sound system of quality control, including code of professional ethics, professional standards and those written policies and procedures in applicable regulations. We are also in conformity with related independence and other ethics requirements in *The Norm of Professional Ethics*, whose basic principles are integrity, objectivity, professional competence, due care , confidentiality and professional behavior.

5. Conclusion

Based on our procedures and obtained evidence, nothing has come to our attention that causes us to believe that any material modifications or adjustments should be made to the selected sustainability indicators in accordance with applicable criteria. In addition, nothing has come to our attention that causes us to believe that any material modifications or adjustments should be made to the Report in accordance with GRI Standards: core option.

Ernst & Young

Huang, Tzu Ping

September 19, 2022

Notice to Readers
The reader is advised that the assurance report has been prepared originally in Chinese. In the event of a conflict between the assurance report and the original Chinese version or difference in interpretation between the two versions, the Chinese language assurance report shall prevail.

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Appendix J: External Assurance

Appendix A:
Sustainability performance indicators selected by Nien Made and their applicable criteria

No.	Page	Title	Sustainability performance indicators	Applicable criteria
1	Compliance assurance		Nien Made disclosed that its 2021 Sustainability Report was prepared in accordance with GRI Standards: core option issued by Global Reporting Initiative.	GRI Standards:core option
2	18	Management Approach of Material topics - Customer Health And Safety	No harmful gases, toxic substance and heavy metals (among 8 major heavy metals) in the products sent to SGS and TUV, the third-party testing for inspection of compliance with REACH and RoHS in 2021, were detected.	Nien Made's data
3	18	Management Approach of Material topics - Customer Health And Safety	In Japan, we voluntarily had our products tested at the Boken Quality Evaluation Institute (BOKEN), and the formaldehyde test results adhere to Japan's highest standards for building materials, F4 Stars (F☆☆☆☆).	Nien Made's data
4	18	Management Approach of Material topics - Customer Health And Safety	There was no violation of health-related regulations (safety, labeling, marketing communication) or violation of voluntary codes, illegal penalties or warning incident during 2017-2021.	Nien Made's data
5	26	Qualified by Various Assessments (2021)	Human Rights Reviews (%) in 2021	Nien Made's data
6	50	Direct Economic Value Generated and Distributed	Direct Economic Value Generated and Distributed (EVG&D, 2021).	Consolidated financial statements for the year ended December 31, 2021.
7	57	Rate of New Employees and Turnover Rate of Employees	Rate of New Employees (2021) and Turnover Rate of Employees (2021).	Nien Made's statistical data

No.	Page	Title	Sustainability performance indicators	Applicable criteria
8	58	Managing Occupational Risk	NM has set up safety and health organization and personnel that meet the scale of the company in accordance with Occupational Safety and Health Act and has autonomously established our own occupational safety and health management system.	Nien Made's data
9	58	Managing Occupational Risk	Through the promotion of the simple automated system for production, we actively reduce redundant workload and labor intensity whilst improving the workplace safety and managing costs. The main reasons for work injury include collision, crush and contusion or cut caused when changing mold/lane. To safeguard our employees' health and to reduce the risks in the workplace, injury prevention as well as education and training are our top priorities.	Nien Made's data
10	58	Managing Occupational Risk	According to the risk assessment, employees working in high-noise areas in the window covering factories account for 3.9% of the total employees.	Nien Made's statistical data
11	59	NM's Work-Related Injuries	Rate of Fatalities, Rate of High-Consequence Work-Related Injuries and Rate of Recordable Work-Related Injuries in 2021.	Nien Made's statistical data
12	61	We Are NORMAN	% of Employees Receiving Training on Anti-Corruption (2021)	Nien Made's statistical data
13	61	We Are NORMAN	NM's Employee Training Hours (2021)	Nien Made's statistical data
14	61	We Are NORMAN	% of Security Personnel Trained in Human Rights Policies/Procedures (2021)	Nien Made's statistical data
15	62	Employees' Health Matters	NM's Employee Insured by Health/Disabled Insurance	Nien Made's statistical data

Appendix J: External Assurance

No.	Page	Title	Sustainability performance indicators	Applicable criteria
16	62	Employees' Health Matters	The personnel training in 2021 totaled 71,309 hours, with the average of 8 hours/5 hours for male/female employees respectively.	Nien Made's statistical data
17	62	Employees' Health Matters	In 2021, we conducted 3 health lectures and consultations, covering topics on hepatic and gastrointestinal health, covid-19 vaccination, and workplace wellness.	Nien Made's statistical data
18	79	Energy Intensity YoY	2021 Product intensity (Taiwan) = 13 GJ /headcount. 2021 Sales intensity of China, Cambodia and PVC (Taiwan) came in at 152 GJ /Rmb mn, 2,242 GJ /US$ mn and 45 GJ /NT$ mn, respectively.	Product intensity (Taiwan) = Taiwan energy consumption (GJ) /Taiwan headcount; Sales intensity = Energy consumption (GJ) /Factory's revenue
19	80	NM's Energy Consumption and CO_2e Emission	Nien Made's purchased electricity, gasoline, diesel oil , LPG and natural gas was 116,785 (mWh), 26 ('000 L), 9,286 ('000 L) , 1 (Ton) and 36('000 M^3) in 2021, respectively. Nien Made's energy consumption was 752,668 (GJ).	Calculation result of the total energy consumption of factory and conversion of energy coefficient
20	80	NM's Energy Consumption and CO_2e Emission	Nien Made's CO_2e Emission in Scope 1 was 36,412 (Ton CO_2e).	Summary of factory's energy consumption in Scope 1 multiplied by emission factors
21	80	NM's Energy Consumption and CO_2e Emission	Nien Made's CO_2e Emission in Scope 2 was 96,782 (Ton CO_2e).	Sum of each factory's energy consumption in Scope 2 multiplied by electricity emission factors
22	87	Water Consumption of Nien Made	The water used within NM Group comes from tap water and ground water (the majority of water used is tap water). The water consumption in major operating bases in 2021/2020 was 885/1,081 megaliters respectively, and the annual consumption of water decreased by 18% YoY.	Nien Made's statistical data

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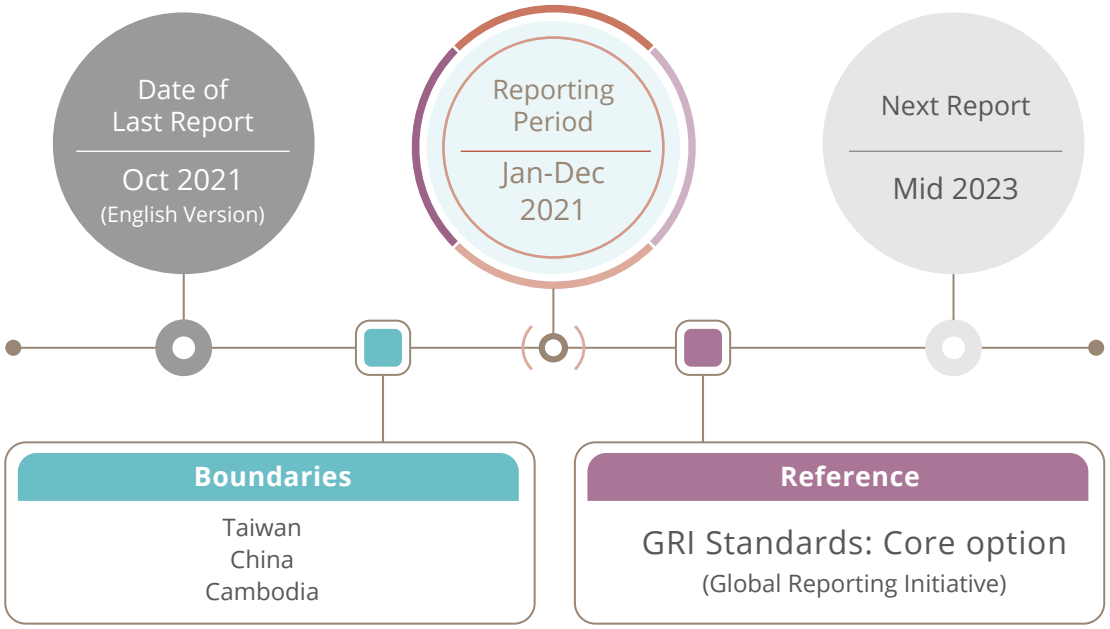
No.	Page	Title	Sustainability performance indicators	Applicable criteria
23	89	We Value Our Planet	As the weight of the components is far lighter than renewable materials including wood, MDF and paper packaging, NM's shutter products consists of 90+% renewable materials (including packaging materials) by weight.	Nien Made's statistical data
24	93	We Value Our Planet	Through our internal recycling processes (such as the use of recycled PVC materials, accounting for +10% of the overall usage of tens of thousands of tons).	Nien Made's statistical data
25	94	Penalties for Air Pollution, Effluents, Waste Disposal	In 2021, NM's major facilities were not penalized with substantial fines for violations of air pollution, effluents and pollution from waste disposal.	Nien Made's data
26	123	HR Related Statistics	Ratio of Employees Receiving Performance Review at NM (2021).	Nien Made's statistical data
27	123	HR Related Statistics	Local Employee Ratio (2021)	Nien Made's statistical data
28	133	Appendix I - NM's GRI Content Index	In 2021, no corruption cases were reported by the audit and legal units of NM.	Nien Made's data
29	133	Appendix I - NM's GRI Content Index	Nien Made has no on-going litigation of anti-competition, anti-trust and monopoly.	Nien Made's data
30	135	Appendix I - NM's GRI Content Index	In 2021, the GHG emission intensity in major operating bases reached 4.59 Ton CO_2e/NT$ mn, which is down 8.2% YoY.	Sum of the factory's GHG emission and NM's consolidated sales revenue in Scope 1 and Scope 2
31	136	Appendix I - NM's GRI Content Index	In 2021, the number of employees receiving health checks at NM's facilities amounted to 1,021 (-83% YoY).	Nien Made's statistical data
32	137	Appendix I - NM's GRI Content Index	All of NM's plants in China and Cambodia hire employees at appropriate ages in accordance with the legal requirement. There was no use of child labor in 2021.	Nien Made's statistical data

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Appendix J: External Assurance

No.	Page	Title	Sustainability performance indicators	Applicable criteria
33	138	Appendix I - NM's GRI Content Index	The window covering products accounted for 96.3% of our consolidated sales revenue. We provide safety instructions for using our products and services with color labels, warning signs (tags) and instructions that were in line with ANSI/WCMA safety standards, and disclosed the contents of the products as well as the supplier information. NM's window covering products all conformed to safety regulations.	Nien Made's data
34	139	Appendix I - NM's GRI Content Index	No infringement of customer's privacy rights and leakage of company information were reported during 2017-2021.	Nien Made's data

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