



# 2022

## SUSTAINABILITY REPORT

金元福包裝企業股份有限公司  
KING YUAN FU PACKAGING CO., LTD.

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## Foreword

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**We are firmly committed to our corporate mission of “Becoming a reliable and sustainable packaging designer and capacity provider in the global packaging industry.”**

King Yuan Fu was founded as a professional and trustworthy thermoforming manufacturer in 1978. Our product range includes all kinds of plastic containers which embody our pledge to safeguard the health and meet the expectations of our customers and all consumers.

In the 45 years since our inception, we have established ourselves as a trailblazer in the industry and have evolved into the largest thermoforming food container manufacturer in Asia, we have faced a series of arduous challenges including the oil crisis, the financial crisis, various natural disasters, climate change, and the COVID–19 pandemic. We persist in our efforts to realize our vision with the ultimate goal of weaving a brighter future for future generations.

## About this Report (GRI 2-2、GRI 2-3、GRI 2-5)

King Yuan Fu Packaging Co., Ltd. (below referred to as “King Yuan Fu”), which was established in 1978, released its first Sustainability Report in 2019. The present report discloses our sustainability performance with reference to the GRI Universal Standards 2021 in the period from January 1 to December 31, 2022 (the scope of certain data extends beyond this reporting period (pre-2022 and post-2023) as specified herein). The period covered by this report is identical to that of our annual report. In the future, we plan to release such reports on an annual basis (every July). The publication date of this issue is August 2023.

### What sustainability means to us

This is the fourth ESG Sustainability Report published by King Yuan Fu since 2019. It aims to give our stakeholders a clear understanding of our deep commitment to realizing corporate sustainability. This report describes our achievements and efforts in the dimensions of corporate governance, environmental protection, employee care, and social concern in a detailed manner.

### Scope of disclosure of this report

Our three plant areas in Taiwan are covered in the scope of this report:

Yingge Plant (HQ)	No. 399, Jianguo Rd., Yingge District, New Taipei City 239011
Shulin Plant	No. 345-16, Zhongzheng Rd., Shulin Dist., New Taipei City 238028
Dongshan Plant	No. 275, 275-1, Xiangzhong Rd., Dongshan Township, Yilan County 269027

### Report compilation and quality management procedures

Competent unit	Main tasks
Point of Contact of each unit	Provision of data pertaining to action plans and implementation results associated with respective business operations in accordance with the company’s ESG 6R goals; stakeholder communication and distribution of questionnaires to stakeholders.
Unit heads	Review of data integrity and accuracy
Sustainability Department	Stakeholder questionnaire editing, distribution, progress tracking, and compilation and organization of results. Compilation and organization of data provided by each unit, editing and revision, report verification.
ESG Committee	Resolutions on disclosure items, review of report contents.
ESG Committee Chairperson	Manuscript review and finalization.

### Preparation principles

Units responsible for issuance of principles	Version
Global Reporting Initiative, GRI	2021
Sustainability Accounting Standards Board, SASB	2018-10
Task Force on Climate-related Financial Disclosures, TCFD	2017-6
United Nation Global Compact	--
Sustainable Development Goals, SDGs	--

### Verification and assurance

With a view to enhancing the quality and reliability of the report contents, the ESG Committee has adopted a resolution to engage an independent, third-party body (Great Certification) to conduct an assessment and verification of the report contents pursuant to the requirements of the AA1000 AS Type I (Moderate) Assurance Standards and the GRI Universal Standards 2021. The information disclosed for 2022 represented the scope of this verification. The verification report is included in the appendix to this report.

● **Please don’t hesitate to contact us if you have any suggestions or comments regarding this King Yuan Fu Sustainability Report:**



Point of Contact: Sustainability Department  
 Add.: No. 399, Jianguo Rd., Yingge District, New Taipei City 239011  
 Tel.: (02) 8677-6555 #2382 | Email: sd-dcc@kyf.com.tw  
 URL: <https://www.kyf.com.tw/zh-tw/>

## Message from the CEO (GRI 2-22)

To all King Yuan Fu staff members:

2022 was a year of unprecedented global turmoil and upheaval. In the face of these arduous challenges, we managed to minimize the impact of the macroenvironment on our corporate operations and deliver performance superior to our competitors as a result of your concerted efforts. I'd like to avail myself of this opportunity to express my sincere gratitude to you for your valuable contributions and adaptability over the past year.

The biggest black swan event in the first half of 2022 was the outbreak of the Russia-Ukraine War, a major geopolitical conflict. This war directly resulted in soaring raw material and energy prices. In addition, the lingering global economic impact of COVID-19 prolonged container shortages and sky-high shipping costs. The accompanying bullwhip effect coupled with constant interest hikes in response to inflationary pressures sent the economy into a tailspin in the second half of the year and brought about a situation of an unprecedented disparity between surging global inventories and rapidly stagnating demand.

However, despite this global turmoil, discussions on ESG and climate change-related issues have continued unabated. COP 27, which was successfully held in Egypt, not only perpetuated the spirit of the Paris Agreement but also prioritized the conversion of verbal commitments of participating nations into concrete action. This clearly indicates that the severe impacts of climate change humanity is currently facing demand immediate action. I'm sure you've all noticed the mild winter temperatures in Taiwan in 2022, which are an inevitable consequence of climate change.

In the face of this global storm of volatility, we haven't slowed down our pace in the field of ESG and sustainability. As a result, we were able to maintain our excellent record of 2021 (our first year of sustainability reporting) in 2022. Through the concerted efforts of our employees, we have earned numerous awards and recognitions including a TCSA Corporate Sustainability Report Award and a TCSA Growth Through Innovation Leadership Award, a SEAL Environmental Initiatives Award, and nominations for a Global Views Monthly CSR Award and a Circular Economy Award presented by the Chung-Hua Institution for Economic Research.

### ● Environmental Dimension – Circular Economy

The circular economy concept represents the ideal solution for plastic materials. On the foundation of the goal of increased rPET usage that we set for ourselves in 2021 (the first year of sustainability reporting), we continue to forge ahead on our path toward sustainability. In addition to the impetus provided by the global market, legal regulations in Taiwan have also caught up with global trends. At the end of 2022, the use of rPET for food contact applications was finally approved by the Taiwanese Food and Drug Administration. King Yuan Fu became the first enterprise in Taiwan to provide rPET food containers to local retail sales channels.

### ● Social dimension – Employee care

In the first year of ESG, we mainly focused on the formulation of environmental policies. However, we also fully understand that the environmental and social dimensions are of equal importance and that employee care is a key link in the latter dimension. We have therefore implemented the following initiatives in this field:

- “Sustainable Talent Development Program” which aims to improve talent retention and external talent recruitment.
- Adoption of a “flextime scheme” for indirect labor to offer employees a certain degree of flexibility in terms of attendance without affecting work output.
- Implementation of an industry-leading initiative to “return brokerage fees to migrant workers” which is in line with global trends in the field of human rights development.

We will persist in our efforts to create more friendly workplace environments through the adoption of other feasible practices.

### ● Governance dimension – Energy conservation & carbon reduction

In early 2023, Taiwan passed the Climate Change Response Act, which represents a new milestone in the country's efforts to codify energy conservation & carbon reduction goals into law. Following the completion of the ISO 14064-1 GHG Inventory in 2021, we initiated the planning process for our energy conservation & carbon reduction pathway with a focus on power consumption—our primary carbon emission source. In 2022, we gradually perfected our power management framework based on the adopted ISO 50001 system under guidance of the Taiwan Green Productivity Foundation and the Foundation of Taiwan Industry Service. The utilization of this optimized energy management system to ensure maximum energy efficiency marks the next step prior to adoption of renewable energy. After realizing the goal of energy conservation, we will pursue our ultimate objective of carbon neutrality by relying on renewable energy.

Global economic volatility affecting business operations all over the world is predicted to persist in the foreseeable future. On the other hand, the pace of global progress in the field of climate issues is projected to accelerate. I expect all staff members to maintain their unwavering commitment to strengthening the links between industry development and ESG-related activities in pursuit of ongoing progress and maximization of our influence in the field of sustainability. Let's jointly forge ahead on the path toward becoming one of the “Best for the World.”



King Yuan Fu  
Packaging Co., Ltd.  
CEO



# 1

## Sustainability Performance



# Sustainability Performance

## 1-1 Key Performance Areas

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### Governance dimension

Revenues: 4.854 billion NTD

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Customer satisfaction: 95.65 (out of 100)

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All major suppliers have signed the Supplier CSR Commitment Letter

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Female senior executives account for 50.0%

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Recognition with 2022 TCSA Corporate Sustainability Performance Award: Growth Through Innovation Leadership

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Recognition with 2022 TCSA Corporate Sustainability Report–Silver Award

### Environmental dimension

Passing of the certification audit for ISO 14064–1:2018 and ISO 14067:2018

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rPET products total 5,840.04 metric tons (13.19% of all PET products), which is equivalent to carbon savings of 10,512.1 MT CO<sub>2e</sub>

Note: Benefits of the conversion of PET to rPET products

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Thinning of 21 newly added products resulting in a weight reduction of 104.4 metric tons, which is equivalent to carbon savings of 567.1 MT CO<sub>2e</sub>

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42% recycling and reuse of regrind materials, which is equivalent to carbon savings of 112,868.6 MT CO<sub>2e</sub>

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Adoption of 1.2 hectares of forest, which is equivalent to a carbon adsorption of 132.0 MT CO<sub>2e</sub>

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Recognition with 2022 SEAL Award – Environmental Initiatives Award

### Social dimension

Passing of the TTQS (Talent Quality Management System) certification audit

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Environmental protection education and visits attended by 873 individuals

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Occupational health and safety training courses attended by 1,946 employees

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Charitable donations amounting to NT\$ 9.665 million

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8 physically and mentally disabled employees accounting for 1.7% of the total workforce (in excess of the legal requirement of 1.0%)

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55 green procurement categories (Green Mark–certified product categories)



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## 1-2 Contributions to UN SDGs

The United Nations released a document titled “Transforming our world: the 2030 Agenda for Sustainable Development” in 2015. This document stresses the crucial links between people, planet, prosperity, peace, and partnership and aims to foster global solidarity. It declares a resolve, between now and 2030, to end poverty and hunger everywhere; to build peaceful, just and inclusive societies based on human dignity; to ensure the lasting protection of the planet and inclusive human development; and to guarantee that the present and future generations can enjoy prosperous and fulfilling lives. This document further announces 17 Sustainable Development Goals (SDGs) and 169 targets as a guideline for joint global action and ongoing progress toward sustainability. Despite the fact that Taiwan is not a US member country, the National Council for Sustainable Development has formulated sustainability goals for Taiwan in line with the spirit of the UN SDGs. As an enterprise with deep local roots and a global outlook, we have adopted an active response to these SDGs to unlock a new chapter of sustainable development and demonstrate our determination to fulfill our responsibility as a global citizen. We harness our core capabilities and values to develop SDG-based action plans and promote the common good and prosperity of all stakeholders.



### Zero Hunger –SDG2.1

Ongoing provision of meals to seniors in need of help in our communities (85 beneficiaries)

**Corresponding chapter:** 6.3.1 Food Donations page: 114



### Good Health and Well-being –SDG3.4

Donation of 12,956 face mask boxes to medical personnel engaged in epidemic prevention

**Corresponding chapter:** 6.3.3 Donation of Epidemic Prevention Supplies page: 116



### Quality Education –SDG4.4 /SDG4.5 /SDG4.7

Organization of environmental protection education and visits attended by 873 individuals

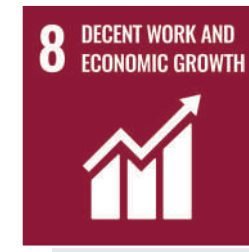
**Corresponding chapter:** 5.3.2 Training Performance, 6-1 Environmental Education page: 91, 111



### Gender Equality –SDG5.5

Our president and CEO are both female and the male-female ratio of senior executives is 1:1

**Corresponding chapter:** 5.1.2 Manpower Structure page: 85



### Decent Work and Economic Growth –SDG8.8

Organization of workplace safety and injury prevention training attended by 1,946 employees

**Corresponding chapter:** 5.10.4.2 Occupational Health and Safety Training page: 106



### Responsible Consumption and Production –SDG12.5

- Thinning of 21 newly added products resulting in a weight reduction of 104.4 metric tons 42% recycling and reuse of regrind materials
- rPET products account for 13.19% of all PET products

**Corresponding chapter:** 4.1.3 Inclusion of 3R Principles page: 53



### Climate Action –SDG13.3

- Acquisition of ISO 14064-1:2018 Inventory certificates by all plants
- Award of ISO 14067:2018 Carbon Footprint certificates to two products

**Corresponding chapter:** 4-6 GHG Emissions page: 73



### Life on Land –SDG15.1

Adoption of forest areas to make a contribution to eradicating and minimizing the impact of invasive alien species on local ecosystems

**Corresponding chapter:** 6-2 Environmental Protection page: 113

Note: Data source – National Council for Sustainable Development <https://ncsd.ndc.gov.tw/Fore/AboutSDG>



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## 1-3 Awards and Recognitions

We are firmly committed to generating positive influence and pursue constant improvements in the dimensions of corporate operations and circular economy. The awards and recognitions we garnered in 2022 are listed below. We will share our joy and laurels with our stakeholders and will maintain our unwavering commitment to sustainable packaging, creation of value, and maximization of our influence.

Award	Organizing / Awarding Unit	Year	Description
 TCSA Corporate Sustainability Performance Award: Growth Through Innovation Leadership	Taiwan Institute for Sustainable Energy (TAISE)	2022	<p>TAISE aims at encouraging companies to boost the quality of corporate sustainability issues and the quantity of corporate governance information disclosure with a view to strengthening their emphasis on and engagement in maintaining sustainable development, a friendly environment and social welfare. Over the past fifty years, TAISE has held evaluations for its Taiwan Corporate Sustainability Awards on an ongoing basis.</p> <p>In 2022, we were honored with a corporate sustainability performance award for growth through innovation leadership, demonstration of exceptional innovation capabilities and values, achievement of corporate growth and sustained profitability, and attainment of a benchmarking and leadership position.</p>
 TCSA Corporate Sustainability Performance Award: Growth Through Innovation Leadership	Taiwan Institute for Sustainable Energy (TAISE)	2022	<p>TAISE aims at encouraging companies to boost the quality of corporate sustainability issues and the quantity of corporate governance information disclosure with a view to strengthening their emphasis on and engagement in maintaining sustainable development, a friendly environment and social welfare. Over the past fifty years, TAISE has held evaluations for its Taiwan Corporate Sustainability Awards on an ongoing basis.</p> <p>In 2022, we were honored with a Corporate Sustainability Report – Silver Award in category II (global revenue under NT\$ 5 billion in 2021).</p>
 The SEAL Awards – Environmental Initiatives Award	SEAL	2022	<p>The annual SEAL Awards recognize 50 enterprises worldwide for their commitment to sustainable development, environmental achievements, and outstanding leadership. In 2022, we were honored with an Environmental Initiatives Award for our all-inclusive sustainability actions, our transition to a closed-loop recycling economy model for plastics, our gradual increase of renewable energy use, and our large-scale reduction of carbon emissions and plastic waste, which has turned us into a major driving force for a friendly environment.</p>
 Nomination for the product award category of 2022 Taiwan Circular Economy Awards	Chung-Hua Institution for Economic Research	2022	<p>Chung-Hua Institution for Economic Research inaugurated the first circular economy-centered award in Taiwan in 2018 to promote circular economy concepts. In 2022, we were nominated for a Taiwan Circular Economy Award for our concepts and practices in this area in addition to the creation of a “box-to-box” closed-loop recycling and the launch of a sustainable packaging solution which has earned the support of our customers.</p>

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## 1-4 Product Certifications

Certification	Certifying unit	Expiration date	Description
SCS Certified Recycled Content	SCS Global Services	2023/11/28	SCS Certified Recycled Content mainly assesses products that contain post-consumer or pre-consumer recycled content. The SCS certification, validation, and verification system is capable of calculating the exact percentage of recycled content in individual products for accurate market announcements. We have earned SCS recycled content certificates for 100.0%, 75.0%, 50.0%, 25.0%, and 10.0% Post-Consumer rPET.
DIN-Geprüft Industrial Compostable Certification	DIN CERTCO	2024/10/31(PLA) 2026/03/31(CPLA)	In line with global trends in the field of plastics products, we actively develop biodegradable plastic alternatives. Our PLA food container has earned a DIN CERTCO biodegradable (DIN-Geprüft Industrial Compostable) certificate presented by TÜV Rheinland. We spare no effort in responding to market and customer expectations in the field of environmental protection through positive action.  Media coverage: <a href="https://www.owlting.com/news/articles/35926">https://www.owlting.com/news/articles/35926</a>
DIN CERTCO Biodegradable Certification	DIN CERTCO	2024/10/31(PLA) 2026/03/31(CPLA)	In line with global trends in the field of plastics products, we actively develop biodegradable plastic alternatives. Our PLA food container has earned a DIN CERTCO biodegradable certificate presented by TÜV Rheinland. We spare no effort in responding to market and customer expectations in the field of environmental protection through positive action.
BPI Compostable Mark	BPI	2024/11/30 (PLA) 2023/09/30 (CPLA)	The BPI Compostable Plastics Certification Program was jointly established by the International Biodegradable Products Institute (BPI) and the United States Composting Council (USCC). The BPI Compostable Mark is awarded to biodegradable and compostable products that conform to the ASTM D6400 and/or ASTM D6868 standards of the American Society for Testing and Materials (ASTM). The goal is to facilitate the identification of biodegradable plastics products by consumers and foster accurate sorting and collection of such products after use. Our PLA product (Item No. KHC-881) has earned a BPI Compostable Mark.
ABAP Biodegradable and Compostable Certifications	Australasian Bioplastics Association	2023/08/01	AS4736-2006 is an Australian standard for biodegradability that requires conformity to time limit, ecotoxicity, and other criteria under commercial or non-commercial composting conditions. Compostable plastics can help decrease the environmental impact of products at the end of their life cycle. Our PLA product has earned this certificate.
ISO 14067: 2018 Product Carbon Footprint	British Standards Institution (BSI)	2023/06/28	The carbon footprint of our PLA Salad Bowl (Item No. CB48) which is manufactured by the Yingge Plant meets the requirement of 173.7 g CO <sub>2</sub> e per functional unit (data collection period: January 1~December 31, 2020).
ISO 14067: 2018 Product Carbon Footprint	British Standards Institution (BSI)	2023/07/05	The carbon footprint of our rPET Hinged Tray (Item No. CM.NS9.5) which is manufactured by the Dongshan Plant meets the requirement of 193.7 g CO <sub>2</sub> e per functional unit (data collection period: January 1~December 31, 2020).

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## 1-5 ISO Systems and Certifications

Certification	Certifying unit	Expiration date	Description
ISO 9001:2015 Quality Management System	BellCERT International Inspection and Certification Group (AFNOR)	Shulin Plant 2024/10/24 Yingge Plant 2023/11/18 Dongshan Plant 2023/11/16	ISO 9001 is a quality management system that aims to determine whether products or services provided by enterprises meet certain quality criteria. All three plants of this Company have passed the ISO 9001 certification audit.
ISO 14001:2015 Environmental Management System	BellCERT International Inspection and Certification Group (AFNOR)	Yingge Plant 2023/11/18 Dongshan Plant 2023/11/16 Shulin Plant 2025/10/04	ISO 14001 aims to examine environmental impact factors in the process from raw material use to provision of products or services to customers with the ultimate goal of minimizing damage to the environment through the adoption of preventive measures as required. All our plants (Yingge, Dongshan, and Shulin) have acquired third-party certificates.
ISO 22000:2018 Food Safety Management System Hazard Analysis and Critical	BellCERT International Inspection and Certification Group (AFNOR)	Shulin Plant 2024/12/09 Yingge Plant 2024/06/17 Dongshan Plant 2024/06/07	As a manufacturer of plastic food containers, we are subject to the Regulations on Good Hygiene Practice for Food. Our three plants have therefore acquired ISO 22000 and HACCP certifications to demonstrate their unwavering commitment to food safety.
Plastic Food Container GHP (Good Hygiene Practice) Compliance Certificate	Plastics Industry Development Center	Shulin Plant (acquired on 11/30/2011, still valid) Dongshan Plant (acquired on 06/15/2018, still valid)	If plants belonging to the same corporation are located in the same county or city, one of these plants can be designated as a representative for acquisition of this certificate. Since our Shulin and Yingge Plants are both located in New Taipei City, the former was selected as the representative plant for this county.
BRCGS: Version 6 (Aug. 2019) BRCGS Packaging Materials Global Standard	Bureau Veritas	Yingge Plant 2023/12/25 Dongshan Plant 2023/12/31	BRCGS (Brand, Reputation and Compliance Global Standards for Food Packaging materials) has been officially recognized by GFSI (Global Food Safety Initiative). Our Yingge and Dongshan Plants have already passed the BRCGS level A certification audit.
ISO 45001:2018 Occupational Health and Safety Management System	Chinese Society for Quality CSQ	Shulin Plant 2024/07/15 Yingge Plant 2024/07/04 Dongshan Plant 2024/07/04	The goal of ISO 45001 Occupational Health and Safety Management System (OHSMS) lies in the creation of a safe and healthy work environment and decrease of accident and disease incidence rates. As of 2021, all our plants have adopted ISO 45001 and acquired relevant certificates.
ISO 14064-1:2018 GHG Inventory	ETC Taiwan Testing and Certification Center	Shulin Plant (inventory completed on 04/21/2023) Yingge Plant (inventory completed on 05/12/2023) Dongshan Plant (inventory completed on 03/26/2023)	ISO 14064-1 prescribes inventories of greenhouse gas (GHG) emissions generated in the process of corporate operations expressed in CO <sub>2</sub> e. As of 2023, all our plants have completed inventories of GHG emissions in 2022. The data period is Jan 1 to Dec 31, 2022. 2021 has been set as the base year.

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## 1-6 Other ESG-related Certifications

Certification	Awarding unit	Status	Description
Talent-Quality Management System (TTQS)	Workforce Development Agency	Passed in 2021	This systematic training quality management system which was devised in 2005 and implemented in 2007 by the Workforce Development Agency relies on the PDDRO (Plan-Design-Do-Review-Outcome) management loop. We have passed consecutive TTQS certification audits in 2021. These certifications are highly conducive to enhancing our training system and bolstering our human resources. The certificate issued in 2022 is still valid.
Supplier Ethical Data Exchange (Sedex)	Sedex (SGS Verification)	Evaluations completed in 2022	Sedex, a global supplier ethical data exchange platform and popular social responsibility evaluation tool, has more than 50,000 members spanning over 150 countries. Sedex assessment dimensions include labor rights, health and safety, and environmental and business ethics performance. Our Yingge Plant applied for a Sedex certification audit in September 2021. The review process was completed in March 2022.



Reference website for the  
aforementioned certifications  
<https://reurl.cc/vkNKne>





# 2

## Stakeholder Engagement and Identification of Material Topics

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# Stakeholder Engagement and Identification of Material Topics

## 2-1 Stakeholders and Material Topics Identification Procedures



## 2-2 Stakeholder Identification—Leave No One Behind



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### Identification Selection

Colleagues of ESG Committee work team, which was convened in end of 2022, conducted identification and selection of objects. 7 categories of stakeholders are: government/competent authority, client, employee, supplier/business partner/contractor, audit/verification agency, general public/community resident and investor/shareholder/financial institute.

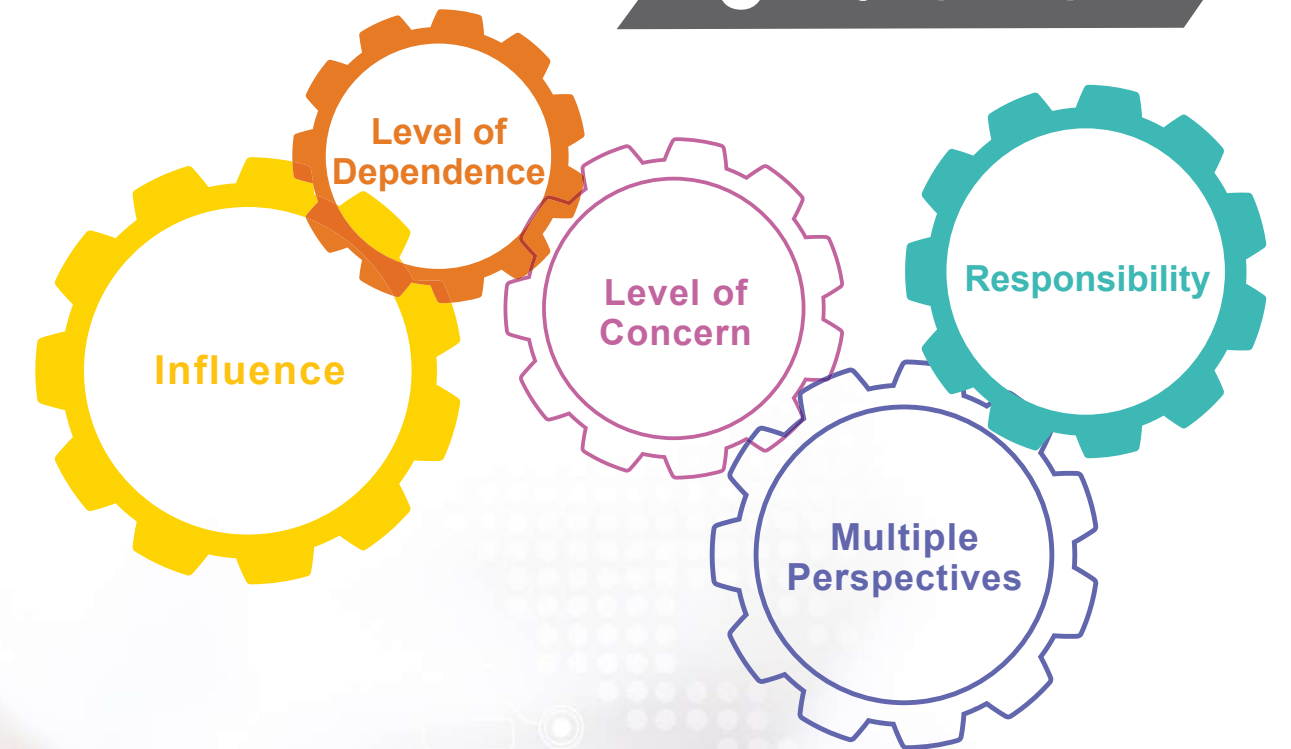


### Priority Investigation

Respective departments distributed stakeholder questionnaire to stakeholders and collected their feedback contents. Contents of questionnaire mainly adopted 5 major principles design in the Stakeholder Engagement Standard, AA1000 SES 2015 for the purpose of investigating stakeholder's 5 perspectives, which include level of dependence, influence, level of concern, responsibility and multiple perspectives.



### 5 major principles



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## 2-3 Stakeholder Engagement (GRI 2-29)

King Yuan Fu is dedicated to becoming the best company in the world. Being Asia’s biggest thermoforming food container leading manufacturer, the company not only takes stakeholder’s view on the company seriously, it is also aggressively engaged in communication and collaboration with stakeholders through various channels for the purpose of creating multiple-win situation. As a result, the company pays attention listening to stakeholder’s any thoughts, respond, and conducts related measures accordingly. During engagement process, the company’s principle is not to disregard minority’s opinion. In addition to including or consolidating all stakeholders’ opinions, the company also allows all stakeholders to freely express opinions or to express in anonymity in order to ensure that the most accurate responses are collected.

Stakeholders	Meaning / Purpose to King Yuan Fu	Concerned Subjects	Responding Chapters	Communication Channels	Communication Frequency
Government / Competent Authority	Compliance with domestic / foreign related requirements; Active collaboration with policy implementation; Establishment of trust and collaboration relationship.	<ul style="list-style-type: none"> <li>Occupational Safety and Health</li> <li>Regulation Compliance</li> <li>Energy Management</li> </ul>	CH3 About King Yuan Fu CH4 Sustainable Environment CH5 Employee Care	<ul style="list-style-type: none"> <li>Telephone</li> <li>Email</li> <li>Communication Software</li> <li>Labor Inspection</li> <li>Face-to-Face Meeting</li> </ul>	Random
Client	Client is not just a source of revenue. The company needs to listen to client’s voice, provide products and services that meet customer’s needs and provide more space for King Yuan Fu to grow and supply more quality service through continuous learning and adjustment.	<ul style="list-style-type: none"> <li>Innovative Design</li> <li>Product Safety and Quality</li> <li>Equal Opportunity and No Discrimination for Employee</li> <li>Customer Relationship</li> <li>Circular Economy</li> <li>Carbon Emission</li> </ul>	CH4 Sustainable Environment CH5 Employee Care	<ul style="list-style-type: none"> <li>Telephone</li> <li>Email</li> <li>Communication Software</li> <li>Face-to-Face Meeting</li> </ul>	Daily
Employee	Talents are the core foundation and key to corporate management. The company respects and cares employees in order to attract talents to develop their expertise and create efficiency.	<ul style="list-style-type: none"> <li>Occupational Safety and Health</li> <li>Compensation and Benefits</li> <li>Talent Incubation</li> <li>Equal Opportunity and No Discrimination for Employee</li> <li>Employee Diversity and Inclusion</li> </ul>	CH3 About King Yuan Fu CH5 Employee Care	<ul style="list-style-type: none"> <li>Telephone</li> <li>Email</li> <li>Communication Software</li> <li>Document Promotion</li> <li>Face-to-Face Meeting</li> <li>Reading Club</li> </ul>	Daily
Supplier / Business Partner / Contractor	Supplier is a critical step in product manufacturing. Only good raw materials quality is able to protect clients and consumers’ rights.	<ul style="list-style-type: none"> <li>Supply Chain Management</li> <li>Raw Material Management</li> <li>Anti-Corruption</li> <li>Occupational Safety and Health</li> </ul>	CH3 About King Yuan Fu CH4 Sustainable Environment	<ul style="list-style-type: none"> <li>Telephone</li> <li>Email</li> <li>Communication Software</li> <li>Face-to-Face Meeting</li> </ul>	Daily Random



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Stakeholders	Meaning / Purpose to King Yuan Fu	Concerned Subjects	Responding Chapters	Communication Channels	Communication Frequency
Audit / Verification Agency	Third party verification ensures that operation of the company’s various systems complies with standards and requirements. This allows clients and end–users to utilize products without any concerns.	<ul style="list-style-type: none"> <li>Product Safety and Quality</li> <li>Occupational Safety and Health</li> <li>Risk Management</li> <li>Anti–Corruption</li> <li>Energy Management</li> <li>Carbon Emission</li> </ul>	CH3 About King Yuan Fu CH4 Sustainable Environment CH5 Employee Care	<ul style="list-style-type: none"> <li>Telephone</li> <li>Email</li> <li>Communication Software</li> <li>Face–to–Face Meeting</li> <li>Workshop Event</li> <li>E–News</li> </ul>	Yearly Random
General Public / Community Resident	Care for Local Residents; Feedback to the Public; Enhance Social Positive Influence.	Community Care / Neighborliness	CH6 Altruism	<ul style="list-style-type: none"> <li>Telephone</li> <li>Email</li> <li>Communication Software</li> <li>Activity Participation</li> <li>Face–to–Face Meeting</li> </ul>	Random
Financial Institute	Investor’s support is the power that drives King Yuan Fu to march steadily. It is also a partner that allows King Yuan Fu to illustrate values in a sustainable manner.	<ul style="list-style-type: none"> <li>Operational Performance</li> <li>Risk Management</li> <li>Anti–Corruption</li> <li>Corporate Governance</li> </ul>	CH3 About King Yuan Fu	<ul style="list-style-type: none"> <li>Telephone</li> <li>Email</li> <li>Communication Software</li> <li>Face–to–Face Meeting</li> </ul>	Random

 **2-4 Identification of Material Topics—Every Voice Counts** (GRI 3-1)

**Material Topics Verification Process**

1	<ul style="list-style-type: none"> <li><b>Collection of Issues:</b> Issues are collected extensively through government regulations, client expectation, all stakeholders’ expectation, newspaper and magazine, industry feedback, domestic or foreign initiative or requirement (for instance, GRI, UN SDGs, SASB, Global Charter, SA8000 and so on) and engagement tool result. Investigation tools directly related to King Yuan Fu’s issues are therefore designed accordingly.</li> </ul> <p><b>Questionnaire Design:</b> 21 issues were organized to be compiled into the questionnaire which includes 3 major perspectives of governance, environment and society.</p>
2	<ul style="list-style-type: none"> <li><b>Issue Investigation on Stakeholders:</b> The company’s respective units distributed questionnaire extensively to both internal and external stakeholders. A total of 329 questionnaires (284 from employees, 14 from suppliers, 8 from clients, 17 from investors, 4 from audit verification unit, 1 from government competent authority and 1 from community).</li> </ul>

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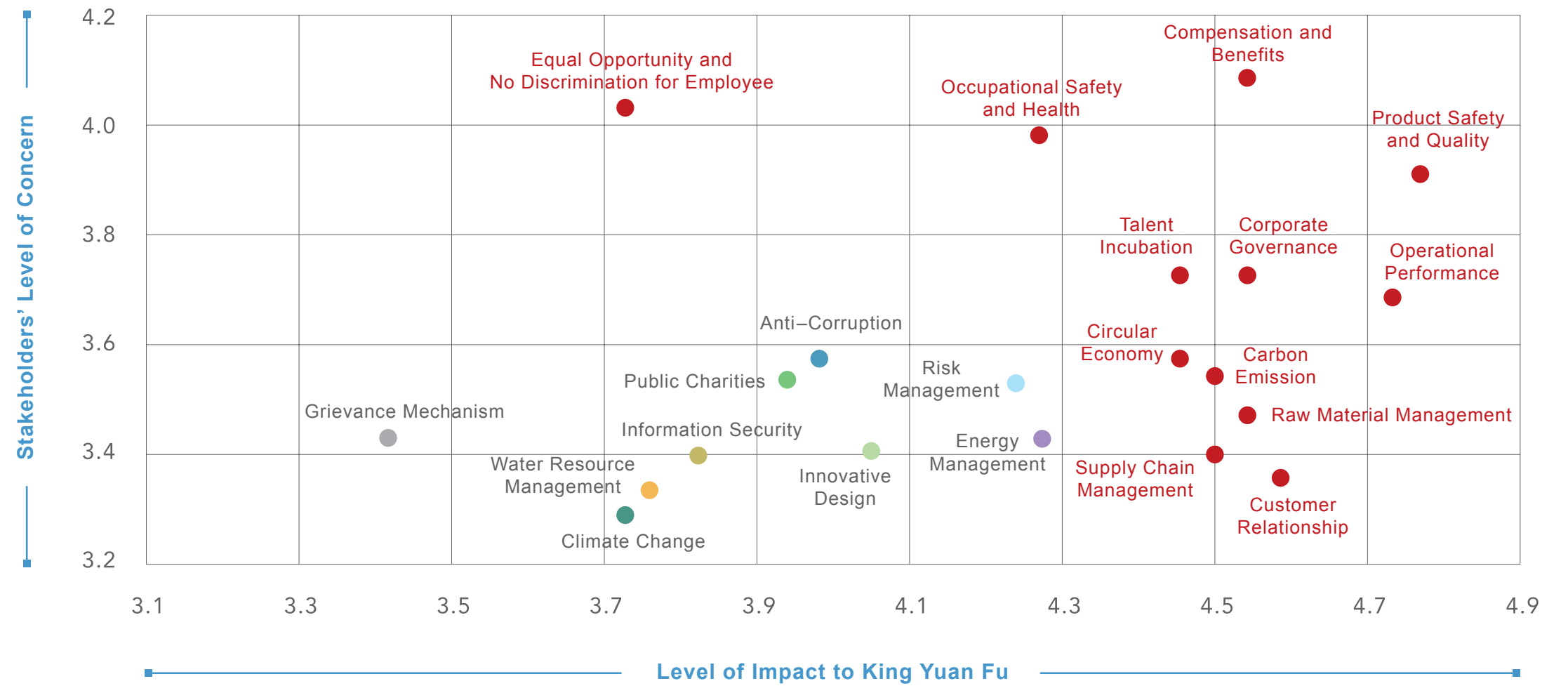
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### Extensive issue investigation was conducted in phase 1:

Analysis was conducted based on feedback results from questionnaire. A matrix with two dimensions was established accordingly. One dimension is level of influence on stakeholders from issues and the other dimension is impact from issues on King Yuan Fu. Among these 21 issues, points were calculated based on level of influence and impact from statistics results and 12 material topics were identified accordingly (upper right red words on the following matrix).



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- Assessments of positive/negative impact from material topics was conducted in phase 2: Based on the 12 material topics from phase 1 verification result, King Yuan Fu conducted in-depth risk management analysis (for consideration on nature of issues and focus of the company’s operation).

Three Major Perspectives	Issue	Scenario Assumption	Positive+ / Negative –	Parties for Major Impact	Description of Influence Impact (Economy, Environment, Society)
Governance Perspective	Corporate Governance	Being focused on sustainable operation and using SDGs as guiding principles, the company establishes vision and policies for sustainable development and sets up ESG strategies accordingly.	+	Employee, Supplier, Client, Community, Environment	Environment: Implementation of Circular Economy and carbon reduction; Mitigation of negative impact to environment from plastic products. Society: Emphasis on corporate social responsibility; Enhancement of human rights protection; Lowering inequality/discrimination.
Environment Perspective	Supply Chain Management	The company gradually promotes “sustainable supply chain” and includes social and environmental perspectives into supplier assessment.	+	Supplier	Environment, Society: Suppliers start to promote environment management system, occupational safety and health and safety management system, comply with human rights requirements and exert positive influence on ESG.
Society Perspective	Product Safety and Quality	Quality defects (such as foreign objects, burr, and so on) emerge on products delivered to clients.	–	Client	Economy: The company will suffer losses if clients return products. Society: There may be food safety risks if defected products are used by consumers.
Governance Perspective	Customer Relationship	The company integrates cyclical design concept into product design and manufacturing in order to meet with client’s expectation.	+	Client	Environment: Enhance resource reutilization rate; Reduce exploration of fossil materials; Reduce plastic bags.

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Three Major Perspectives	Issue	Scenario Assumption	Positive+ / Negative -	Parties for Major Impact	Description of Influence Impact (Economy, Environment, Society)
Governance Perspective	Operational Performance	The company's revenue fails to reach its target and the company loses money, has difficulty in working capital and fails to pay salary to employees.	-	Bank, Supplier, Employee	Economics: Company loses money. Rights of suppliers, banks and employees are impacted.
Environment Perspective	Circular Economy	Utilization rate for recycled material rPET increases each year and regrind materials in the factories are recycled.	+	Recycle System, Environment	Environment: Enhancement in resource utilization rate; Promotion of development in PET recycling system; Reduction of exploration on fossil raw materials.
Environment Perspective	Raw Material Management	Increase utilization rate for environmental, low carbon materials (for instance, rPET \ PLA)	+	Supplier	Environment: Reduction of exploration on fossil raw materials; Reduction of raw material carbon emission.
Environment Perspective	Carbon Emission	1. Companies of major power consumption are required to have 1% power saving each year and report this to Bureau of Energy. 2. In terms of Climate Change Adaption Act, it is possible that carbon tax/carbon fee may be imposed on category 1 and category 2 companies with major carbon emission. 3. According to EU's Carbon Border Adjustment Mechanism (CBAM), carbon tax will be levied on products exported to Europe in the future.	-	Client, Company	Economics: Carbon tax/carbon fee increases corporate's costs and may lead to price increase in products.
			+	Environment	Environment: Corporates are dedicated to lowering carbon emission. This helps in mitigating greenhouse effect.
Society Perspective	Talent Incubation	Against the backdrop of talent shortage, the company incubates internal instructors and enhances passing and collaboration of internal experiences through establishment of various functional and professional learning blueprints.	-	Employee	Society: Manpower can not be fully supplemented. Enhancement of employee's expertise capability is slow. The company cannot catch up with changes in the market and therefore the company lacks market competitiveness.

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Three Major Perspectives	Issue	Scenario Assumption	Positive+ / Negative -	Parties for Major Impact	Description of Influence Impact (Economy, Environment, Society)
Society Perspective	Compensation and Benefits	Enhancement of employee's Compensation and Benefits can enhance employee's recognition on the company, increase work efficiency and creates win-win situation for the company's revenue and employee's personal wealth.	+	Employee	Society: Employees have stable income and this is beneficial to the company and society.
Society Perspective	Equal Opportunity and No Discrimination for Employees	Equal opportunity and no discrimination for employees. The company is dedicated to building up a diversified work place, and is willing to employ and train employees with various backgrounds and experiences. This is to ensure that all employees can feel inclusion and respect in the company's culture.	+	Employee, Company	Society: This mitigates migrant worker's burden when coming to Taiwan to work, protects employee's rights and ensures that the company does not violate human rights convention on forced labor.
Society Perspective	Occupational Safety and Health	Significant occupational disaster occurs. Employees get hurt and won't be able to continue to work during recovery period.	-	Employee, Company	Society: Employees are unable to work and lose their source of income.  Economics: The company pays medical expense, is liable for compensation and is responsible for money and time costs on incident investigation.

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▪ **Result Confirmation:**

Material topic table is summarized and submitted to ESG committee for review. It is therefore confirmed that there are no omission in this table.

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 **2-5 List of Material Topics** (GRI 3-2)

Category	Material Topics	Corresponding GRI	Chapter(s) Disclosed in Report
Governance Perspective	Corporate Governance	Customized Subject	3-2 Corporate Governance
	Customer Relationship	Customized Subject	4.1.4 Product Safety and Quality
	Operational Performance	GRI 201 Economic Performance 2016	3-3 Operational Performance
Environment Perspective	Circular Economy	GRI 301 Material 2016	4-1 Circular Eco0nomy
	Raw Material Management	GRI 301 Material 2016	4.1.3.2 Raw Material
	Carbon Emission	GRI 302 Energy 2016 GRI 305 Emissions 2016	4-3 Energy
	Supply Chain Management	GRI 308 Supplier Environmental Assessment 2016 GRI 414 Supplier Society Assessment 2016	3-4 Supply Chain Management
Society Perspective	Product Safety and Quality	GRI 416 Customer Health and Safety 2016 GRI 417 Marketing and Labelling 2016	4.1.4 Product Safety and Quality
	Talent Incubation	GRI 404 Training and Education 2016	5-3 Talent Development System
	Equal Opportunity and No Discrimination for Employee	GRI 405 Diversity and Equal Opportunity 2016 GRI 406 Non-discrimination 2016	5.2.2 Diversity and Inclusion
	Compensation and Benefits	GRI 401 Employment 2016	5-4 Compensation and Benefits
	Occupational Safety and Health	GRI 403 Occupational Health and Safety 2018	5-10 Occupational Safety

Note: For 2022 ESG issues, the company consolidated and adjusted 2021 issues. Therefore, the company discloses this comparison of material subjects in 2023 ESG report.

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## About King Yuan Fu



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**3-1 Company Profile** (GRI 2-1)

**3.1.1 Company Overview**

King Yuan Fu Packaging Co., Ltd. (below referred to as “King Yuan Fu”), which was established in 1978, currently operates the following three plants: Shulin, Dongshan, and Yingge (the latter serves as our corporate HQ). We specialize in plastic food packaging made of the following materials: Polyethylene Terephthalate (PET), recycled PET (rPET), Polypropylene (PP), Polylactic Acid (PLA), and Crystallized PLA (CPLA). Our customer base is composed of well known domestic food processors and overseas customers spread all over the world. As a professional and trustworthy pressure and thermoforming manufacturer, we rely on our extensive experience accumulated over many years for the provision of all-in-one, one-stop solutions encompassing product design, mold making, stable supply, and excellent quality. We are firmly committed to ongoing improvements and research and development of new technologies and persist in our efforts to provide our customers with top-quality products, fastest delivery, and real-time services.

Company Name	KING YUAN FU PACKAGING CO., LTD		
Year of Establishment	1978		
Founder	Mr. Chen, Zhi-Jian		
President	Ms. Wu, Mei-Yun		
CEO	Ms. Vani Chen		
Equity type	Non-publicly traded company; 100% equity held by director and supervisor		
Corporate HQ	No. 399, Jianguo Rd., Yingge District, New Taipei City, Taiwan		
Operating sites	Shulin Plant: No. 345-16, Zhongzheng Rd., Shulin Dist., New Taipei City 238028 Yingge Plant (HQ): No. 399, Jianguo Rd., Yingge District, New Taipei City 239011 Dongshan Plant: No. 275, 275-1, Xiangzhong Rd., Dongshan Township, Yilan County 269027		
Total workforce in 2022	476 employees (89 in the Shulin Plant, 204 in the Yingge Plant, and 183 in the Dongshan Plant)		
Revenues in 2022	NT\$ 4.854 Billion		
Shipping volume in 2022 (metric tons/ratios)	PET	38,451.52	64.01 %
	rPET	5,840.04	9.72 %
	PLA	4,076.71	6.79 %
	PP	11,702.89	19.48 %



**Shulin Plant (Plant I)**  
 Plant area: 20,000 m<sup>2</sup>  
 No. 345-16, Zhongzheng Rd., Shulin Dist., New Taipei City 238028

**Yingge Plant (Plant II) Corporate HQ**  
 Plant area: 10,000 m<sup>2</sup>  
 No. 399, Jianguo Rd., Yingge District, New Taipei City 239011

**Yilan Plant (Plant III)**  
 Plant area: 23,000 m<sup>2</sup>  
 No. 275,275-1, Xiangzhong Rd., Dongshan Township, Yilan County 269027



### 3.1.2 Company Evolution (GRI 2-1)



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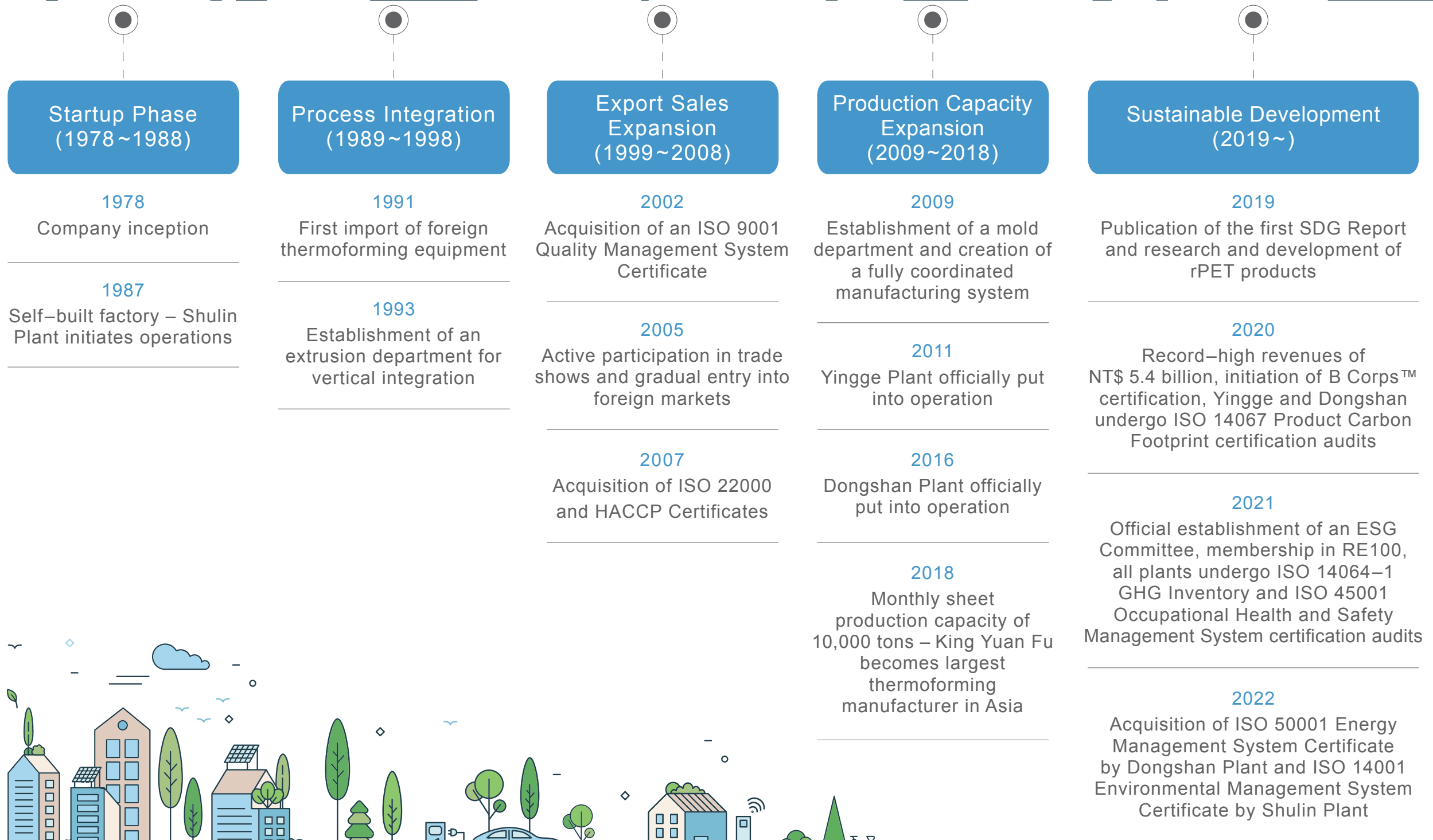
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## 3.1.3 Company Mission and Medium – and Long–Term Strategies

 **We are firmly committed to our corporate mission of “Becoming a reliable and sustainable packaging designer and capacity provider in the global packaging industry.”**

Our vision is to become the largest professional thermoforming manufacturer, providing total solutions encompassing product design, mold making, sheet extrusion, thermoforming, and after–sale services in the world. Since our inception, we have upheld our core values of integrity, righteousness, and honoring of commitments and maintained our relentless pursuit of excellence in the fields of technology, quality, service, and business models. Our ultimate goal is to provide maximum benefits to our customers through top–quality products, fastest delivery speed, and real–time “7–star” services.

With a view to demonstrating our strong commitment to corporate sustainability, we attach great importance to food safety–related risks and safeguarding of customer rights and consumer safety. We strive to gain the trust of our customers through the acquisition of ISO management system certificates and conduct regular, systematic audits to provide quality assurances and effectively control potential food safety risks. The promotion of sustainability concepts in the environmental, social, and corporate governance dimensions represents the cornerstone of our dedicated efforts in pursuit of sustainable operations and long–term profitability.



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### 3.1.4 Sustainability Vision and Policy (GRI 2-23、GRI 2-24)

#### 3.1.4.1 Sustainability Framework

We fully embrace our corporate mission of “Becoming a reliable and sustainable packaging designer and capacity provider in the global packaging industry.” We spare no effort to create maximum benefits for our stakeholders (employees, customers, communities, and the environment). We have also formulated a 6R Sustainability Strategy (Reduce, Reuse, Recycle, Responsibility, Rethink, Revamp) covering the ESG dimensions in line with the spirit of the UN SGDs on the foundation of our core corporate capabilities. Action plans have been initiated and a sound sustainability framework has been devised with the aid of domestic and international system certifications.



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**3.1.4.2 ESG Policy**

We firmly believe in the concept of giving back to society in a spirit of gratitude. In addition to their pursuit of profitability and optimized management, enterprises must fulfill their corporate social responsibility and gradually request their supply chain to comply with social responsibility requirements. Our ESG policy can be summarized as follows:

 **Implementation of corporate governance and compliance with applicable laws and regulations**

Establishment of a sound corporate governance framework, realization of and respect for stakeholder benefits, and compliance with international ESG-related norms and standards (\*) and applicable local laws and regulations.

 **Protection of labor rights and provision of safe workplace environments**

Banning of child labor and emphasis on employee rights, creation of consultation and grievance channels, provision of friendlier, more diversified, and more inclusive workplace environments, deep commitment to the goal of zero work-related injuries, and proactive maintenance and development of a work safety system.

 **Implementation of environmental protection and commitment to energy conservation and carbon reduction**

Implementation of the 3R PRINCIPAL (Reduce, Reuse, Recycle), launch of various environmental protection actions such as beach cleaning and forestation coupled with resource recovery and green energy use to realize environmental protection through concrete action; adoption of water and energy conservation measures to reduce carbon emissions and make a contribution to protecting our planet in response to climate change.

 **Dedication to ethical corporate management and fulfillment of social responsibility**

Integrity-based sustainable operations, adoption of high ethical standards and principles, and intensified internal and external communication coupled with an equal emphasis on stakeholder rights and interests, proactive engagement in community development and social welfare activities, and fulfillment of our responsibility as a corporate citizen.

In addition to the adoption of a ESG management system and requesting our suppliers to implement similar systems, we organize ESG-related training courses on an annual basis.

Note\*Social responsibility-related international norms and standards

<a href="#">the UN Guiding Principles on Business and Human Rights</a>
<a href="#">ILO Declaration on Fundamental Principles and Rights at Work</a>
<a href="#">the UN Universal Declaration of Human Rights</a>
<a href="#">The International Covenant on Civil and Political Rights (ICCPR)</a>
<a href="#">The International Covenant on Economic, Social and Cultural Rights (ICESCR)</a>

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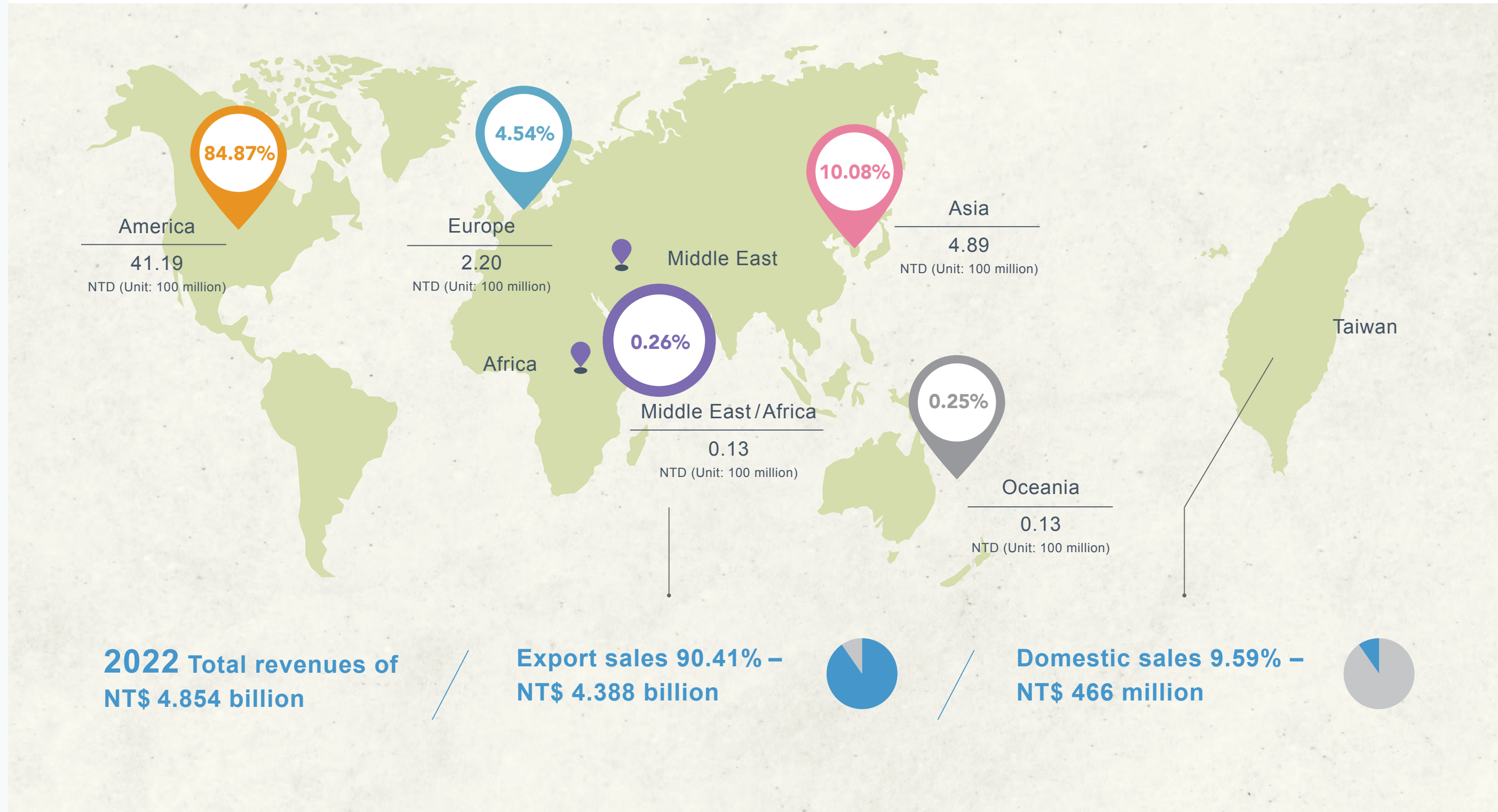
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**3.1.5 Business Scope**

We are an export-oriented company, and our overseas sales account for 90.41% of our total revenues. We sell our products to our main brand customers by relying on our agents all over the world. Our customer base includes providers of farm products, chain restaurants, supermarkets, and food processors. Our customers are spread all over the world with a focus on North America. Our domestic customers are mostly large-sized food processors or retail stores.

PET (incl. rPET) products make up around 70% of our product offerings. In line with domestic and international environmental protection trends in recent years, we no longer solely focus on our core business operations but also do our utmost to develop low-carbon products such as rPET and biodegradable materials and thereby realize the vision of a circular economy.



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### 3.1.6 Relationship Between Up – and Downstream Supplier (GRI 2-6)

We are a midstream business of the plastic food packaging industry chain. The upstream supplier is composed of polyester chip providers and packaging raw material suppliers, while the downstream supply chain consists of end users, importers, distributors, agents, or direct sales organizations. Supply chain management which includes search for suppliers, assessment, management, and procurement operations is mostly the responsibility of the Procurement Department. Customer management, on the other hand, which includes domestic and international business, design, and shipping services, lies within the responsibility of the business unit. There were no significant changes in the field of supply chain relations compared to the previous year.



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**3.1.7 Partner and Initiatives** (GRI 2-28)

It is our firm conviction that sustained progress in the field of ESG and the common good and prosperity of partners in all sectors requires a concerted effort by many stakeholders. With a view to showing our solidarity with domestic and international initiatives and fostering professional exchanges and interactions, we have joined the following organizations:

NO.	Name of Association	Status
1	RE 100	Member
2	E.SUN ESG Initiative	Partner
3	Taiwan Association of Green Energy Transition	Member
4	New Taipei City Industrial Association	Member
5	Yilan County Industrial Association	Member
6	Taiwan Plastics Industry Association	Member
7	Environmentally Biodegradable Polymer Association	Member
8	European Chamber of Commerce Taiwan Low Carbon Initiative (ECCT LCI)	Member
9	Commonwealth Sustainable Development Committee	Member



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 **3-2 Corporate Governance** (GRI 3-3)

Material issue	Corporate governance
Significance for the Company	The creation of benefits for stakeholders is a key link in our sustainability transition process and accomplishment of our corporate mission. Corporate sustainability is our self-set expectation and pledge to our employees.
Impact	Environment: Implementation of circular economy practices and carbon reduction to minimize negative impacts of plastics on the environment. Human rights: Strong emphasis on ESG, intensified protection of human rights, and decrease of inequality and discrimination.
Policy and Commitment	Maximization of positive influence through the 6R strategy (Reduce, Reuse, Recycle, Responsibility, Rethink, Revamp).
Short-term goal	Annual target achievement as defined by the 6R strategy.
Medium- and long-term goals	Harnessing of our first-mover advantage to constantly outdistance our competitors and create insurmountable gaps paired with the building of a closed-loop recycling ecosphere for plastics with an equal emphasis on economy and environment
Course of action	Establishment of a sound sustainability framework covering the ESG (environmental, social, and governance) dimensions.
Results	6R achievement rate of 58.33% in 2022
Responsible unit	Management level

**3.2.1 Organizational Framework** (GRI 2-9、GRI 2-11、GRI 2-12、GRI 2-13、GRI 2-15)

King Yuan Fu is a non-publicly traded company which was founded by Mr. Chen, Zhi-Jian and his wife, Ms. Wu, Mei-Yun, in 1978. Ms. Vani Chen took over the reins in 2015. Ms. Wu, Mei-Yun and Ms. Vani Chen concurrently serve as director and supervisor, respectively. 100% of the company's equity is held by the director and supervisor.

**3.2.1.1 Management Team and Organizational Chart** (GRI 202-2)

◆ **Description of the Management Team:**

Our management team is currently made up of President Wu, Mei-Yun, CEO and General Manager Vani Chen, General Plant Manager Roy Lee, and Vice President in charge of operations Benjamin Guo. All members of the management team are R.O.C. nationals. With a view to bolstering corporate governance and long-term development, we have enlisted two professional managerial officers to serve as General Plant Manager and Vice President in charge of operations with the goal of harnessing their professional expertise and profound industry experience for the operations of the team.

Title	Name	Gender	Expertise	Responsibilities
President	Wu, Mei-Yun	Female	Financial management	Major decisions in the fields of company operations and financial matters
CEO and General Manager	Vani Chen	Female	International marketing and sales, Strategy management, Sustainable development	Medium- and long-term strategies and major decisions, Sustainability vision and policies, ESG Committee Chairperson



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Title	Name	Gender	Expertise	Responsibilities
General Plant Manager (professional managerial officer)	Roy Lee	Male	Management of plant operations Materials, manufacturing, and technologies of plastics Sustainable development	Management and supervision of the Manufacturing Business Division which includes the Yingge, Shulin, and Dongshan Plants, the Mold Department, the Logistics Department, and the ESG Committee
Vice President in charge of operations (professional managerial officer)	Benjamin Guo	Male	International marketing and sales, Operations strategy, Sustainable development	Management and supervision of the Operations Business Division which includes sales, procurement, finance & accounting, and HR operations and the ESG Committee

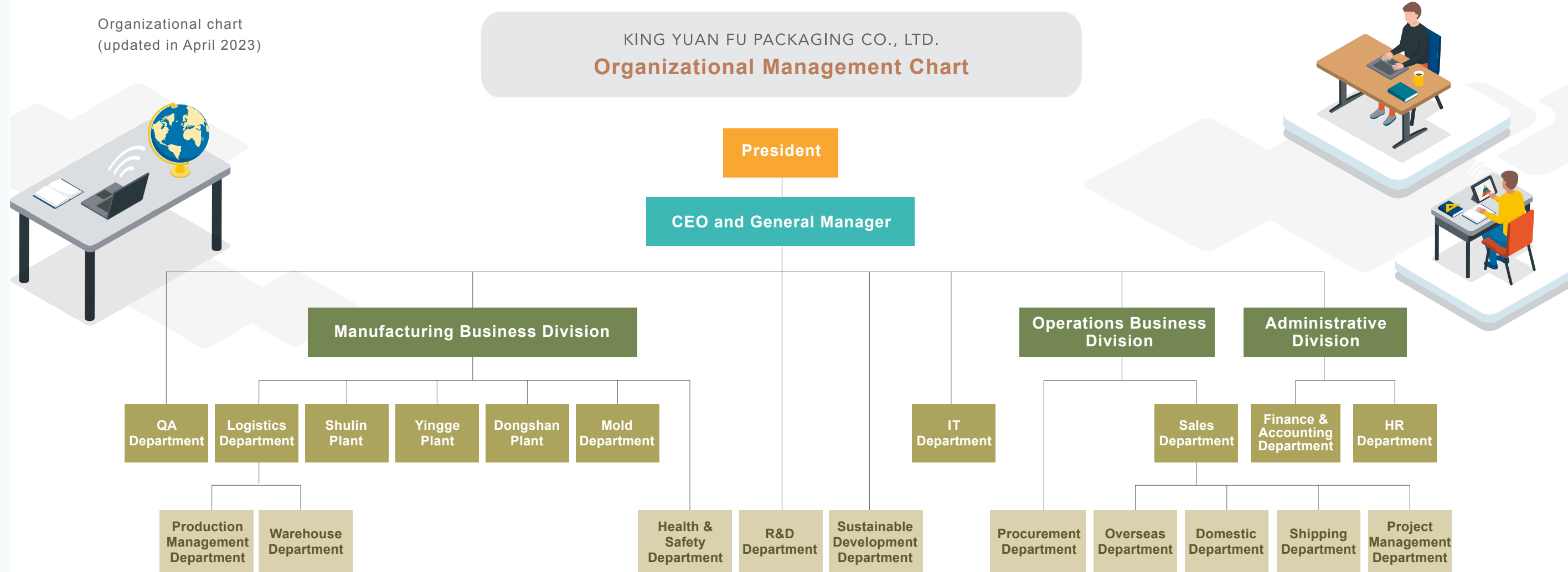
◆ **Role in impact monitoring and management:**

The management team determines the accuracy of data pertaining to issue identification, assessment, goal setting, implementation progress, results, and review processes and formulates short-, medium-, and long-term goals upon analysis of the current situation and existing risk.

◆ **Delegation of responsibilities for impact management:**

Responsible persons at the highest authority level of responsible units for each goal fulfill a key role in the organization through top-down communication and implementation of relevant strategies. All units deliver reports on implementation progress in regularly convened meetings on an ongoing basis.

Organizational chart  
(updated in April 2023)



**3.2.1.2 Recusal by the Management Team Due to Conflicts of Interest (GRI 2-15)**

Our management team espouses ethical corporate management principles and strictly adheres to demarcation lines for business dealings defined by business ethics standards. If issues involve potential conflicts of interest, affected employees recuse themselves from participation in discussions and voting.

Conflict of interest	Current status
Cross-board membership	No
Cross-shareholding with suppliers and other stakeholders	No
Existence of controlling shareholders	NA. The Company is a non-publicly traded entity. 100% of the company's equity is held by the President and CEO. There are no external shareholders.
Related parties and representatives	No
Concurrent positions within the company	No

**3.2.1.3 Strengthening the Management Functions of Team management (GRI 2-17)**

With a view to strengthening the management functions of team management, we offer information on advanced training in the field of operations strategy and ESG concepts as required and assist team members in the registration process. In 2022, advanced training hours for the management level amounted to 84.5.



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**3.2.2 Functional Committee: ESG Committee** (GRI 2-14)

The ESG Committee was officially formed in 2022 with the CEO serving as Chairperson. This committee, which is composed of the General Plant Manager, the Vice President, and the Vice Plant Manager, is the highest decision-making body in the field of ESG practices.

◆ **Preset goals**

1. Practice of ESG and fulfillment of our responsibility as a corporate citizen
2. Promotion and implementation of ESG policies and sustainable development
3. Integration of company resources, coordination of issue-related operations, realization of ESG concepts in our daily operations

◆ **Role in sustainability reporting**

The committee's role lies in the articulation and identification of material issues, analysis of result reports to confirm the current status and positioning of the company and planning of adequate courses of action targeting material issues with the ultimate goal of injecting positive momentum into business growth and the direction of our business operations. 6R goals are incorporated into strategy formulation to inextricably link our development direction to the core principles of corporate sustainability and gradually deploy and implement circular economy practices in pursuit of ongoing progress in the realization of relevant concepts.

◆ **Implementation items**

1. Sustainability strategy: coordination of sustainability strategy and goal formulation in line with our core concepts of sustainable development
2. Regular meetings: reporting of material issues and tracking and review of implementation progress and performance in the field of ESG action plans in quarterly ESG Committee meetings
3. Annual ESG targets: presentation of final annual reports and setting of targets for the following year in the final ESG Committee meeting of the year
4. Identification of risks and opportunities: identification and management of impacts, risks, and opportunities arising from ESG practices
5. Stakeholder engagement: assistance in stakeholder dialog and gathering and organization of stakeholder opinions
6. Review and decision-making with regard to material issues: after analysis of organized stakeholder opinions by the Executive Secretary of the ESG Committee and collation into a material issue matrix, a report is submitted to the ESG Committee for review and adoption of a decision on material issues in the respective year by the CEO, who serves as the committee chairperson
7. Corporate sustainability report: annual sustainability reports are prepared by the Sustainable Development Department, which serves as the Executive

Secretary of the Committee. Upon submission to the ESG Committee for approval, finalized reports are officially released subject to verification by a third-party accreditation body.





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**3.2.3 Communication of Material Issues** (GRI 2-16)

**3.2.3.1 Management Meetings**

- ◆ The directors of all units deliver reports on business progress and material issues in monthly management meetings chaired by the President, CEO, or a designated representative. No major incidents occurred in 2022.

**3.2.3.2 ESG Committee**

- ◆ Regular meetings: ESG action plan progress and performance in the previous quarter are reviewed in quarterly ESG Committee meetings. In addition to the review of the annual implementation status, the Q4 meeting serves as the platform for the formulation of targets in all ESG 6R dimensions for the following year.
- ◆ Non-scheduled reporting: If material issues emerge in months where no ESG Committee meetings are scheduled, competent units deliver reports to the management team (chairperson or members) in convened meetings or via formal written correspondence or oral reporting.

**Frequency of implementation performance monitoring and management:**



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## Results of target execution and responsible units in 2022:

Dimension	1 Reduce Decreased use of materials				2 Reuse Optimal use of materials		3 Recycle Recycled materials					
	Year	Direct emissions (MT CO <sub>2e</sub> )		Electricity (kWh)		Industrial waste (metric tons)		Cutting oil reduction	Eco-friendly material rPET	Recycling and material regrind		
2021 Results	Per-unit emissions	1,361.4		Per-unit power consumption	1,656		Per-unit waste	0.0100		91%	16%	42%
2022 Targets	Target	Reduction of per-unit emissions by 1% compared to 2021		Target	Comparison to 2021 target		Target	Comparison to 2021 target		92%	25%	40%
	Per-unit emissions	0.0114		Per-unit power consumption	1,606		Per-unit waste	0.0076				
2022 Results	Total Scope 1 emissions	1,788.3178		Per-unit power consumption	1,684		Per-unit waste	0.0101		100%	13.19%	42%
	Per-unit emissions	0.0311										
Responsible unit	Warehousing, Manufacturing Technology			Manufacturing Technology, Finance & Accounting		General Affairs		Mold	Sales	Warehousing		

Dimension	4 Responsibility Accountability toward stakeholders							5 Rethink Education		6 Revamp Improvement	
	Year	Number of Injury-causing accidents	Turnover rate (%)	Employee satisfaction	Customer satisfaction (score)	Local procurement (%)	Green procurement (items)	*Food donations (in 10,000 NTD)	*Forestation / adoption of forest areas	*Number of education and visits	*Improvements (cost reduction)
2021 Results	12	1.42%	PR 50	96.5	5%	61	3	132 MT CO <sub>2e</sub>	12	Manpower cost savings 6 employees/month	
2022 Targets	0	≤1.4%	85	95	8%	45	3	132 MT CO <sub>2e</sub>	12	Ongoing improvement	
2022 Results	8	1.21%	94.2	95.65	8.26%	55	3	132 MT CO <sub>2e</sub>	16	Ongoing improvement	
Responsible unit	Health & Safety	HR	HR	Sales	Procurement	General Affairs	Finance & Accounting	Sustainability	Sustainability, Sales	Warehousing, R&D, Manufacturing Technology	

- ❖ The items marked with an asterisk (\*) are routine tasks and are therefore not included in the annual tracking objectives.
- ❖ Red indicates the areas in need of improvement
- ❖ 5 out of 12 items (Non-achievement rate of 41.67%)



- ❖ 1R Direct emissions – YoY difference in carbon emissions per ton output: 0.0197 MT CO<sub>2e</sub>
- ❖ 1R Electricity – Difference of 78kWh (around 4%)
- ❖ 1R Industrial waste – Difference of 0.0025 metric tons (around 33.5%)
- ❖ 3R rPET – Difference of 11.81%
- ❖ 4R Injury-causing accidents – Difference of 8 cases

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**3.2.3.3 ISO System Management Review Meetings**

◆ We have stipulated Management Review Procedures and convene annual management review meetings on the ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 22000 Food Safety Management System/Hazard Analysis and Critical Control Points (HACCP), and ISO 45001 Occupational Health and Safety Management System. A management representative designated by the responsible person of the Company serves as the chair of these meetings which aim to review system implementation conditions in the previous year. This includes the annual target achievement rate of each system, risk assessment, and internal/external audit results.

**3.2.4 Risk Management** (GRI 2-25)

**3.2.4.1 Purpose of Risk Management**

With a view to enhancing corporate governance, mitigating risks with a potential impact on our operations, and achieving business stability and sustainable development, we conduct risk management in the four dimensions of quality, environment, food safety, and occupational health and safety. Risk management has the following goals:



Dimension	Quality	Food safety	Environment	Occupational health and safety
Targets and policies	Quality, safety, and customer satisfaction first	Quality, safety, and customer satisfaction first	Energy conservation, environmental protection, and cherishing our planet	Care for employee physical and mental well-being

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#### 3.2.4.2 Risk Management Process

Each unit conducts annual risk identification and assessment for each system and formulates contingency strategies and corrective measures based on stakeholder grievance (reporting)/feedback channels in accordance with Management Procedures for Data Analysis and Ongoing Improvements and Management Regulations for Hazard Identification and Risk Assessment.

Management system	Quality	Food safety	Environment	Occupational health and safety
Procedures	Management Procedures for Data Analysis and Ongoing Improvements	Management Procedures for Data Analysis and Ongoing Improvements	Management Procedures for Data Analysis and Ongoing Improvements	Management Regulations for Hazard Identification and Risk Assessment
Risk assessment unit	All company departments	All company departments	All company departments	All company departments
Grievance mechanism / communication method	Feedback to business units or customer complaints, Internal issuing of anomaly handling forms, Real-time oral communication, Convening of meetings	Feedback to business units or customer complaints, Internal issuing of anomaly handling forms, Real-time oral communication, Convening of meetings	Internal issuing of anomaly handling forms, Real-time oral communication	Feedback to the Health & Safety Department, Real-time oral communication

#### 3.2.4.3 Risks and Opportunities

Risk items	Risk / opportunity scenarios	Risk management strategy (contingency measures)
Occupational accidents	<ul style="list-style-type: none"> <li>Occurrence of work safety incidents caused by employee negligence</li> </ul>	<ul style="list-style-type: none"> <li>Meticulous inspection of PPE and tools and immediate replacement if defects are detected</li> <li>Prioritizing of work environment safety, acquisition of licenses/certificates by dedicated fire safety personnel, and organization of fire safety drills as required</li> <li>Regular organization of occupational safety training</li> <li>Implementation of ISO 45001 Labor Safety Management System</li> </ul>
Food safety	<ul style="list-style-type: none"> <li>Customer complaints and returns caused by the presence of foreign objects in products</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of quality and safety management systems (ISO 9001, BRCGS etc.)</li> <li>Regular employee training on critical control points (CCP)</li> <li>Internal audits to ensure maximum effectiveness of processes and operations</li> </ul>
Continued increase of GHG emissions	<ul style="list-style-type: none"> <li>Customer requests for supply chain sustainability (Opportunity)</li> <li>Projected implementation of EU Carbon Border Adjustment Mechanism (CBAM) in 2023 and planned levying of carbon fees/taxes in Taiwan</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of rPET products</li> <li>Ongoing intensification of circular economy and social responsibility initiatives</li> <li>Use of recycled materials (e.g., rPET) for manufacture of low-carbon products</li> <li>Ongoing promotion of in-plant power conservation practices and search for suitable green energy sources</li> </ul>
Labor shortage	<ul style="list-style-type: none"> <li>Recruitment difficulties due to the fact that plastic packaging is a traditional industry</li> </ul>	<ul style="list-style-type: none"> <li>Guarantee of employee benefits to strengthen our competitive edge in the field of recruitment</li> <li>Prioritizing of employee rights to reduce turnover rates</li> <li>Work environment improvements</li> </ul>



### 3.2.5 Audit Mechanism

With a view to ensuring the ongoing effectiveness of the Company’s management systems and facilitating the timely detection of issues and adoption of corrective measures, we have stipulated “Internal Audit Management Procedures” and schedule regular internal and external audits. The ultimate goal is to maintain the effectiveness and ongoing improvements of controls based on the ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 22000 Food Safety Management System/Hazard Analysis and Critical Control Points (HACCP), ISO 45001 Occupational Health and Safety Management System, and BRCGS Packaging Materials Global Standard. No major deficiencies were detected in an external audit of these systems conducted by a third-party accreditation body in 2022. Ongoing validity of relevant certificates is ensured.



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**3.2.6 Business Reputation and Legal Compliance** (GRI 205-2、GRI 205-3)

**3.2.6.1 Business Ethics and Anti-corruption** (GRI 2-25、GRI 2-26)

In the spirit of our core values of integrity and righteousness, we strictly prohibit any form of corruption and enforce clearly defined regulations governing recusal due to conflicts of interest, political and charitable donations, and whistleblowing channels. Sound internal and external whistleblowing channels and whistleblower protection policies are in place to facilitate early detection of anomalies and effective prevention of corruption.

We have further formulated a Code of Ethical Conduct and Employee Integrity to ensure that our employees embrace the highest ethical standards when engaging in operating activities, uphold our core values of integrity and righteousness, and guarantee strict adherence to high professional ethics. The ultimate goal lies in the rigorous compliance by our employees with our standards of ethical conduct in the performance of their daily duties, protection of our business reputation, and securing the respect and trust of customers, suppliers, and external audiences.

With a view to bolstering ethical management practices, the HR Department has been put in charge of the formulation of ethical corporate management policies and measures and supervision of their implementation. Annually administered training and education programs aim to provide employees with a clear understanding of anti-corruption policies and foster acceptance, scrupulous compliance, and implementation of anti-corruption practices. In 2022, we organized six training courses on business ethics and anti-corruption code of conduct, which were attended by 416 employees.

2022 Business Ethics and Anti-Corruption Training Course Statistics			
Target audience	Training hours	Number of participants	Completion rate
Employees	809	416	87%

We organize anti-corruption training courses on a semi-annual basis to give employees an in-depth understanding of our anti-corruption spirit. In addition, all employees are obliged to report detected ethical and moral violations to the management level. This includes any form of illegal or immoral conduct. No such incidents were reported in 2022.

Anti-corruption grievance channel			
Whistleblower identity	Employee	Supplier	
Communication method	HR Department mailbox: hr@kyf.com.tw	Whistleblower hotline 0935-190-807 King Yuan Fu CEO official LINE account	

**3.2.6.2 Legal Compliance** (GRI 2-27)

Our list of identified laws and regulations is updated by the Sustainable Development Department twice a year. The goal is to verify that this list is consistent with existing laws and regulations in the Laws & Regulations Database of the Republic of China and confirm that all our operation modes are in conformity with the latest laws and regulations in Taiwan and our export countries. In the most recent three years, we incurred no penalties as a result of anti-competitive practices or environmental, product safety, corporate governance, or information security violations. However, our labor-intensive manufacturing operations coupled with the serious labor shortage in Taiwan in recent years have made it more difficult for us to replenish our manpower pool. The working hours of our on-site personnel therefore tend to exceed the statutory limit when overtime hours are added during times of high order volume. This resulted in a penalty imposed after a labor-related inspection in 2022.

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Nature of violation	Year	Legal basis and fine amount	Ongoing corrective action
Social responsibility	2022	Overtime work/rest periods fail to meet the criteria laid out in the Labor Standards Act; the Company was fined a total of NT\$ 570,000	<ul style="list-style-type: none"> <li>• Ongoing recruitment efforts through diversified channels, optimized salary, bonus, and benefits system, talent attraction, manpower pool replenishment to reduce working hours of active employees</li> <li>• Adjustment of plant operating hours and implementation of Sunday as a rest day at all operating sites</li> </ul>

## 3-3 Operational Performance (GRI 3-3 、GRI 201-1)

Material issue	Operational performance
Significance for the Company	Corporate sustainability is deeply rooted in stable operational performance. We have made a long-term commitment to business stability as our main operating policy. We are also fully dedicated to reasonable distribution of resources, proper care for employees, mutually beneficial, win-win relationships with our partners, engagement in community welfare, and pursuit of the common good.
Impact	Economic: Losses, impact on suppliers, banks, and employee rights
Policy and Commitment	Business stability and pursuit of growth
Short-term goal	Achievement of the revenue target ≥ NT\$ 5 billion
Medium- and long-term goal	Achievement of the revenue target ≥ NT\$ 5.54 billion
Course of action	Proactive development of new customers in Taiwan and other countries paired with the intensification of relations with existing customers in pursuit of sales revenue. The Finance & Accounting Department regularly reviews various costs and expenses to attain the dual goal of cost control and stable growth.
Results	Total revenues of NT\$ 4.854 billion in 2022
Responsible unit	Sales Department, Finance & Accounting Department

### 3.3.1 Revenue (GRI 205-2 、GRI 205-3)

◆ Demand was mainly affected by global inflationary pressures in 2022. Over 90% of our revenues stem from export sales. Due to the fact that container shortages posed a serious conundrum to our customers in 2020, we stocked up and actively raised our inventory levels to meet market demands at the end of 2021. In the second half of the year, inflation picked up steam due to the impact of the Ukraine-Russia War, which crowded out consumption and affected pull-in, resulting in a decline of revenues by 2.8%. The following countermeasures have therefore been adopted:

1. Adjustment of production modes by transitioning from planned manufacturing to more flexible modes to meet rush order demands of our customers
2. Expansion into other export markets (e.g., Europe, Australia, and Canada) to diversify risks
3. Ongoing expansion of ODM strategies for domestic sales and cooperation with large food processors and channel operators to increase operators

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Unit: 100 million NTD

Revenue Source	Export sales		Domestic sales		Total		
	Year	Amount	Ratio	Amount	Ratio	Amount	YoY change
	2020	50.1	94.0%	3.4	6.0%	53.5	7.6%
	2021	46.0	92.0%	3.8	8.0%	49.8	-6.9%
	2022	43.88	90.41%	4.66	9.59%	48.54	-2.53%

Note: Since we are a non-publicly traded company, our financial reporting system is imperfect. We will persist in our efforts to make progress in this area.

### 3-4 Supply Chain Management (GRI 3-3、GRI 204-1、GRI 308-1、GRI 308-2、GRI 414-1、GRI 414-2)

We have stipulated Supplier Management Procedures to ensure a steady supply of high-quality raw and other materials and guarantee the production of excellent products of a consistent quality. Most of our suppliers deliver packaging materials.

Material issue	Supply chain management
Significance for the Company	Food safety controls are implemented at the source to ensure the delivery of high-quality raw materials by our suppliers and guarantee consumer food safety through the provision of top-quality products. We are firmly committed to fulfilling our responsibility towards and safeguarding the rights of consumers. In addition, we actively promote sustainable supply chain management. We constantly urge our suppliers to step up their engagement in the field of ESG. Moreover, we firmly believe that a stable and high-quality supply chain is highly conducive to the transmission of our core values and maximization of our positive influence in society.
Impact	Environment, people, and human rights: Our suppliers have initiated the implementation of environmental management and occupational safety systems and human rights norms and regulations, which generates positive effects in the ESG dimension. The quantity and quality of suppliers are essential criteria for sustainability costs and end-product quality control. The development of a sufficient number of suppliers that meet our cooperation requirements is therefore a key goal.
Policy and Commitment	Sustainable operations and environmental sustainability represent the cornerstone of our procurement policy. We also request our suppliers to step up their efforts in the field of ESG management. Green supplier development has been added as a key component of supply chain management to optimize the supply chain and meet the requirements of sustainable development.
Short-term goal	Implementation of supplier assessments in the environmental and social dimensions 1. Punctual delivery rate of 99%.                      2. Suppliers located within a radius of 30km of all plant areas accounting for at least 5%.
Medium- and long-term goal	1. Punctual delivery rate of 99%.                      2. Suppliers located within a radius of 30km of all plant areas accounting for at least 8%
Course of action	1. Organization of supplier conferences: These conferences serve as a platform for propagation of our ESG-based green supplier policy and consensus building through face-to-face discussions with suppliers 2. Adoption of supplier barcodes: The goal is to enhance the accuracy of delivery quantities and delivered items, accelerate the inspection, acceptance, and input process for incoming materials, and thereby increase punctual delivery rates
Results	All suppliers completed self-assessments in 2022. There were no unqualified suppliers in the same period.
Responsible unit	Procurement Department

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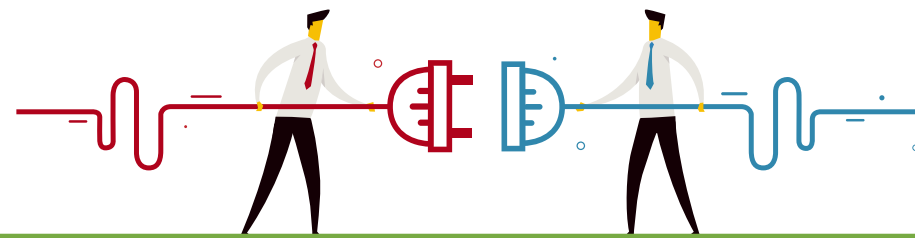
**References**

**3.4.1 Sustainability Actions** (GRI 205-2、GRI 205-3)

In the face of intensifying supply chain competition, we share the latest market trends in the context of supplier conferences. We also reinforce cooperation with all our suppliers to realize the goal of mutual benefit and win-win outcomes. This includes a strong commitment to joint action in pursuit of sustainable development.

Meeting theme: Propagation of supplier code of conduct (commitment to integrity), ESG-based sustainable development, green supply chain concepts, carbon inventories conducted by suppliers, and RE100.

Number of participating suppliers	27
Number of participants	50



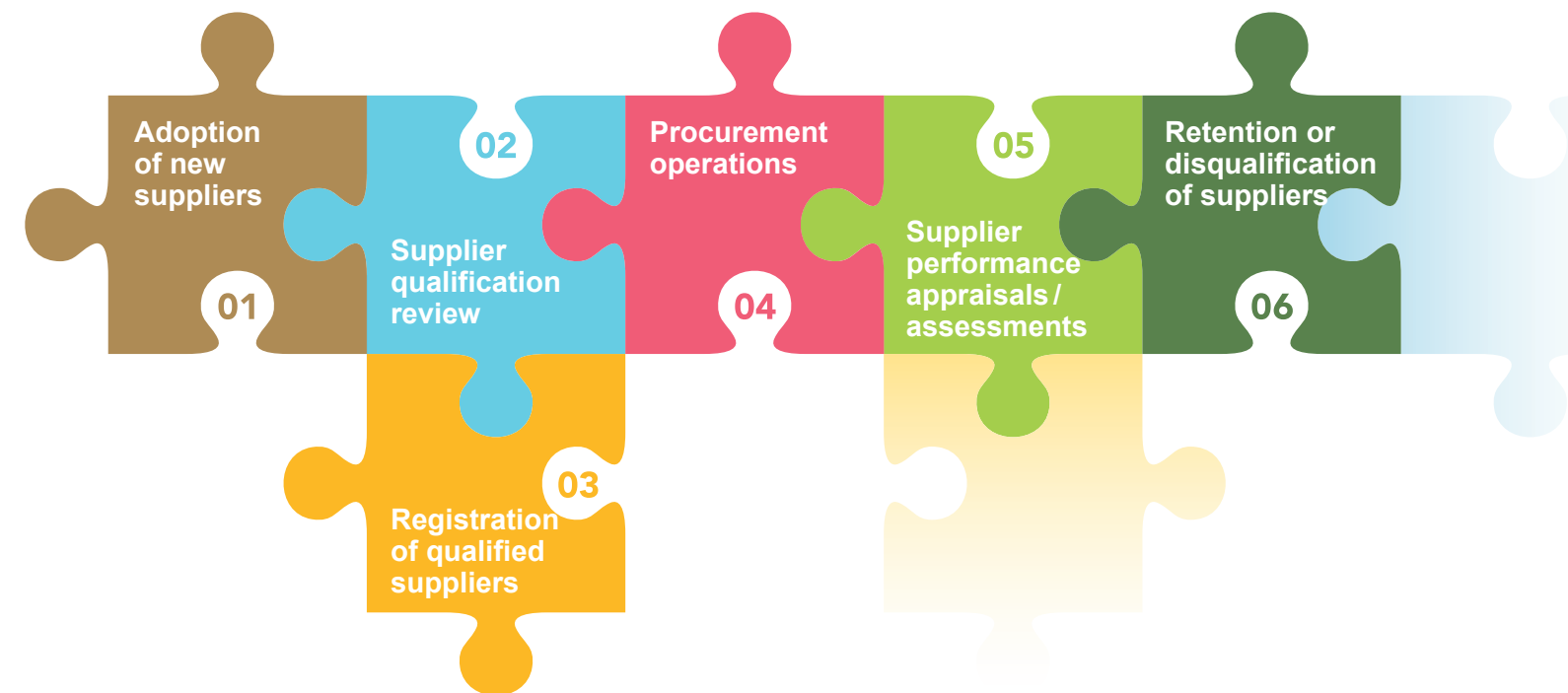
**3.4.2 Local Procurement Ratio**

Our key operating sites are all located in Taiwan. Our procurement categories include labor services, equipment, and raw materials. In recent years, we have incorporated sustainability issues into supplier assessments, which echoes our active efforts to reduce carbon emissions. Local procurement ratios are shown in the table below:

Year	2020	2021	2022
Ratio of local suppliers (%)	86.25%	86.25%	86.25%
Ratio of local procurement amounts (%)	83.41%	83.65%	83.64%

Note: The term "local" refers to suppliers located in Taiwan

**3.4.3 Supply Chain Management Process**



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### 3.4.3.1 Supplier Qualification Screening

Suppliers must strictly abide by applicable laws and regulations and international labor and human rights standards. We assess suppliers based on their quality, delivery and production capabilities, EHS responsibilities, and occupational safety. If two or more new suppliers meet these criteria, preference will be given to businesses that employ underprivileged individuals.

All new suppliers are required to sign the following documents: Basic Information of New Suppliers, Anti-Smoking Commitment Letter, Anti-Terrorism Declaration, Supplier Code of Conduct, Allergen List, Allergic Ingredient Confirmation Declaration, Supplier Integrity Commitment, Supplier Self-Assessment Form, and Banned Substance-Free Guarantee.

We specialize in food packaging that comes in direct contact with food. We have therefore adopted the following regulations for different types of raw materials to guarantee consumer safety:

Suppliers of raw materials and chemicals that come in direct contact with food products are required to confirm use of allergens through signature of the Allergen List and Allergic Ingredient Confirmation Declaration provided by the procurement unit to ensure effective control of allergens contained in products.

Suppliers of chemicals or agents are requested by the procurement unit to submit a valid Safety Data Sheet prior to purchase (labeling must be provided on a batch-by-batch basis).

Note: SDS is a safety data sheet for chemicals. Such data sheets must be provided for all hazardous chemicals that pose physical or health hazards as specified in the CNS 15030 Classification Standards. Pursuant to the provisions set forth in Article 15 of the Regulations for the Labeling and Hazard Communication of Hazardous Chemicals, such data sheets must be updated every three years.

#### ◆ New supplier onboarding procedures:

- New suppliers must agree to and sign the aforementioned documents. The Supplier Assessment Form must be completed and submitted within 7 days upon receipt.
- Supplier Assessment Forms are scored based on the environmental and social responsibility (incl. occupational safety) categories of the ESG dimensions

#### ◆ Supplier ratings:

Rating	Level A	Level B	Level C	Level D
Score bracket	91~99	90~71	60~70	59 and below
Impact on purchase decisions	Preferential procurement	Normal procurement	Close monitoring	Gradual replacement

- A score of 70 has been adopted as the qualification criterion for suppliers. If supplier scores fall below 70, the procurement unit must notify suppliers by mail or Contact Form C-4F-03-02. Suppliers are required to issue a commitment to corrective action within 7 days upon receipt of such notice. The ultimate goal is to foster supply chain progress, enhance product quality, and minimize risks and hazards.
- After the first assessment during the onboarding process, self-assessments must be tracked by the procurement unit on an annual basis.

- Social/environmental assessment items in 2022:

Item	Key considerations	Assessment method	Conformity assessment
Environmental	ISO 14001 Environmental Management System, Air pollution control, wastewater treatment, solid waste management, environmental penalty record	Self-Assessment Form, provision of written data and certificates	100%
Social	Child labor, migrant worker, gender, and working hour policies, ISO Occupational Safety Management System, occupational accident record	Provision of written data and certificates	100%

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▪ Number of suppliers for which impact assessments and identifications were completed in the respective year:

Year	2020	2021	2022
Number of suppliers that underwent social/environmental impact assessments in the respective year	21	23	27
Number of suppliers with identified actual or potential negative impacts of a significant nature in the social/ environmental dimension (Description of negative social/environmental impacts)	0	1	0
Percentage of identified suppliers that have implemented corrective action as determined by assessment	0%	0%	0%
Percentage of identified suppliers with whom cooperation has been terminated upon assessment (Description of reasons for termination)	0%	100%	0%

Note: 1. Assesses are new and existing suppliers with transaction amounts in excess of NT\$ 3 million  
 2. Cooperation with the supplier who was disqualified in 2021 was terminated after it was reported and revealed that said supplier had requested payment for undelivered goods in collusion with employees (see table above)

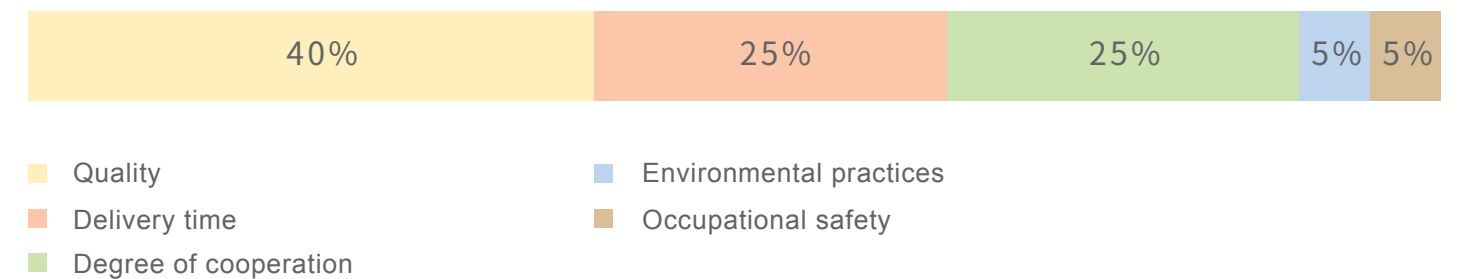
**3.4.3.2 Supplier Assessment Method**

◆ Performance appraisals for qualified suppliers

Supplier performance is appraised on an annual basis. Procurement and QA units assign scores to suppliers in writing based on their performance in the following categories in each month: quality of delivered goods, delivery time accuracy, degree of cooperation, environmental practices, and occupational safety. Assigned scores are recorded on the Supplier Performance Appraisal Form. Scores awarded in each of these categories are added up. Relevant ratios (scores) are shown in the table below:

Category	Ratio (Score)
Quality	40
Delivery time	25
Degree of cooperation	25
Environmental practices	5
Occupational safety	5
<b>Total</b>	<b>100</b>

We have formulated a Supplier Code of Conduct to guarantee the safety of supply chain work environments, ensure treatment of employees with respect and dignity, foster environmental protection in our business operations, and bolster compliance with ethical standards. We require our suppliers to abide by applicable norms and regulations in the dimensions of labor (youth labor, non-discrimination, working hours...), health and safety (work injuries...), environment, and ethics. Suppliers are further required to sign the required documents and comply with applicable laws and legal regulations in countries and regions where they conduct their business activities. We rely on these measures to control forced labor practices and hiring of child labor on the part of suppliers.



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◆ **Timing of assessments**

Regular assessments	The procurement unit issues Supplier Self-Assessment and Evaluation Forms to all major qualified suppliers who provide us with a steady supply of materials on an annual basis. These suppliers are requested to conduct self-assessments and reply within a prescribed time limit. If assigned scores range between 60 and 70, suppliers are listed for close monitoring. If scores fall to 60 and below, suppliers are listed as disqualified. The procurement unit is then instructed to gradually terminate procurement operations and replace such suppliers.
Non-scheduled assessments	Non-scheduled assessments are conducted for new suppliers and identified qualified suppliers when major quality anomalies occur. The former are handled pursuant to provisions governing new supplier assessments set forth in the Supplier Management Procedures. The latter are processed jointly by the procurement and QA unit at the business locations of suppliers as required after a clear understanding of the reasons for such anomalies has been gained.

◆ **Handling of serious deficiencies**

If serious quality flaws are detected in feedstock delivered by a supplier in any of the aforementioned assessments or there are serious issues in the fields of product quality or delivery times or customer complaints are received, procurement is suspended and said supplier is removed from the list of qualified suppliers subject to final decision by the top executive.

**3.4.3.3 Supplier Assessment Results**

All new or existing suppliers who are included on the aforementioned list at the time of annual assessments are evaluated. New suppliers who are added after the assessment date are evaluated pursuant to relevant provisions and included in the regular assessment of the following year. All 27 evaluated suppliers received scores of 80 and above in 2022.

Screened new suppliers:

Year	2020		2021		2022	
	Social	Environmental	Social	Environmental	Social	Environmental
Number of new suppliers	2		3		2	
Number of new suppliers for whom assessments in the environmental / social dimensions were conducted	2		3		2	
Percentage	100%		100%		100%	

Note: Social and environmental dimensions apply to all new suppliers



# 4

## Environmental Sustainability



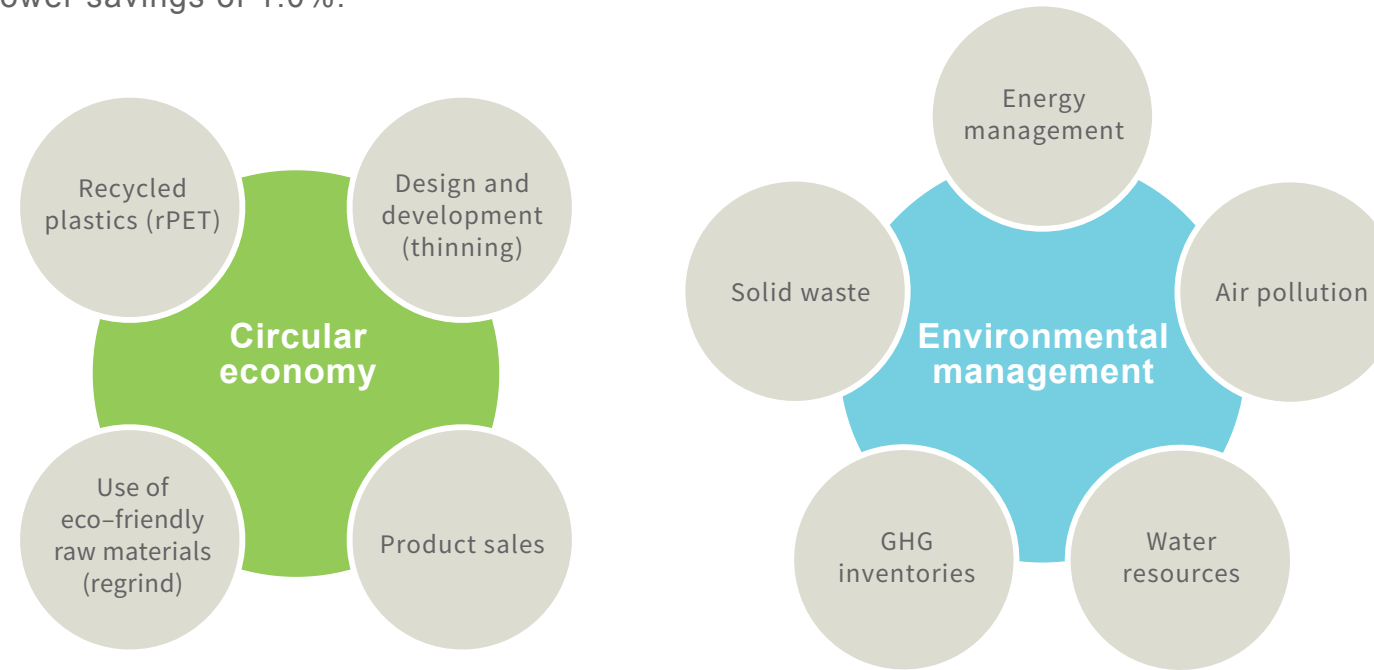
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# Environmental Sustainability

Our environmental policy (energy conservation, environmental protection, and cherishing our planet) is manifested in our dedicated efforts in the fields of circular economy, environmental management, GHG management, and energy conservation. With a view to fulfilling our mission of providing sustainable packaging, we have created our aGain brand which aims to promote circular economy concepts and rPET and other recycled material products with the ultimate goal of achieving a closed-loop recycling. Our Yingge, Shulin, and Dongshan Plants have already earned ISO 14001: 2015 Environmental Management System certificates and all our operating sites have completed ISO 14064-1: 2018 GHG inventories. Energy conservation proposals are adopted on an annual basis to realize the goals of energy conservation and power savings of 1.0%.



## 4-1 Circular Economy (GRI 3-3 、GRI301-2)

Material Topic	Circular economy
Significance for the Company	The circular economy concept has been one of our top priorities in recent years. This concept not only involves reinforced management of waste generated in current processes but also an ongoing commitment to the research of renewable materials and constant increase of recycled/renewable input material ratios with the ultimate goal of realizing a closed-loop recycling.
Impact	Environment: enhanced resource utilization rate, fostering of PET recycling system development, and reduced extraction of fossil raw materials.
Policy and Commitment	Implementation of circular economy-based 3R principles (Reduce, Reuse, Recycle) in all production processes.
Short-term goal	Maintenance of a regrind material reuse rate of at least 40% in all plants in 2022   rPET rate of 40.0% in 2025
Medium- and long-term goals	rPET rate of 100.0% in 2035
Course of action	Automatic recovery and crushing of trimmings generated in production processes by machinery and reuse for manufacturing. Ongoing promotion of rPET products to customers by sales department.
Results	Regrind material reuse rate of 42% in all plants in 2022   rPET rate of 13.19% in 2022
Responsible unit	Manufacturing unit, Sales Department

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### 4.1.1 Plastic Packaging Trends

There is a general international consensus that plastic reduction is a key prerequisite for the mitigation of environmental damage. Due to the fact that fossil fuels, one of the main culprits of our worsening climate crisis, represent a key raw material for the plastic production process, a large number of countries have passed legislation to restrict the use of disposable plastic bags. However, owing to the fact that less than 10% of plastics are effectively recycled and reused, the global plastic waste amount is still increasing. This phenomenon has been exacerbated by the dramatically increased frequency of food takeout and delivery during the COVID-19 pandemic, which has resulted in a rising demand for plastic containers. With a view to providing an effective solution for the plastic waste issue, the United Nations Environment Assembly (UNEA) endorsed a historic resolution in its fifth session in Nairobi on March 2, 2022 to end Plastic Pollution and forge an international legally binding plastic reduction agreement by 2024. In the future, there will be clearly defined regulations governing every phase of the plastic life cycle from the design, manufacturing, and sale of plastic products to the reuse, recycling, and final disposal. As for plastic packaging, the development of sustainable packaging with a low carbon footprint has become the main trend. This includes the following:

#### PCR (post-consumer recycled) materials

In the current stage, rPET is the most widely applied recycled material in the food packaging industry due to the large PET recycling volume and relatively mature recycling systems and technologies, which allow 100% conversion into rPET.

#### Biodegradable materials

One notable example is PLA, which is made from cornstarch. PLA-based products are biodegradable after use in a home and industrial composting environment under specific conditions. However, the degree of maturity of composting systems varies from country to country. Taiwan currently still lacks large-scale industrial composting facilities.

#### Reduced packaging

Elimination of unnecessary packaging to achieve waste reduction; combination of design modifications with decreased raw material consumption to achieve optimized packaging effects.

#### Adoption of circular design concepts

The “cradle-to-cradle” design philosophy facilitates recycled resources, decreased extraction of resources, waste reduction, and alleviation of environmental burdens.



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**4.1.2 Recycled Plastics**

According to a survey conducted by the Ellen MacArthur Foundation, 40% of plastic packaging material manufactured worldwide each year is landfilled, 32% is leaked into ecosystems, and 14% is incinerated. Only 14% is collected for recycling and a mere 2% is closed-loop recycling (after deduction of process losses and cascaded recycling). The use of PCR materials for the manufacture of products of the same nature rather than second-class products is referred to as closed-loop recycling.

In the face of the global plastic waste issue and intensifying calls for plastic bans in Taiwan and abroad, we engage in profound reflections on our corporate mission and the value of plastics. During a customer visit in 2018, we were deeply inspired by the spirit of creating benefits for stakeholders espoused by the B Corps certification (see note). We therefore decided to embark on our path of corporate transformation with the goal of transcending linear economy models and realizing sustainable development based on the circular economy-based 3R principles (Reduce, Reuse, Recycle).

It is our firm conviction that recycled plastics is the best way to mitigate the environmental impact of plastic waste and reduce the extraction of fossil raw materials. One of the most prominent examples of application of the “cradle-to-cradle” philosophy is PET bottle-to-bottle recycling. We have also adopted this philosophy for the development of our “clamshell-to-clamshell” closed-loop recycling and the creation of our aGain brand in 2018. Due to the fact that our product sales exclusively rely on B2B (business to business) channels, aGain is currently mostly utilized for the communication of circular economy concepts and rPET product advantages to market participants in the context of internal and external training courses or environmental education. In the course of our export sales of rPET products in overseas markets, we have gained extensive experience and technical expertise. After official approval of PCR for food contact applications by the Taiwanese Food and Drug Administration in 2022, we were therefore able to harness our accumulated experience and expertise to achieve our goal of becoming a leading manufacturer of rPET thermoforming food packaging.



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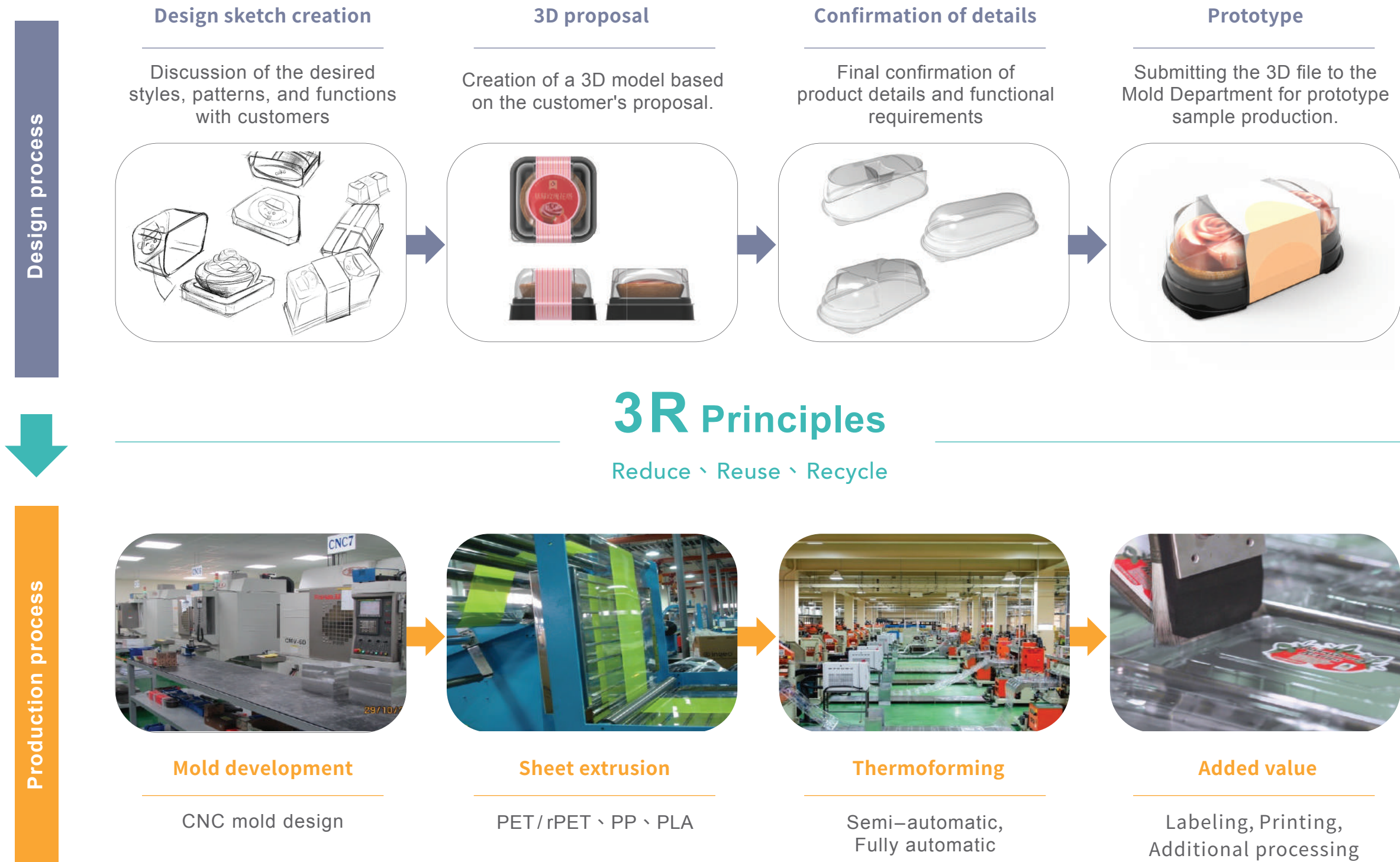
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**4.1.3 Inclusion of 3R Principles (GRI306-2)**

We apply the circular economy-based 3R principles (Reduce, Reuse, Recycle) to the whole process ranging from product design and development and raw material selection to manufacturing and product sales to ensure the provision of one-stop, vertically integrated services.



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Stage	Priorities	Achievements in 2022
Design and development	<ul style="list-style-type: none"> <li>Equal emphasis on product functions and aesthetics and integration of circular economy concepts</li> <li>Product thinning</li> </ul>	Thinning of 21 newly added products (PP, PET, PLA) resulting in a weight reduction of 104.4 metric tons, which is equivalent to carbon savings of 567.1 MT CO <sub>2</sub> e.
Raw material selection	<ul style="list-style-type: none"> <li>Pursuit of a gradual increase of the rPET rate to 40.0% in 2025</li> </ul> <p>Note: The term “rPET rate” refers to the rate of replacement of PET with rPET in PET products. This rate is calculated based on the average percentage of rPET contained in PET products per ton of output.</p>	The rPET rate dropped from 16% in 2021 to 13.19% in 2022, which represents a YoY decrease of 2.81%. The total rPET amount was 5,840.04 metric tons. Carbon savings generated by this partial conversion from PET (carbon emission coefficient of 3.183kg CO <sub>2</sub> e/Kg ) to rPET (carbon emission coefficient of 1.38kg CO <sub>2</sub> e/Kg ) amount to 10512.1MT CO <sub>2</sub> e.
Manufacturing	<ul style="list-style-type: none"> <li>Recycling and reuse of regrind materials in all plants</li> <li>Use of rPET and biodegradable PLA</li> </ul>	Total input reached 89,130.1 metric tons in 2022. Recycling and reuse of regrind materials (PET, PP, PLA) in plants amounted to 37,408.4 metric tons (average regrind material recycling and reuse rate of 42%), which is equivalent to carbon savings of 112,868.6MT CO <sub>2</sub> e.
Product sales	<ul style="list-style-type: none"> <li>Acquisition of product certificate ensures to prove use of recycled materials (rPET), degradability, and compostability(PLA)</li> </ul>	<p>Our rPET products (recycled material ratio of 10.0%, 25.0%, 50.0%, 75.0%, and 100.0%) have passed the SCS Certified Recycled Content certification.</p> <p>PLA products have passed the biodegradable and industrially compostable certifications. (See 1–4 Product Certifications)</p>



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### 4.1.3.1 Design and Development

- ◆ In addition to conformity to customer requirements and equal emphasis on aesthetics and functionality, design and development also involves circular economy concepts such as use of low-carbon/recycled materials, raw material reduction, and consideration of recyclable value at the end of the product's service life. Factors such as mono-materiality and transparent coloring facilitate effective processing and reuse of products via recycling systems.
- ◆ With regard to existing products, we actively explore how to achieve product thinning and thereby reduce the use of plastic pellets by relying on scientific methods without affecting product quality and functionality. Thinning of 21 newly added products (PP, PET, and PLA) in 2022 has resulted in carbon savings of 567.1 MT CO<sub>2e</sub>.

Material	2020 Weight reduction through thinning (kg)	2021 Weight reduction through thinning (kg)	2022 Weight reduction through thinning (kg)	Material carbon emission coefficient (kg CO <sub>2e</sub> /kg)	Carbon savings through thinning in 2022 (MT CO <sub>2e</sub> )
PET	39,094.8	2,855.9	64,938.0	3.183	206.7
rPET50	0	98.7	0	2.2815	NA
PP	0	1,133.3	39,142.8	2.29	148.7
PLA	10,693	1,647	330.1	3.26	211.7

Weight reduction through thinning in metric tons		Carbon savings through thinning in MT CO <sub>2e</sub>	
2022	104.4	2022	567.1t
2021	5.7	2021	17.3 t
2020	49.8	2020	159.3 t

Note: Carbon emission coefficients adopted for this report are based on the plastic material coefficients released by SimaPro (PET: 3.183, PP: 2.29, PLA: 3.26, rPET: 1.38; Unit: kg CO<sub>2e</sub>/kg). The term rPET50 refers to products are made from 50% PET and 50% rPET. The coefficient for such products is calculated as follows:  $[3.183/2 + 1.38/2]$  kg CO<sub>2e</sub>/kg.

### 4.1.3.2 Raw Materials (GRI 3-3、GRI 301-1)

Material Topic	Raw material management
Significance for the Company	We invest significant effort in the selection of raw materials and quality control in line with the promotion of our circular economy policies
Impact	Environment: decreased extraction of fossil raw materials and reduced carbon emissions generated by raw materials
Policy and Commitment	Stepped-up promotion of eco-friendly materials and reinforced control of raw material quality
Short-term goal	1. Adoption of at least one qualified rPET supplier   2. Delivery accuracy rate of 100%
Medium- and long-term goals	1. Continued adoption of qualified rPET suppliers   2. Maintenance of a delivery accuracy rate of 100%
Course of action	Increased use of eco-friendly materials, research of renewable and low-carbon materials (e.g., rPET and PLA) or adoption of raw materials conducive to process improvements
Results	rPET rate of 13.19% in 2022
Responsible unit	Procurement Department, R&D Department

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We are firmly committed to careful selection of raw material categories and suppliers, quality control, food safety, and circular economy concepts. Plastic resin (PET, rPET, PLA, PP) represent our main raw material. Other materials are cartons and plastic bags utilized for packaging. In view of the fact that food packaging materials belong in the category of consumer-packaged goods (CPG), we must respond rapidly to market changes and maintain a firm grasp of raw material consumption. On the other hand, we do our utmost to reduce packaging and give preference to eco-friendly packaging materials such as cartons made from recycled pulp. In consideration of the fact that plastic pellets are non-renewable materials, we make an all-out effort to ensure recycled plastics and replace PET with recycled materials such as rPET in line with our unwavering commitment to the circular economy philosophy.

Main raw materials	Name	Renewable/Non-renewable (Note)	Recyclable/Non-recyclable	Remarks	Total weight in tons in 2022
Raw materials	Plastic pellets (PET)	Non-renewable	Recyclable	These pellets are derived from crude oil. After extraction of the oil, it takes nature millions of years to regenerate it. Crude oil is therefore referred to as a non-renewable resource.	18,010
Raw materials	Plastic pellets (rPET)	Non-renewable	Recyclable	rPET is a recycled material which is obtained through post-consumer recycling of PET (recycled input material)	8,234
Raw materials	Plastic pellets (PP)	Non-renewable	Recyclable	These pellets are derived from crude oil. After extraction of the oil, it takes nature millions of years to regenerate it. Crude oil is therefore referred to as a non-renewable resource.	10,649
Raw materials	Polylactic Acid (PLA)	Renewable	Recyclable	Lactic acid generated through fermentation of a mixture of starch (derived from wheat and rice straw and corn) and cellulose is turned into PLA through polymerization. This material is derived from plants, a renewable resource which can be regenerated within a short period of time.	3,458
Other material	Cartons	Renewable	Recyclable	Paper is made from wood. Trees represent a renewable resource which can be regenerated within a short period of time.	8,011
Other material	Plastic bags	Non-renewable	Recyclable	These bags are derived from crude oil. After extraction of the oil, it takes nature millions of years to regenerate it. Crude oil is therefore referred to as a non-renewable resource.	2,342

Note: GRI Standards: Oct. 2021 defines renewable/non-renewable materials as follows:

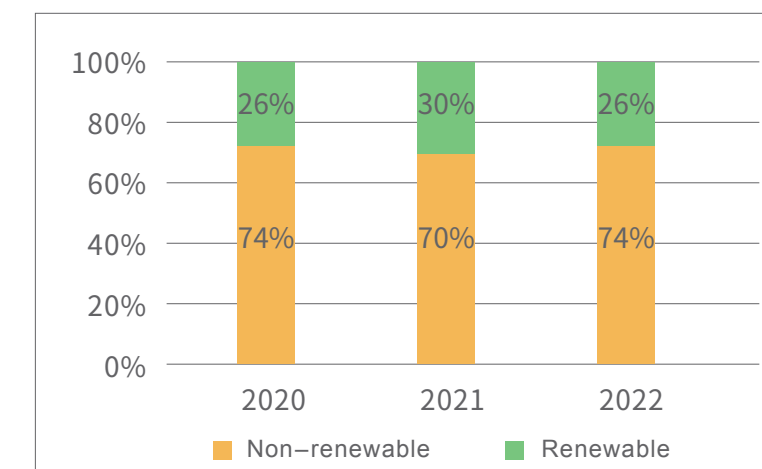
- Non-renewable material: resource that does not renew in short time periods.
- Renewable material: Material that is derived from plentiful resources that are quickly replenished by ecological cycles or agricultural processes, so that the services provided by these and other linked resources are not endangered and remain available for the next generation (e.g., water, plants, sunlight).
- Recycled input material: Material that replaces virgin materials, which are purchased or obtained from internal or external sources, and that are not by-products and non-product outputs (NPO) produced by the organization.

◆ Renewable/non-renewable material procurement ratios in the most recent three years

Category	2020	2021	2022
Non-renewable	74%	70%	74%
Renewable	26%	30%	26%
Total	100.0%	100.0%	100.0%

Note: Procurement ratio calculation formula: Procurement amount of non-renewable materials / (added up procurement amounts of non-renewable and renewable materials) \* 100%

Correction: Since it was impossible to determine the screening method for past data, we decided to recalculate and update the data for 2020 and 2021.



In view of the fact that the renewable material PLA requires significant land-fill space for its biodegradation process, numerous countries have reexamined the economic and environmental feasibility of PLA due to the insufficient availability of recycling environments. Consequently, demand for PLA declined in 2021. As of 2022, PLA is no longer actively promoted due to its lack of eco-friendly characteristics.



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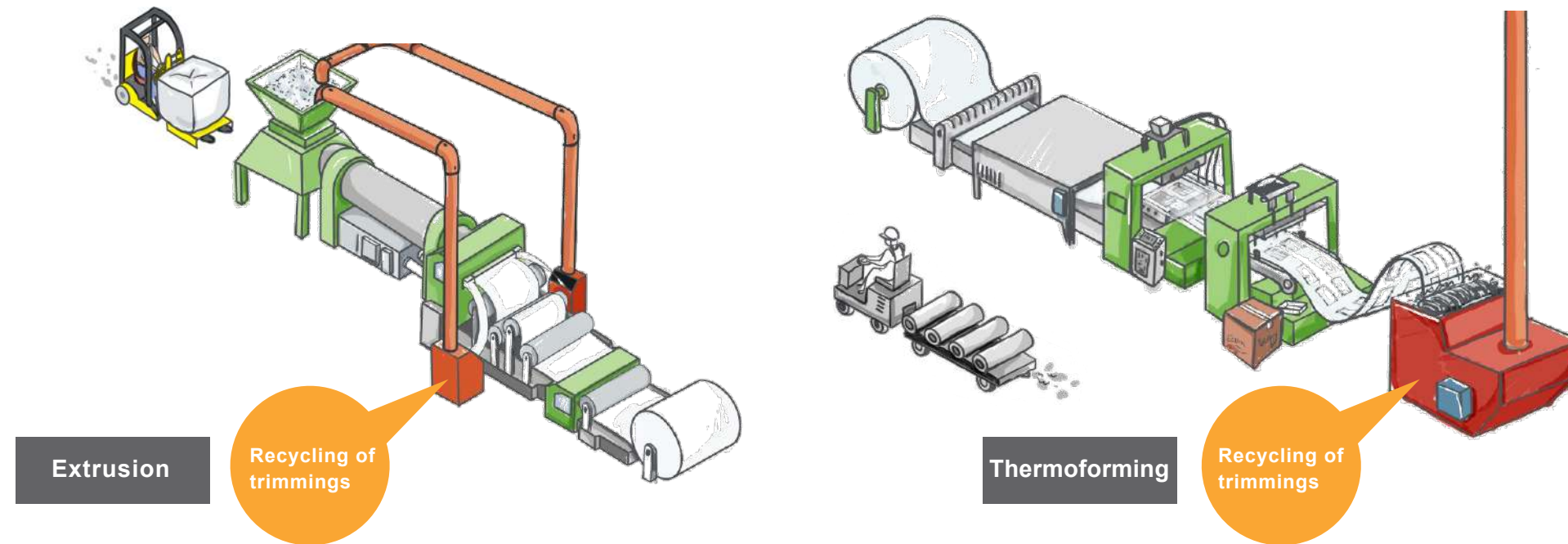
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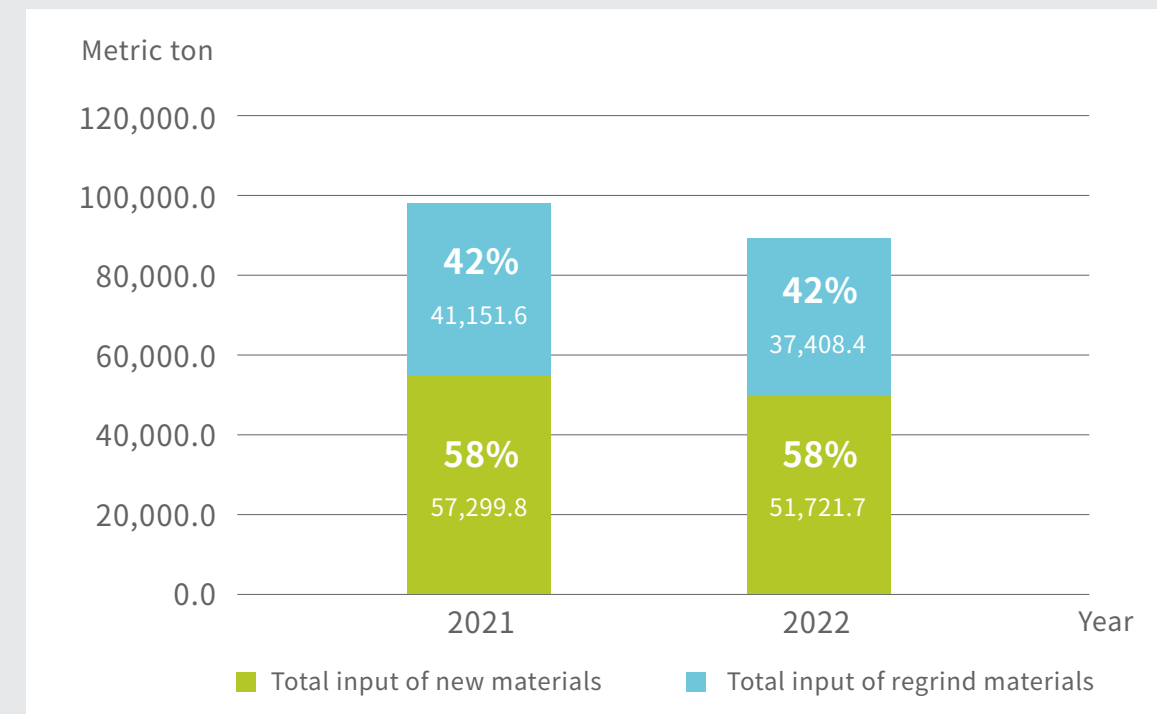
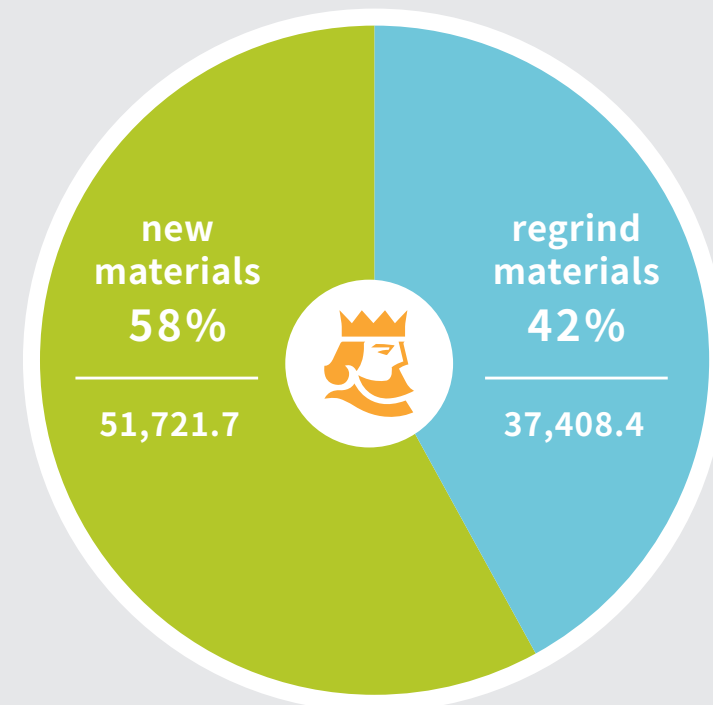
### 4.1.3.3 Manufacturing (GRI301-2)

Implementation of circular economy-based 3R principles (decreased use of materials, optimal use of materials, and recycled materials) ensure ongoing progress toward low-carbon, sustainable packaging.

◆ Recycling and reuse of regrind materials: Trimming recycling equipment has been installed for extrusion and thermoforming machinery. Scraps and trimmings are regrind and stored for reuse after sorting by material and color. This measure is highly conducive to repeated use of resources and reduction of industrial waste. In 2022, a total of 37,408.4 metric tons of regrind materials were recycled in our plants for a recycling and reuse rate of 42%.



2022

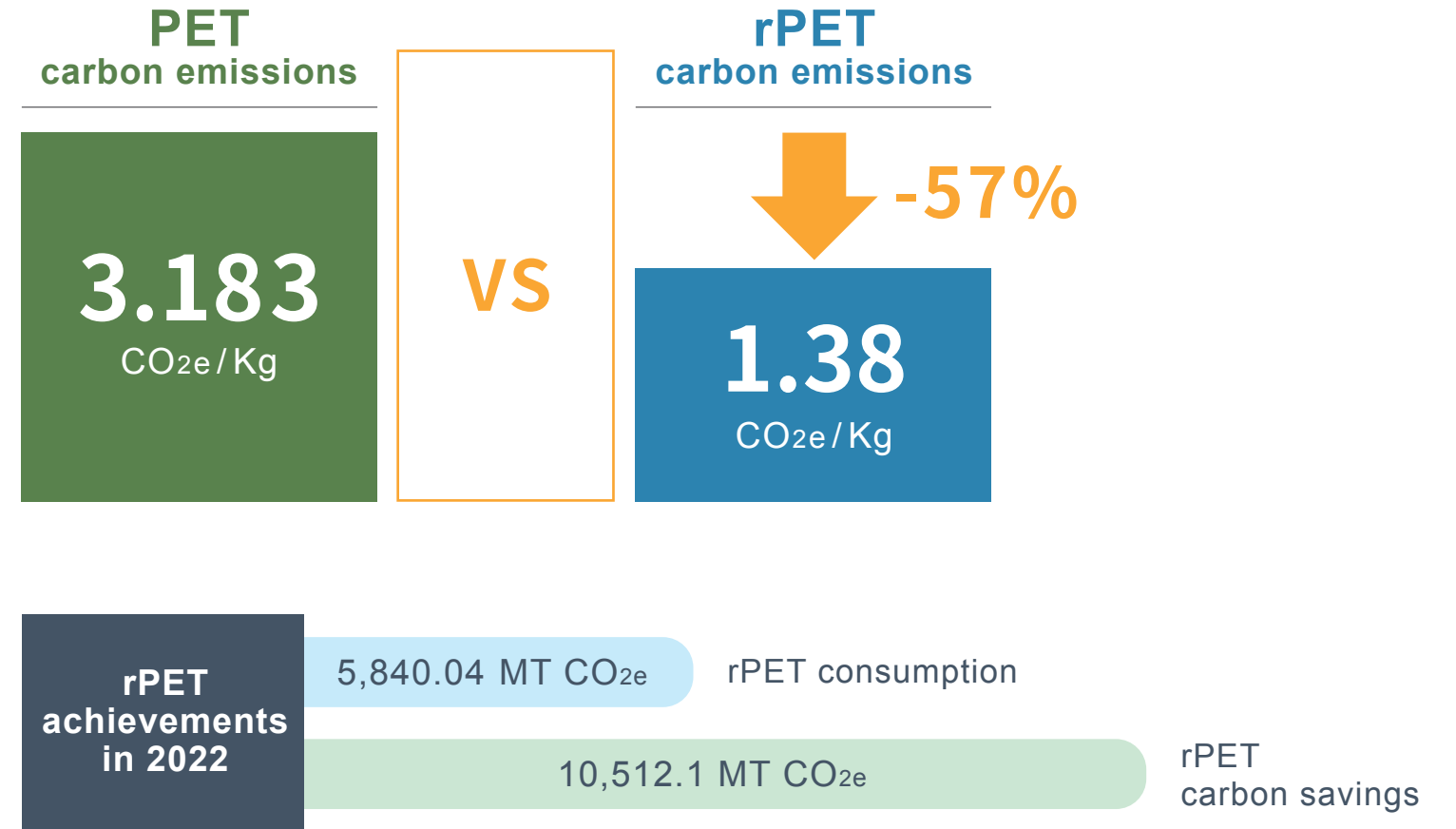


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◆ Utilization of rPET

- The carbon emission coefficient of rPET is 57% lower than that of PET (Note 1). Replacement of PET with rPET is conducive to carbon footprint reduction and circular economy system development.
- We purchase food-grade rPET pellets from renowned raw material suppliers. Our rPET products have passed the SCS Certified Recycled Content certification (see Note 2), which demonstrates conformity of material sources and usage rates to applicable norms and regulations.



Note 1: In accordance with data used for inventories, the PET and rPET carbon emission coefficients are 3.183kg CO<sub>2e</sub> per kg PET and 1.38kg CO<sub>2e</sub> per kg rPET, respectively.

Note 2: The SCS Certified Recycled Content certification focuses on the assessment of products that contain post-consumer or pre-consumer recycled content. The SCS certification system is capable of calculating the exact percentage of recycled content in individual products for accurate market announcements. (See 1.4 Product Certifications)

◆ Adoption of an initiative for reduction of carbon black consumption in October 2022

- If the color master batch of colored plastics contains carbon black, sorting for back-end recycling and reuse is significantly complicated, resulting in decreased recycling rates. We therefore plan to launch an initiative to achieve a reduction of carbon black consumption paired with increased plastic recycling and reuse rates in 2023.

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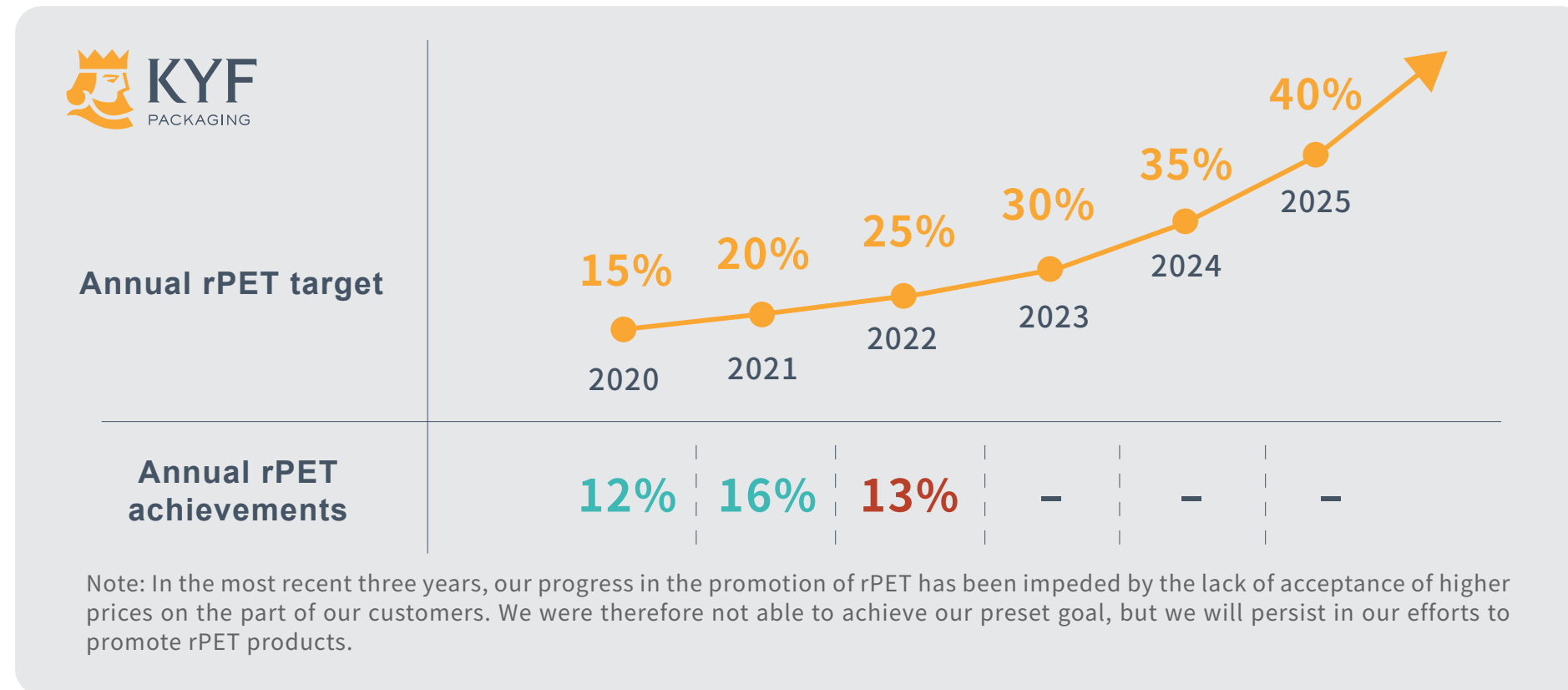
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### 4.1.3.4 Product Sales

We have made an ongoing commitment to promoting products made from rPET to expand the recycled material market and foster development of PCR ecosystems.

- ◆ Material shipment statistics in 2022 reveal that the average rPET rate dropped from 16% in 2021 to 13.19% in 2022, which represents a YoY decrease of 2.81%. We will therefore step up our efforts in the field of customer communication to promote products with high rPET content in 2023.
- ◆ rPET was officially approved for food contact applications by the Taiwanese Food and Drug Administration in 2022. Due to the fact that raw material suppliers were still in the application process for relevant certifications, all rPET products manufactured by King Yuan Fu in 2022 were sold abroad. Countries in Europe and North America have already authorized the use of PCR in food containers and large manufacturers have responded accordingly. For instance, the Coca-Cola Company announced in 2020 that it would gradually initiate production of 100% rPET bottles in the Netherlands, Norway, and Sweden and disclose the percentage of recycled materials on its own initiative. In response to circular economy trends, we have made advance preparations in the fields of technology, equipment, and experience.



### 4.1.3.5 Communication on Circular Economy

We are fully aware of the fact that plastics add a lot of convenience to our lives. During the COVID-19 pandemic, demand for plastic packaging saw a further increase due to indoor dining restrictions. The implementation of responsible consumption is therefore a core requirement for the effectiveness of environmental protection actions and successful promotion of circular economy concepts. We strive to form a circular economy model through initiatives ranging from sustainability education for employees to responsible consumption and raising of environmental awareness among consumers.

- ◆ Internal education — In-depth dialog-ESG Kick Off: In 2021, we formed a “Dandelion Task Force”, which fulfills the role of a communicator of sustainability-related concepts to our employees in an easily intelligible manner through the organization of Internal education. In 2022, this seminar was converted into an ESG Workshop “ESG Kick Off”, which serves as a platform for interdepartmental discussions between the Sales Department, Sustainable Development Department, and Procurement Department on circular economy concepts and aims to enhance the mutual understanding of respective roles and interdependence. These workshops facilitate a more in-depth exploration of sustainability issues.

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◆ External education — Environmental education education and enterprise visits: We have incorporated environmental education concepts into our 6R Sustainability Strategy (Rethink) and are deeply dedicated to instilling a sense of responsibility in consumers through interactions and exchanges with all circles of society (see Ch6-1 Environmental Education).



ESG Workshop “ESG Kick Off”

### 4.1.4 Product Safety and Quality (GRI 3-3、GRI 416-1、GRI 416-2、GRI 417-1、GRI 417-2)

Material Topic	Product safety and quality / customer relations																																
Significance for the Company	As a food packaging manufacturer, we view product safety and quality as our core responsibility. In view of the fact that our products come into direct contact with food, we embrace protection of consumer safety as our highest priority.																																
Impact	Economic impact: Customer returns resulting in losses for the company																																
Policy and Commitment	Providing customers with safe and high-quality products.																																
Short-term goal	Monthly Reduction Targets for Customer Complaints in 2023 <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th>Shulin</th> <th>Yingge</th> <th>Dongshan</th> </tr> </thead> <tbody> <tr> <td>(1) Food Safety</td> <td>≤ 0 cases</td> <td>≤ 0 cases</td> <td>≤ 0 cases</td> </tr> <tr> <td>(2) Quality</td> <td>≤ 1 cases</td> <td>≤ 0 cases</td> <td>≤ 0 cases</td> </tr> </tbody> </table>				Shulin	Yingge	Dongshan	(1) Food Safety	≤ 0 cases	≤ 0 cases	≤ 0 cases	(2) Quality	≤ 1 cases	≤ 0 cases	≤ 0 cases	Monthly reduction targets for anomaly in 2023 <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th>Shulin</th> <th>Yingge</th> <th>Dongshan</th> </tr> </thead> <tbody> <tr> <td>(1) Mold Dept.</td> <td>≤ 1 cases</td> <td>≤ 0 cases</td> <td>≤ 0 cases</td> </tr> <tr> <td>(2) Packaging Dept.</td> <td>≤ 0 cases</td> <td>≤ 0 cases</td> <td>≤ 0 cases</td> </tr> <tr> <td>(3) Extrusion Dept.</td> <td>N/A</td> <td>≤ 0 cases</td> <td>≤ 0 cases</td> </tr> </tbody> </table>		Shulin	Yingge	Dongshan	(1) Mold Dept.	≤ 1 cases	≤ 0 cases	≤ 0 cases	(2) Packaging Dept.	≤ 0 cases	≤ 0 cases	≤ 0 cases	(3) Extrusion Dept.	N/A	≤ 0 cases	≤ 0 cases	Customer satisfaction score of at least 95
	Shulin	Yingge	Dongshan																														
(1) Food Safety	≤ 0 cases	≤ 0 cases	≤ 0 cases																														
(2) Quality	≤ 1 cases	≤ 0 cases	≤ 0 cases																														
	Shulin	Yingge	Dongshan																														
(1) Mold Dept.	≤ 1 cases	≤ 0 cases	≤ 0 cases																														
(2) Packaging Dept.	≤ 0 cases	≤ 0 cases	≤ 0 cases																														
(3) Extrusion Dept.	N/A	≤ 0 cases	≤ 0 cases																														
Medium- and long-term goals	1. Formulation of improvement strategies for high-risk mold design through adoption of statistical methods 2. Active exploration of market applications and adoption of adequate design verification methods 3. Enhancement of emergency response capabilities with respect to customer complaints and strengthening of customer trust 4. Customer satisfaction score of at least 95																																
Course of action	Maintenance of ISO 9001, ISO 22000, HACCP, BRCGS, and food safety system certificates Implementation of self-inspection and reduction of quality anomalies																																
Results	Customer satisfaction score of 95.65 in 2022 (successful target achievement) Zero recalls due to violation of the Sanitation Standard for Food Utensils, Containers and Packages																																
Responsible unit	Manufacturing Department, QA Department																																

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#### 4.1.4.1 Food Safety and Quality Policy

We embrace a philosophy of Quality, Safety, and Customer Satisfaction First. In addition, we are fully committed to the all-out implementation of the Food Safety and Quality Management System and incessant pursuit of process improvements and problem prevention with the ultimate goal of lowering defect rates, reducing waste, and enhancing product quality, productivity, and customer satisfaction. We have made the following pledges:

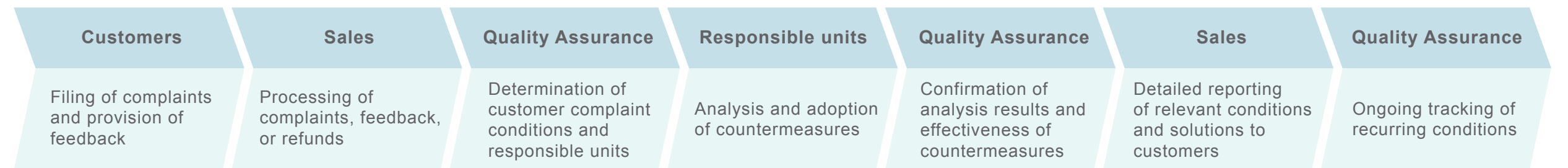


On this foundation, we have compiled a BRC Product Safety and Quality Management Manual and a Food Safety & Quality and Environmental Management Manual. All our manufacturing sites have passed the certification audits for the ISO 9001 Quality Management System, ISO 22000 Food Safety Management System, and the Hazard Analysis and Critical Control Points System (HACCP). Our Yingge and Dongshan Plants have further acquired BRCGS Packaging Materials Global Standard certificates (Note).

- Note: BRCGS (Brand, Reputation and Compliance Global Standards for Food Packaging materials) provides a framework of internationally recognized global standards for the management of food safety, food packaging and packaging materials, storage and distribution, agents and brokers, consumer products, and the retail industry.

#### 4.1.4.2 Quality Management

◆ We have established a comprehensive quality assurance system in accordance with the requirements of the ISO 9001 Quality Management System. This mechanism consists of Quality Assurance System Management Procedures, Control Procedures for Non-Conforming Products, Procedures Governing Corrective and Preventive Measures, Customer Satisfaction Measurement Procedures, and setting of quality management targets.



Procedure	Description
Quality Assurance System Management Procedures	These procedures ensure effective control of quality inspection control points, inspection methods, and judgment criteria at all process stations from receipt of incoming raw materials to manufacturing and shipment
Control Procedures for Non-Conforming Products	These procedures enable us to adopt effective countermeasures with respect to existing or potential non-conformities in the food safety, quality, and environmental dimensions affecting our products during material input, processing, manufacturing, shipment, and customer complaint processes and thereby facilitate the prevention of recurrence of similar issues and achievement of the goal of ongoing improvements.

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Procedure	Description
Procedures Governing Corrective and Preventive Measures	Competent units handle non-conforming products during the material input, process, finished good, and customer complaint stages by relying on rigorous control procedures to prevent misuse or continued use of non-conforming products in follow-up processes and delivery of such products to customers
Customer Satisfaction Measurement Procedures	The goal of these procedures is to gain a clear understanding of customer requirements and expectations in the fields of product quality and food safety as a driving force for ongoing improvements

- ◆ We have set up a Quality Assurance Lab which features various types of equipment such as IV detector(s) and spectrophotometer(s). This lab enables us to conduct autonomous quality-related controls (food safety controls are currently outsourced to outside businesses).
- ◆ We promote the concept of “Quality Assurance by All”. The QA Department therefore provides a simplified version of the judgment criteria for vacuum enclosure appearance, keeps statistics of simplified standards formulated in line with universal quality principles, and assists production line personnel in gaining a basic understanding of such standards with the goal of achieving the goal of “Quality Assurance by All”.
- ◆ In 2022, we added oven(s) and transportation simulator(s) to conduct assessments of heat resistance and damage and destruction caused by transportation processes in line with customer requirements.



◆ Customer satisfaction scores in the most recent three years

Year	2020	2021	2022
Average customer satisfaction score	95.8	96.5	95.65

**4.1.4.3 Food Safety**

◆ We strive to further increase staff participation and execution capabilities to further entrench a culture of food safety and instil food safety awareness and a sense of responsibility on the part of employees. Our efforts to build a food safety culture rely on the following key components: communication, training, employee feedback, and food safety performance measurement.

Key elements	Implementation items
Communication	Convening of production technology and production & marketing routine meetings and establishment of a platform for regular communications
Training	Organization of training courses on food safety, personnel and environmental hygiene, and food defense at least annually
Employee feedback	Employee suggestion box, proposals, etc.
Food safety performance measurement	Setting of food safety goals and monthly performance tracking

◆ Pursuant to the provisions set forth in the Act Governing Food Safety and Sanitation, food packaging materials, which represent our main product category, constitute a key link of the food industry. We therefore place strong emphasis on quality and safety and have established a comprehensive food safety system to ensure that our operating personnel, operating locations, facility hygiene management, and quality assurance system conform to all applicable Food Good Hygienic Practices (GHP). We have also made a firm pledge to implement the so-called 7S methodology (Seiri (Sort), Seiton (Set in Order), Seiso (Shine), Seike (Standardize), Shitsuke (Sustain), Safety, and Save).

◆ Food safety: We are firmly committed to the formation of food safety task forces, adoption of a Hazard Analysis Critical Control Point (HACCP) plan, and identification, assessment, and control of hazards present in all production processes and procedures to eliminate or reduce risks to acceptable levels and thereby increase food safety.

◆ Food defense: We prioritize precautionary measures against and elimination of potential tasks of sabotage, deliberate contamination, and terror attacks, which pose a danger to our products. In addition, we have food defense management procedures and food defense task forces in place to ensure the effective implementation of protective measures and management practices with the ultimate goal of preventing food safety incidents and safeguarding the interests of our customers, employees, and the Company.

◆ We schedule internal and external audits of the ISO 22000 Food Safety Management System, the Hazard Analysis and Critical Control Points System (HACCP), and BRCGS Packaging Materials Global Standards on an annual basis to ensure the ongoing effectiveness of our food safety management system. No violations of product and service-related health and safety laws and product labeling and advertising regulations occurred in the most recent three years.

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## 4-2 Environmental Management

Based on the realization that we only have one earth and that all human activity depends on the environment, we are firmly committed to “Energy Conservation, Environmental Protection, and Cherishing our Planet” as our highest guiding principle in the environmental dimension to fulfill our responsibility as a citizen of the earth and protect the circle of life for future generations. We have an environmental management system and environmental goals in place and engage in regular performance tracking.

◆ We have stipulated Environmental Management Procedures to ensure that the environmental impacts arising out of all our operating activities (e.g., waste gas, chemicals, solid waste, noise, energy sources, drinking water, and work environment hygiene) conform to applicable legal requirements after implementation of proper treatment and controls. In addition, our Yingge and Dongshan Plants have passed the certification audit for the ISO 14001: 2015 Environmental Management System and the Shulin Plant adopted the system in October 2022

Plant	ISO 14001: 2015 Certificate Validity Period
Yingge	2020/11/19 ~ 2023/11/18
Dongshan	2020/11/17 ~ 2023/11/16
Shulin	2022/10/05 ~ 2025/10/04

◆ Due to extreme weather patterns caused by the greenhouse effect, climate change has generally been considered as one of the top three global risks in recent years. As a citizen of the earth, it is our sacred duty to actively develop a pathway to decarbonization. Due to our process characteristics, electricity represents our main energy source. Power conservation and renewable energy sources are therefore our top priorities on the low-carbon transition pathway.





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 **4-3 Energy** (GRI 3-3、GRI 302-1、GRI 302-2、GRI 302-3)

Material Topic	Carbon emissions
Significance for the Company	Energy management represents a core task of our environmental policy and one of the two pillars of our decarbonization pathway strategy. We have made substantial investments in energy conservation equipment and conduct research on renewable energy acquisition with a view to honoring our commitment to RE 100, reducing our carbon emissions, and maximizing our positive influence on the environment.
Impact	Economic: Carbon taxes/fees resulting in rising costs and potential product price increases Environmental: Commitment to emission reduction is conducive to mitigating the greenhouse effect
Policy and Commitment	Decrease of per-unit power consumption coupled with an increase in the rate of renewable energy share
Short-term goal	YoY decrease of per-unit power consumption by 1.0% in 2023
Medium- and long-term goals	RE 100 commitment, 60% renewable energy in 2030, 90% renewable energy in 2040, 100% renewable energy in 2050
Course of action	In 2022, the Dongshan Plant participated in the Demonstration Guidance Project for Energy Management in the Manufacturing Sector organized by the Industrial Development Bureau (IDB) of the Ministry of Economic Affairs. The guidance consultant assisted the plant in gaining a deeper insight into energy management processes and fundamentals with the ultimate goal of giving employees a better understanding of energy management practices and accelerating the implementation process.  In 2022, the Yingge Plant participated in the IDB Industrial Energy Efficiency Enhancement and Management Project – Energy Monitoring, Management, and Installation Guidance in the same year. A professional technical guidance expert provided on-site guidance in the data gathering process and analysis of energy consumption conditions to provide a better understanding of hotspots.
Results	Total energy savings of 1,568,411.5 kWh through internal energy conservation initiatives in 2022 The Dongshan Plant passed the certification audit for the ISO 50001 Energy Management System in 2022
Responsible unit	Sustainable Development Department

**4.3.1 Energy Consumption**

Due to our process requirements, our main energy source is purchased electricity. Power conservation therefore represents our core strategy to maximize our positive influence in the environmental dimension. The scope of our energy consumption reporting in 2021 encompassed the Shulin, Yingge, and Dongshan Plants (Coverage rate of 100%).

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### ◆ Energy consumption conditions in 2022

Energy categories	Type	Shulin Plant	Yingge Plant	Dongshan Plant	Total	MJ Coefficient	Total energy consumption (MJ)
Purchased electricity (kWh)	Non-renewable	10,061,849.6	36,675,488.0	49,885,517	96,622,855	1kWh = 3.6*(10 <sup>-6</sup> )TJ	347.842277
Diesel (liter)	Non-renewable	21,101.8950	3,030.98	73.92	24,207	1kWh = 4.187*(10 <sup>-9</sup> )TJ	0.000101
LPG (liter)	Non-renewable	72.72	58.1760	196.344	327	1kWh = 4.187*(10 <sup>-9</sup> )TJ	0.000001
Gasoline (liter)	Non-renewable	792.7800	5,227.94	0	6,021	1kWh = 4.187*(10 <sup>-9</sup> )TJ	0.000025
Solar power (kWh)	Renewable	0	11,000	0	11,000	1kWh = 3.6*(10 <sup>-6</sup> )TJ	0.039600
<b>Total</b>							<b>347.882004</b>

Note: The coefficients and indicators listed above have been derived from "Widely Used Calorific Values in International Energy Statistics" in the 2018EnergyStaHandBook of the Bureau of Energy (1 liter of Diesel = 8,400 kcal, 1 liter of LPG = 6,635 kcal, 1 liter of gasoline = 7,800 kcal)

Gcal, a unit of energy which frequently appears in international energy statistics, can be converted into the TJ coefficient as follows: 4.187×10<sup>-3</sup>; Kcal = 1,000cal, Gcal = 1,000,000,000  
Solar energy certificate queries: <https://www.trec.org.tw/certification>; Certificate No.: 21SP0031-B022000001~11

### ◆ Solar power generation statistics are shown in the table below (we currently feed solar power into the Taipower grid):

Solar power generation list					
Electricity unit (kWh)					
Plant	Taipower customer number	Installed capacity (kW)	2020	2021	2022
Dongshan	03-44-6362-99-4	498.928	442,880	448,512	407,440
Dongshan	03-44-6362-98-3	288.05	257,628	288,720	263,172
Dongshan	03-44-6361-99-3	187.68	---	97,408	171,968
Yingge	05-81-5596-98-1	458.01	400,544	510,944	460,288

### ◆ Total power consumption broken down by plant in the period from 2020-2022:

	2020	2021	2022	Difference between 2022 and 2021 (percentage)
Shulin Plant	13,146,001	12,444,940.6	10,050,658	23.82%
Yingge Plant	42,057,623	40,866,144	36,675,488	11.43%
Dongshan Plant	56,905,424	56,019,287.4	49,855,056	12.36%

It has been determined upon analysis that despite the aforementioned YoY drop of 23.82% caused by a decline in our output, the power consumption per ton output has actually increased. We have therefore decided to implement improvements at the source.

### ◆ Average power consumption per ton output in 2021 and 2022:

	2021	2022
Average power consumption per ton output of finished goods (kWh)	1,656.0	1,684.0

Note: It has been detected by the ESG Committee that shipment volume is not an accurate measure of production-related power consumption. It was therefore decided to replace shipment volume with finished good output volume for power consumption calculations in 2022.

2021: [Power consumption of all plants - (office power consumption + dormitory power consumption)]/[total shipment volume of finished goods in all material categories \* sum of all material density parameters converted into PET density]

2022: [Power consumption of all plants - (office power consumption + dormitory power consumption)]/[total output volume of finished goods in all material categories \* sum of all material density parameters converted into PET density]

Correction: Power consumption calculated based on shipment volume in 2021 has been determined to be an inaccurate representation of production-related power consumption. Shipment volume was therefore replaced with output volume for calculations in 2022.

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◆ Average energy consumption per ton output of finished goods in the period from 2021 to 2022:

Year	2021			2022			
	Plant	Shilin Plant	Yingge Plant	Dongshan Plant	Shilin Plant	Yingge Plant	Dongshan Plant
Purchased electricity (kWh)		44,801,786.14	147,118,118.40	201,669,434.81	36,182,367.53	132,031,756.80	179,478,202.59
Diesel (liter)		23.21	12.93	0.00	88.35	12.69	0.39
LPG (liter)		0.15	0.24	0.27	0.30	0.24	0.82
Gasoline (liter)		72.47	24.59	0.00	3.32	21.89	0.00
Total (broken down by plant)		44,801,881.97	147,118,156.16	201,669,435.08	36,182,459.50	132,031,791.62	179,478,203.81
Annual total		393,589,473.21			347,692,454.93		
Total weight in tons based on converted density for each material		71,989.15			57,463.56		
Average energy consumption per ton output of finished goods (MJ) (Energy Intensity)		6,849.38			6,050.66		

Note: 1kWh = 3.6 MJ; 1kcal=4.187\*(10<sup>-3</sup>) MJ

The YoY drop in energy intensity values in 2022 can be attributed to the replacement of Diesel-powered forklifts and the effects of improvement initiatives.



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### 4.3.2 Power Conservation and Energy Management (GRI 302-4)

◆ All our manufacturing sites report their energy consumption data to the Bureau of Energy of the Ministry of Economic Affairs on an annual basis pursuant to the provisions set forth in Article 12 of the Energy Administration Act. Looking back on the past three years, the average annual power saving rate of all plants exceeded the legal requirement of 1%.

Year	Shulin Plant		Yingge Plant		Dongshan Plant	
2020	Power saving rate in the respective year 2.4%	Average annual power saving rate 1.9%	Power saving rate in the respective year 1.8%	Average annual power saving rate 1.5%	Power saving rate in the respective year 1.3%	Average annual power saving rate 1.7%
2021	Power saving rate in the respective year 0.0%	Average annual power saving rate 2.2%	Power saving rate in the respective year 1.5%	Average annual power saving rate 1.5%	Power saving rate in the respective year 1.3%	Average annual power saving rate 2.1%
2022	Power saving rate in the respective year 0.11%	Average annual power saving rate 1.95%	Power saving rate in the respective year 0.45%	Average annual power saving rate 1.45%	Power saving rate in the respective year 1.7%	Average annual power saving rate 1.88%

Note: Pursuant to the amendment to the Regulations Governing the Formulation of Energy Conservation Targets and Implementation Plans by Energy Users adopted by the Ministry of Economic Affairs on December 25, 2019, energy users with a contract capacity in excess of 800kW are required to achieve an average annual power saving rate of at least 1.0% in the ten-year period from 2015–2024. The power saving rate based on energy conservation targets and implementation plans in the respective year must exceed 1% (total power savings equal the sum of all power savings resulting from power conservation measures implemented by the Company).

◆ Reported power savings resulting from energy conservation initiatives in 2022:

Plant	Initiative	Energy savings (kWh)	Total energy consumption (MJ)
Dongshan Plant	Pressure stabilization and flow improvements implemented for compressed dry air (CDA) utilized for processes	868,608.000	3.1270
Yingge Plant	Chiller system improvements	164,137.000	0.591
Shulin Plant	Replacement of low-efficiency compressors	9,126.670	0.033
<b>Total</b>			<b>3.751</b>

Note: Coefficients and indicators have been derived from “Widely Used Calorific Values in International Energy Statistics” in the 2018EnergyStaHandBook of the Bureau of Energy: 1kWh = 3.6\*(10<sup>6</sup>)TJ. 2020 has been set as the base year for reporting of power savings.

With a view to facilitating systematic implementation of energy conservation, the Dongshan Plant adopted the ISO 50001 Energy Management System in 2022. The plant has determined the order of priority for energy consumption improvement measures based on an energy baseline inventory. Our other plants are projected to follow the example of the Dongshan Plant by adopting ISO 50001 in the near future.

◆ In addition to the reporting of the results of internal and external energy conservation initiatives, the ESG Committee tracks the effects of such initiatives in quarterly meetings. The results of internally submitted proposals in 2022 were as follows:

Plant	Number of energy conservation initiatives	Conserved energy in kWh (broken down by plant)	Total energy savings in kWh	Total energy savings in MJ
Yingge Plant	9	232,413.4	1,568,411.5	5.646
Shulin Plant	4	257,648.0		
Dongshan Plant	8	1,078,350.1		

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### 4.3.3 RE100 Membership

In August 2021, we became an official member of the Climate Group's RE100 Initiative ([media coverage link](#)) and the first (and so far only) plastic container manufacturer to pass the RE100 review process. We have set clearly defined goals of 60% and 90% renewable energy in 2030 and 2040, respectively, to ensure ongoing progress toward the net-zero vision and make a contribution to keeping the global temperature rise within 1.5°C.

In 2022, the Dongshan Plant participated in the Demonstration Guidance Project for Energy Management in the Manufacturing Sector organized by the Industrial Development Bureau (IDB) of the Ministry of Economic Affairs. The guidance consultant assisted the plant in gaining a deeper insight into energy management processes and fundamentals with the ultimate goal of giving employees a better understanding of energy management practices and accelerating the implementation process. The plant passed the certification audit for the ISO 50001 Energy Management System in the same year.



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### 4-4 Air Pollution Control (GRI 305-6、GRI 305-7)

Potential pollution sources	Management approaches	Violations in 2022
Volatile Organic Compounds (VOC) * Possible generated in sheet extrusion processes	Installation of VOC treatment systems in accordance with legal requirements, application for Stationary Pollution Source Operating Permits with local environmental agencies, and regular reporting of VOC amounts to environmental protection bureaus 	0
Vehicle exhaust gases	Scheduling of smog checks for company vehicles pursuant to applicable traffic laws and regulations, regular maintenance and repair of operating and exhaust system components	0
Other gas emissions	We have not detected emissions of ozone depleting substances (ODS), nitrogen oxides (NOx), sulfur oxides (SOx), or other major gases	0

#### ◆ VOC emissions (in metric tons):

	Yingge Plant	Dongshan Plant	Shulin Plant	All plants
2022 Q1	1.9	5	5.2	12.1
2022 Q2	1.8	5.3	4.5	11.6
2022 Q3	1.5	6.3	2.3	10.1
2022 Q4	1.8	6.9	2.7	11.4
			<b>Total</b>	<b>45.2</b>

Note: The data shown above is based on reports submitted to environmental protection bureaus of county/city governments

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## 4-5 Water Resource Management (GRI 303-1、303-2、303-3)

Significance for the Company	We mostly consume pure water for domestic purposes and silicone preparation for our production processes. Our water consumption is low and water use purposes are simple. We don't generate any industrial wastewater and our sewage is discharged into the public sewerage system in line with applicable regulations.
Concrete actions in 2022	Rigorous control of water tower inflow and outflow, regular cleaning and maintenance of water pipes to ensure they remain unblocked. Posting of water conservation notices in all water use areas and water conservation advocacy.
Results in 2022	Annual inspection of process water and water dispenser to ensure compliance with applicable laws and regulations
Responsible unit	Maintenance Department

#### ◆ Water sources:

	Yingge Plant	Shulin Plant	Dongshan Plant
Water intake source	Sanxia River, Shimen Reservoir, Taishan Well, Yonghe Well	Sanxia River, Shimen Reservoir, Taishan Well, Yonghe Well	Nanao River, Xincheng River, Han River (Lanyang River System), Guangxing Purification Plant, Ganzikeng Purification Plant, Tiansongpi Purification Plant, Dayin Purification Plant, Wanshan Purification Plant, Longde Purification Plant, Suao Purification Plant, Guangxing I, II, III Water Intake Stations
Water supply unit	Taiwan Water Corporation – 112th Branch Office 1201 Banxin District Water Supply System	Taiwan Water Corporation – 12th Branch Office 1201 Banxin District Water Supply System	Taiwan Water Corporation – 8th Branch Office 0804 Luodong Water Supply System

Note: Data source: Taiwan Water Corporation website (<https://www.water.gov.tw/ch/AnnualReport/Detail/2293?nodeId=4571>)

◆ Relevant data disclosed in the Water Risk Atlas of the World Resources Institute clearly reveals that all our operating sites are located in low water stress areas. Despite the determined low risk level, we still attach great importance to cherishing and protecting our water resources. We are actively committed to the all-out adoption of water conservation measures and advocacy activities.

◆ All our water is supplied by Taiwan Water Corporation. Water intake statistics for the period from 2021 to 2022 are shown in the table below:

Year	Shulin Plant water consumption in m <sup>3</sup>	Yingge Plant water consumption in m <sup>3</sup>	Dongshan Plant water consumption in m <sup>3</sup>	Total water consumption of all plants in m <sup>3</sup>	In megaliters
2021	26,178	39,797	11,931	77,906	77.9
2022	21,605	30,986	9,710	61,761	61.8

Note: We use freshwater exclusively (≤1,000 mg/L TDS);  
Source of utilized coefficients and indicators: Water Conservation Information website of the Water Resources Agency; 1 m<sup>3</sup> = 1,000 liters



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◆ Main purposes of water use

Purpose	Management approaches
Domestic water	Rigorous control of water tower inflow and outflow, regular cleaning and maintenance of water pipes to ensure they remain unblocked. Posting of water conservation notices in all water use areas and water conservation advocacy.
Pure water utilized for processes * Applied to sheet after food-grade silicone preparation	Annual inspection of process water quality (E.coli) – All standards and criteria set forth in the Act Governing Food Safety and Sanitation have been met in the most recent three years. Circular use and regular PH testing.
Chilled cooling water system	
Drinking water	Regular maintenance of water dispensers and replacement of filters; annual inspection of water dispenser water quality (E.coli) – all drinking water quality standards have been met in the most recent three years.

◆ Our process water is solely used for food-grade silicone preparation and chilled cooling water, which doesn't generate any industrial wastewater. We only discharge domestic wastewater into the public sewerage system



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**4-6 GHG Emissions** (GRI 305-1、GRI 305-2、GRI 305-3、GRI 305-4、GRI 305-5)

◆ We conduct GHG inventories on a voluntary basis to facilitate effective management of GHG emissions of all our plants. Direct and indirect emissions of our operating sites are inventoried in accordance with ISO 14064-1: 2018 principles and requirements. Our inventory coverage rate has reached 100% (2021 has been set as the base year).

GHG emission in 2022				Unit: MT CO <sub>2e</sub>
Emission source	Shulin Plant	Yingge Plant	Dongshan Plant	All plants
Scope 1 Direct Emissions	79.1848	576.4307	1,132.7023	1,788.3178
Scope 2 Indirect Energy Emissions	5,121.4814	18,667.8234	25,391.7282	49,181.0330
Scope 3 Indirect Emissions associated with transportation	181.0275	379.5353	629.6403	1,190.2031
Scope 4 Indirect Emissions associated with products used by the organization	920.1385	3,285.1264	4,486.0428	8,691.3077
<b>Total</b>	<b>6,301.8322</b>	<b>22,908.9158</b>	<b>31,640.1136</b>	<b>60,850.8616</b>

- Description:
1. Category 5 and 6: No significant indirect GHG emissions.
  2. Third-party verification has been successfully completed for the Yingge, Shulin, and Dongshan Plants and GHG inventories.
  3. All calculation results have been converted into MT CO<sub>2e</sub> (carbon dioxide equivalent) based on Global Warming Potentials (GWP – an authoritative emission coefficient) of relevant substances as listed in the 6th IPCC report released in 2013.
  4. GHG emission intensity: producing one metric ton of product generates 1.2 (=60849.6304/57463.5563) MT CO<sub>2e</sub>
  5. Note: Total GHG emissions of all plants in 2021/total shipment volume of finished goods in all material categories\*sum of all material density parameters converted into PET density.
  6. Total GHG emissions of all plants in 2022/total output volume of finished goods in all material categories\*sum of all material density parameters converted into PET density.



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◆ GHG reduction initiatives in 2022:

Initiative	Contents	Achieved reduction	Carbon emission reduction (MT CO <sub>2</sub> e)																				
Energy conservation initiative	Energy conservation effects through reported equipment improvements in all plants Reduction: 1,041,872 kWh * 0.50 9kg CO <sub>2</sub> e /kWh (Electricity Carbon Emission Factor)/1,000 = 530.3 MT CO <sub>2</sub> e	1,041,872 kWh	530.3																				
Replacement of new materials with rPET	Replacement of new materials with purchased rPET (for rPET products) to reduce PET consumption and thereby achieve carbon reduction benefits <table border="1"> <thead> <tr> <th>rPET quantity (metric tons)</th> <th>PET and rPET coefficient difference</th> <th>Carbon emission reduction (MT CO<sub>2</sub>e)</th> </tr> </thead> <tbody> <tr> <td>5,840.04</td> <td>3.183-1.38 = 1.8</td> <td>5,840.04 * 1.8 = 10,512.1</td> </tr> </tbody> </table>	rPET quantity (metric tons)	PET and rPET coefficient difference	Carbon emission reduction (MT CO <sub>2</sub> e)	5,840.04	3.183-1.38 = 1.8	5,840.04 * 1.8 = 10,512.1	5,840.04 tons	10,512.1														
rPET quantity (metric tons)	PET and rPET coefficient difference	Carbon emission reduction (MT CO <sub>2</sub> e)																					
5,840.04	3.183-1.38 = 1.8	5,840.04 * 1.8 = 10,512.1																					
Reuse of regrind materials	In-plant reuse of trimmings for production after crushing and recycling to reduce consumption of new materials and thereby achieve carbon reduction benefits. Sum of (Total input of trimmings in all material categories *Carbon emissions in all material categories) <table border="1"> <thead> <tr> <th></th> <th>PET</th> <th>PP</th> <th>PLA</th> </tr> </thead> <tbody> <tr> <td>Total input (kg)</td> <td>27,655,008.5</td> <td>7,168,545.2</td> <td>2,584,875.5</td> </tr> <tr> <td>Material coefficients</td> <td>3.183</td> <td>2.29</td> <td>3.26</td> </tr> <tr> <td>Carbon reduction benefits through reduce raw material consumption in all categories (MT CO<sub>2</sub>e)</td> <td>88,025.9</td> <td>16,416.0</td> <td>8,426.7</td> </tr> <tr> <td>Total carbon emission reductions (MT CO<sub>2</sub>e)</td> <td colspan="3">112,868.6</td> </tr> </tbody> </table>		PET	PP	PLA	Total input (kg)	27,655,008.5	7,168,545.2	2,584,875.5	Material coefficients	3.183	2.29	3.26	Carbon reduction benefits through reduce raw material consumption in all categories (MT CO <sub>2</sub> e)	88,025.9	16,416.0	8,426.7	Total carbon emission reductions (MT CO <sub>2</sub> e)	112,868.6			37,408.43 tons	112,868.6
	PET	PP	PLA																				
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Material coefficients	3.183	2.29	3.26																				
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Total carbon emission reductions (MT CO <sub>2</sub> e)	112,868.6																						
<b>Total</b>			<b>123,911</b>																				

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 **4-7 Waste Management** (GRI 306-1、GRI 306-2、GRI 306-3、GRI 306-4、GRI 306-5)

Significance for the Company	Waste reduction is conducive to decrease of production costs and GHG emission, while in-plant recycling and reuse of regrind materials increases resource usage efficiency
2022 Concrete Actions	Dedicated effort to reduce trimmings through product design (mold deployment) in 2022, recycling and reuse of regrind materials
2022 Results	Regrind material reuse rate of 42% in 2022
Responsible unit	Procurement Department

Domestic trash and general industrial waste represent our main waste categories. We don't generate any hazardous industrial waste. Organizations that hold valid permits are commissioned to perform clearance and disposal operations pursuant to relevant provisions set forth in the Waste Disposal Act. The incinerator is the final disposal site.

◆ Waste description and statistics in 2022

- General industrial waste sources:

Item	Description of waste generation	Off-plant / in-plant	Transferred / direct disposal	Remark
Mold nozzle materials	Accumulated plastic lump with bubbles and impurities at the mold nozzle which cannot be molded or extrusion formed during sheet extrusion processes	Off-plant	Transferred disposal— Recycling & Reuse	Mold nozzle materials are converted into plastic raw materials after processing by qualified businesses and supplied to the market for reuse
Machine cleaning materials	Plastic waste is generated when extrusion machinery is cleaned with plastic materials with the aid of a heated spiral rod when materials or colors used for production are changed	Off-plant	Direct disposal— Incineration	—
Wood	Wooden pallets used for raw material transportation, extruded pallet wood chips, protective pads for forming molds	Off-plant	Direct disposal— Incineration	—
Release paper	Waste material of stickers used for vacuum housing products	Off-plant	Direct disposal— Incineration	—
Aluminum foil	External packaging for imported raw materials	Off-plant	Direct disposal— Incineration	—

Correction: Last year, a co-worker erroneously reported recycling of the wood listed in this table based on a misunderstanding. The wood was also incinerated last year.

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### Waste statistics in 2022 (tons):

Category	Item	Shulin Plant	Yingge Plant	Dongshan Plant	All plants	Total of all categories
General industrial waste	Machine cleaning materials	56.93	85.92	136.94	279.79	532.278
General industrial waste	Mold nozzle materials	21.7	68.391	137.89	227.981	
General industrial waste	Wood	3.495	0.13	6.94	10.565	
General industrial waste	Release paper	0.145	12.098	0	12.243	
General industrial waste	Aluminum foil (newly added)	1.164	0.535	0	1.699	
Domestic trash	--	20.443	21.768	46.717	88.928	88.928
<b>Total</b>		<b>103.877</b>	<b>188.842</b>	<b>328.487</b>	<b>--</b>	<b>621.206</b>

◆ With a view to reducing industrial waste amounts and increasing resource usage efficiency, all plants reuse trimmings generated during production processes for manufacturing after crushing and recycling. A total of 37,408.8 tons of trimmings were recycled and reused in 2022 for a reuse rate of 42%.

### Waste statistics in the period from 2020~2022 (tons)

Category	Item	Disposal method	2020	2021	2022
General industrial waste	Machine cleaning materials	Incineration	57.5	390.8	279.8
General industrial waste	Mold nozzle materials	Recycling & Reuse	235.4	208.6	228.0
General industrial waste	Wood	Incineration	0	12.3	10.6
General industrial waste	Release paper	Incineration	51.6	16.6	12.2
General industrial waste	Aluminum foil (newly added)	Incineration	0	0	1.7
Domestic trash	--	Incineration	103.3	87.7	88.9

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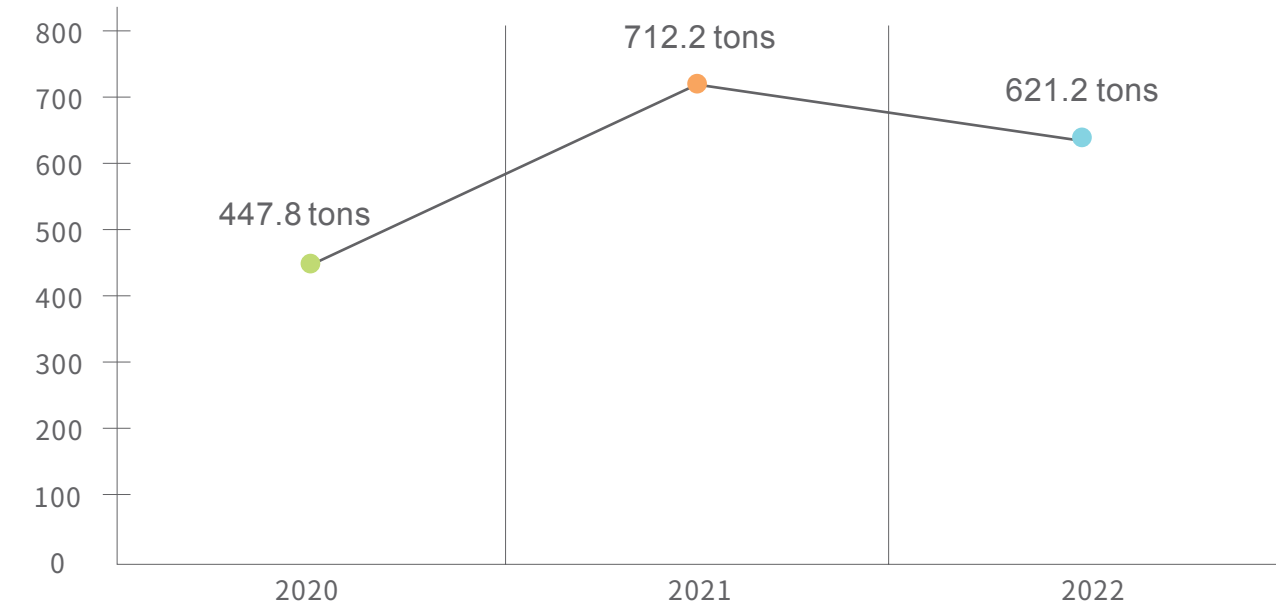
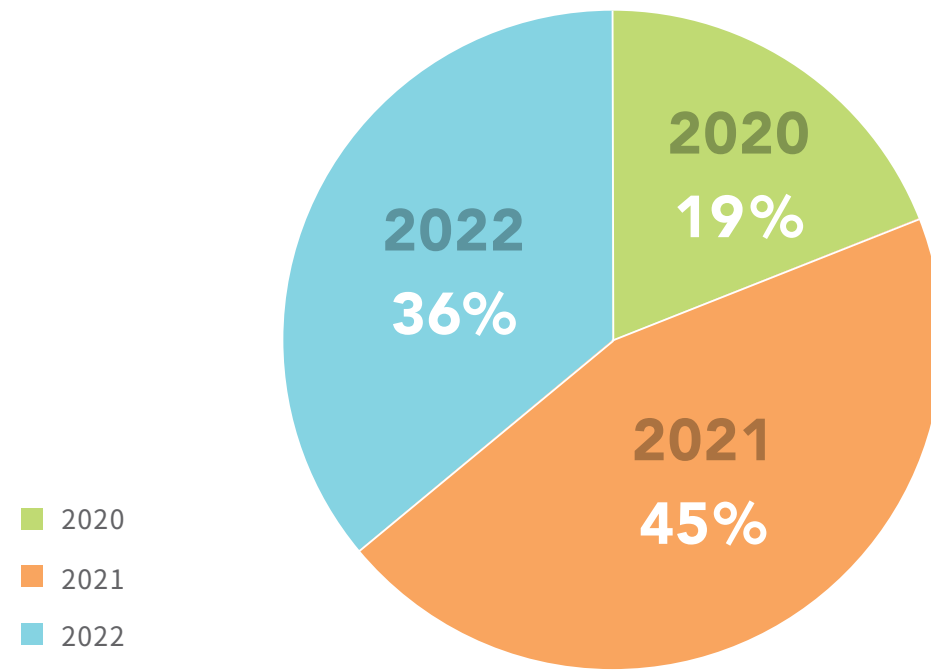
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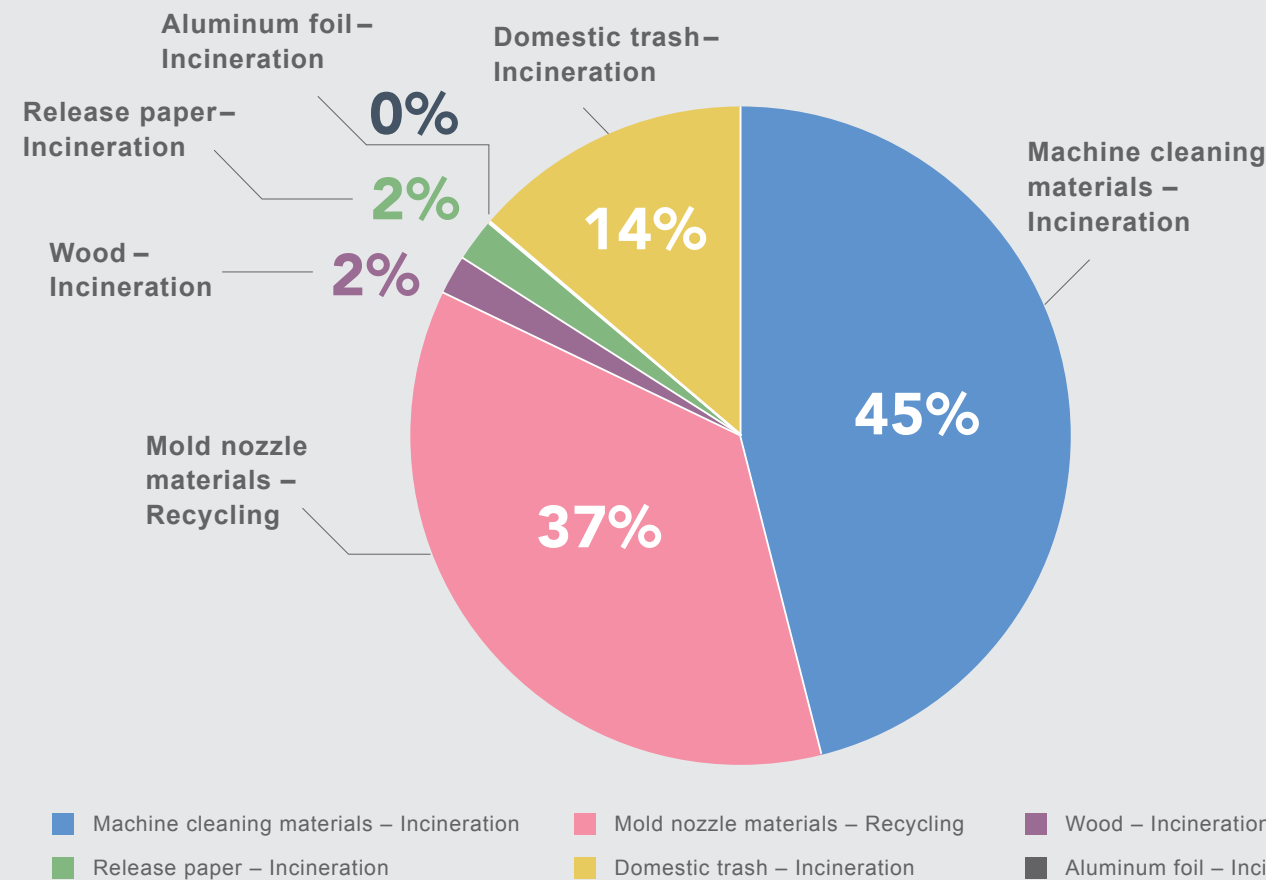
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### Aggregate waste amount



### Aggregate amount of all three plants



◆ In addition to the stepped-up recycling of trimmings, we also carry out internal waste reduction initiatives. The ESG Committee tracks waste improvements associated with such initiatives on a quarterly basis. The results of such proposals in 2022 are summarized in the table below:

Plant	Number of waste reduction initiatives	Waste reduction results (tons)	Total (tons)
Yingge	5	12.264	23.964
Shulin	3	11.4	
Dongshan	2	0.3	

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● **Foreword**

The rising frequency of extreme weather events in recent years is a chilling harbinger of the imminent crisis associated with global warming. National and regional governments all over the world attach increasing importance to climate-related issues and induce enterprises to incorporate such issues into their corporate management practices through legal amendments and legal system reforms. In addition to the identification of operational risks arising from climate change, we incorporate the core elements (governance, strategy, risk management, and metrics and targets) of climate-related disclosures recommended by the Financial Stability Board (FSB) in its TCFD (Task Force on Climate-Related Financial Disclosures) Framework into our corporate management practices. We further disclose our governance performance in our sustainability reports to give stakeholders a clear understanding of the impact of climate change-related risks and opportunities and adopted countermeasures to mitigate such impacts on our operations.



**1 Governance /**  
 Risk and opportunity governance

The Vice President in charge of operations concurrently serves as the Chairperson of the Climate-related Risk and Opportunity Governance Committee; the Sustainable Development Department initiates discussions, identifications, and assessments by the ESG Committee; the Board of Directions adopts resolutions on climate-related issues



**2 Strategy /**  
 Business and financial strategy planning (actual and potential)

- Consultation of the 2022 Short-, Medium-, and Long-term Climate Risk and Opportunity Table
- Consultation of climate-related impacts
- We have conducted discussions of the 2°C (2DS) scenario in the context of Sustainability Committee meetings paired with assessments of other climate-related physical risk scenarios with the aid of tools provided by the Taiwan Climate Change Projection and Information Platform (TCCIP). We finally decided to adopt the 2DS/RCP2.6 as our climate change-related physical risk scenario. Descriptions of climate-related risks and opportunities with a focus on physical risks and legal transition risks are provided in the context of this scenario.



**3 Risk Management /**  
 Climate-related risk management process

Risk identification, assessment, and management process (see flow chart)



**4 Metrics and Targets /**  
 Metrics and targets for climate-related risks

- rPET sales rate of 13.19% in 2022
- Annual power saving rate of 1%; total energy savings of 1,568,411.5 kWh exceed 1% of the total power consumption (965,812 kWh) in 2022
- Active promotion of improvements (energy conservation, waste reduction, manufacturing); optimization of the improvement proposal mechanism, 20 energy conservation and 8 waste reduction initiatives in 2022
- Recycling and reuse rate of 42% for trimmings generated in production processes
- Successful completion of GHG inventories and third-party verifications in 2022  
 Scope 1 emissions: 1,788.3178 MT CO<sub>2</sub>e;  
 Scope 2 emissions: 49,181.0330 MT CO<sub>2</sub>e;  
 Scope 3 emissions: 1,190.2031 MT CO<sub>2</sub>e
- Renewable energy usage rate of 15% in 2030

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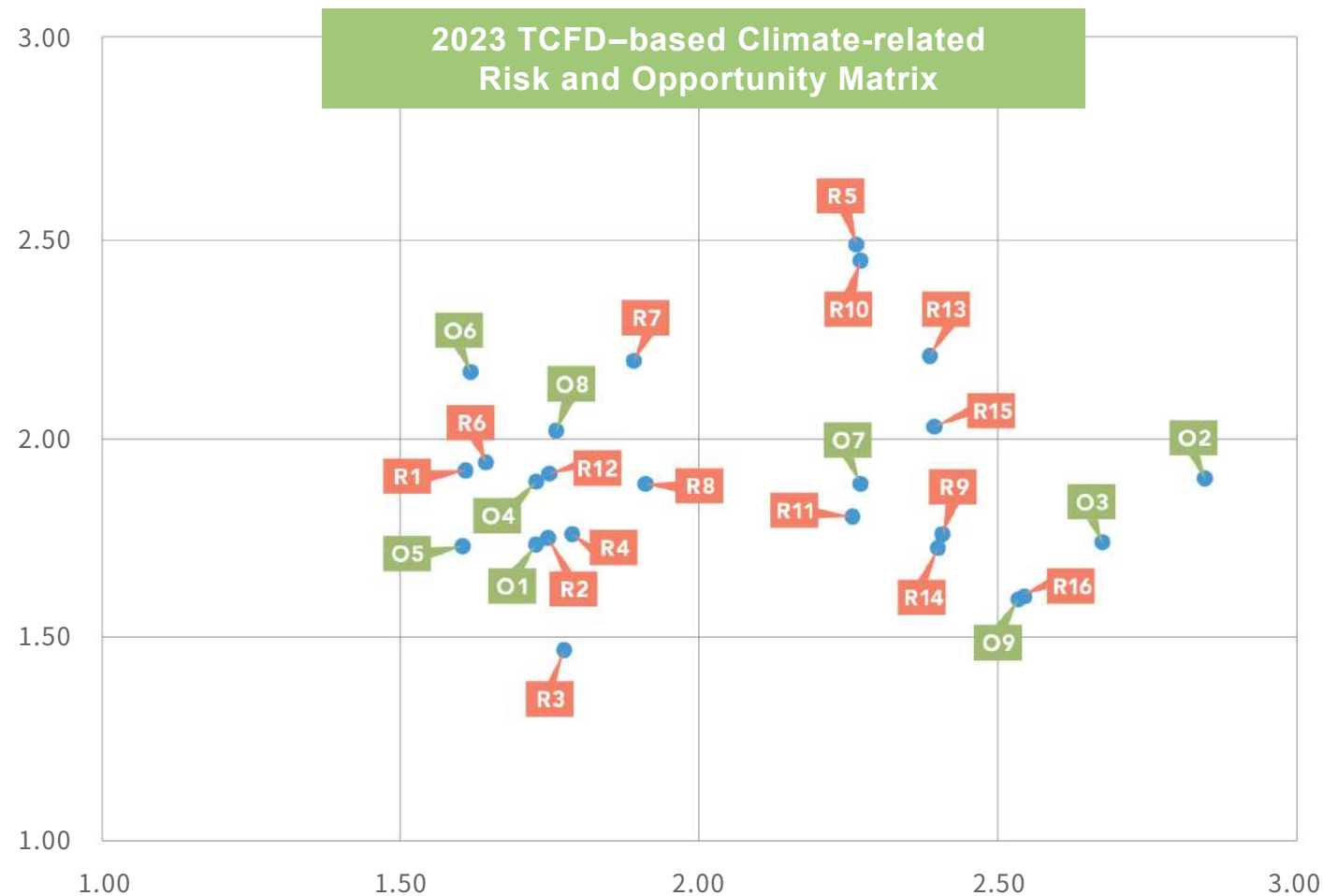
**1 Governance**

Climate change–related discussions and assessments are conducted by the ESG Committee. Relevant resolutions are adopted by the Board of Directors. The operations of seven task forces set up under the ESG Committee are coordinated by the Sustainable Development Department. TCFD–related climate governance practices are reported to the board level as a reference for the decision–making process on an annual basis.



**2 Strategy**

In response to the impact of climate–related risks and opportunities on strategy and financial planning, we adopt counterstrategies based on the results of quantitative and qualitative climate scenario analysis in the context of the TCFD framework. After conducting discussions of the 2°C (2DS) scenario in the context of ESG Committee meetings paired with assessments of other climate–related physical risk scenarios with the aid of tools provided by the Taiwan Climate Change Projection and Information Platform (TCCIP), we finally decided to adopt the 2DS/RCP2.6 as our climate change–related physical risk scenario. Descriptions of climate–related risks and opportunities with a focus on physical risks and legal transition risks are provided in the context of this scenario. The following specific ranges were defined based on climate risks and opportunities within the operational scope of the Company with reference to other TCFD reports of the manufacturing sector: one decade as the time frame for long–term operational development (short–, medium–, and long–term have been defined as periods of 1–3, 3–5, and 6–10 years, respectively).



Note 1: Short–, medium–, and long–term have been defined as periods of 1–3, 3–5, and 6–10 years.

Note 2: The circles and squares in the above matrix indicate risks and opportunities, respectively (the background colors indicate the materiality of identified risks and opportunities).

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No.	Climate-related risks	Risk level	Time frame/scope
R1	Increased pricing of GHG emissions	Low	Medium- and long-term
R2	Enhanced emissions-reporting obligations	Low	---
R3	Mandates on and regulation of existing products and services	Low	---
R4	Exposure to litigation	Low	---
R5	Substitution of existing products and services with lower emissions options	High	Short-, medium-, and long-term
R6	Unsuccessful investment in new technologies	Low	---
R7	Costs to transition to lower emissions technology	Low	Medium- and long-term
R8	Changing customer behavior	Low	Medium- and long-term
R9	Uncertainty in market signals	Medium	---
R10	Increased cost of raw materials	High	Short-term
R11	Shifts in consumer preferences – Stigmatization of sector	Medium	---
R12	Increased stakeholder concern or negative stakeholder feedback	Low	---
R13	Increased severity of extreme weather events such as cyclones and floods	High	Short-, medium-, and long-term
R14	Changes in precipitation patterns and extreme variability in weather patterns	Medium	---
R15	Rising mean temperatures	Medium	---
R16	Rising sea levels	Medium	---

No.	Climate-related risks	Risk level	Time frame/scope
O1	Use of more efficient modes of transport	Low	---
O2	Use of more efficient production and distribution processes	High	Short-, medium-, and long-term
O3	Use of recycling	Medium	Medium- and long-term
O4	Reduced water usage and consumption	Low	---
O5	Use of lower-emission sources of energy	Low	Medium- and long-term
O6	Use of supportive policy incentives	Low	---
O7	Use of new technologies	Medium	Medium- and long-term
O8	Participation in carbon market	Low	Long-term
O9	Shift toward decentralized energy generation	Medium	Long-term

Note 1: Short-, medium-, and long-term have been defined as periods of 1-3, 3-5, and 6-10 years.  
 Note 2: The circles and squares in the above matrix indicate risks and opportunities, respectively (the background colors indicate the materiality of identified risks and opportunities)



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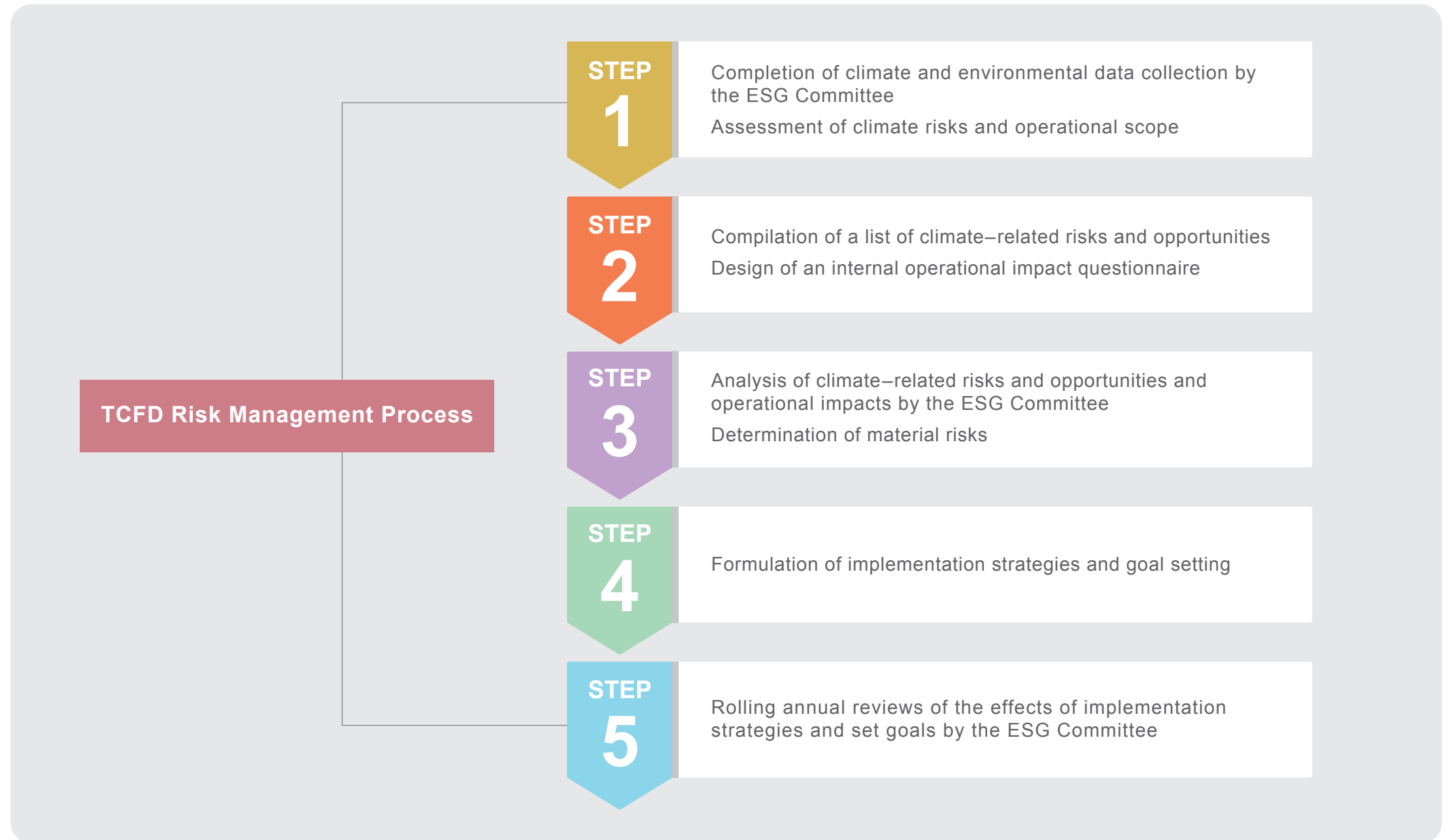
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**3 Risk management**

Our ESG Committee convened a TCFD Discussion Meeting on January 18, 2023. This meeting served as a platform for discussions of climate-related impacts on each department and identified opportunities by committee members and other participants based on the TCFD framework and recommendations. The meeting participants discussed and identified transition risks (policy and legal, technology, market, and reputation risks), physical risks (acute and chronic risks), and opportunities (resource efficiency, energy source, product and services, markets, and resilience).



Note: This flow chart illustrates the process of tracking and monitoring of climate-related risks and opportunities, data collection, and determination of risk levels based on the risk matrix by the Company. The ESG Committee carries out comprehensive analyses, assessments, and reviews for strategy and goal formulation. Performance achievement is tracked annually through rolling reviews.

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2023 Climate-related risks and financial impacts			
Category	Risk	Description	Financial impact
Transition risks	Substitution of existing products and services with lower emissions options	Due to the fact that the use, promotion, or development of low-carbon products is directly reflected in rising supply chain costs and raw material prices, these two dimensions are inextricably intertwined and mutually interrelated.	Rising low-carbon product costs
	Increased cost of raw materials		Decreased demand for products and services
Physical risks	Increased severity of extreme weather events such as cyclones and floods	Smooth operations of the response mechanism are maintained through close scrutiny of weather patterns and regular organization of emergency drills and training. Patrols are conducted and relevant reporting mechanisms are activated when special weather reports are received.	Impact on workforce management and planning Declining production capacities
Resource efficiency opportunities	Use of more efficient production and distribution processes	We have already adopted proposals for efficiency improvements and convene quarterly ESG Committee meetings to implement tracking and reduce energy consumption through use of high-efficiency equipment. Use of self-generated renewable energy Close scrutiny of freight forwarder conditions and selection of low-carbon transportation methods	Increased production capacities and revenues Reduced operating costs



**4 Metrics and targets**

We have formulated the following metrics and targets based on the TCFD climate-related risks and opportunities:

- rPET sales rate of 13.19% in 2022
- Annual power saving rate of 1%; total energy savings of 1,568,411.5 kWh exceed 1% of the total power consumption (965,812 kWh) in 2022
- Active promotion of improvements (energy conservation, waste reduction, manufacturing); optimization of the improvement proposal mechanism, 20 energy conservation and 8 waste reduction initiatives in 2022
- Recycling and reuse rate of 42% for trimmings generated in production processes
- Successful completion of GHG inventories and third-party verifications in 2022  
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 Scope 2 emissions: 49,181.0330 MT CO<sub>2e</sub>;  
 Scope 3 emissions: 1,190.2031 MT CO<sub>2e</sub>
- Renewable energy usage rate of 15% in 2030



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## Employee Care

King Yuan Fu considers employee as the most critical foundation for sustainable operation. King Yuan Fu means True Happiness, which is our commitment to employees. We are dedicated to building up a healthy, safe and happy workplace that ensures adaptive development for employees.

### **5-1 Employee Overview and Staff Structure** (GRI 2-7、GRI 2-8)

Through manpower analysis, this company keeps track of changes in employee number, understands distribution of the company's manpower structure (age, gender, academic background, and so on), enforces real-time adjustments in accordance with operation needs and invests more in professional talents hoping that all employees can work hand-in-hand with King Yuan Fu towards the path of sustainable operation and sustainable development.

#### 5.1.1 Distribution of Employees

This company establishes its foundation in Taiwan with a vision of markets around the world. Its corporate headquarters is located in Yingge Area of New Taipei City. The company has three factories in Taiwan. They are Yingge Plant and Shulin Plant in New Taipei City and Dongshan Plant in Yi-Lan County. We utilize Head Count in conducting statistics. As of end of 2022, there are a total of 476 full-time employees, with 308 male (accounting for 64.7%) employees and 168 female (accounting for 35.3%) employees. Additionally, there are 13 temp workers and outsourced workers.

◆ Statistics on the company's numbers of employees (including part-time/outsourced employees) based on work regions and gender are as follows:

Statistics / Year		2020		2021		2022	
Total Employees		509		507		476	
Employment Contract		Non-Fixed Term	Fixed Term	Non-Fixed Term	Fixed Term	Non-Fixed Term	Fixed Term
Gender	Male	317	0	318	3	304	4
	Female	192	0	184	2	166	2
Area	Shulin	96	0	97	0	89	0
	Yingge	224	0	219	5	202	2
	Dongshan	189	0	186	0	179	4

Note 1: Employment contracts are categorized into non-fixed term contract for employees (full-time) and fixed-term contract for employees (short-term-cooperative education students, seasons, the specific project period).



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**5.1.2 Manpower Structure**

Through work force analysis, this company keeps track of changes in employee number, understands distribution of the company’s work force structure (age, gender, academic background, and so on) and conducts statistics using head counts based on operation development needs. As of end of 2022, there are a total of 476 full-time employees and 13 temp workers and outsourced workers, with 308 male (accounting for 64.7%) employees and 168 female (accounting for 35.3%) employees. The company’s statistics in employment category and gender based on work areas are as follows:

Statistics / Year		2020		2021		2022	
Total Employees		509		507		476	
Employment Contract		Non-Fixed Term	Fixed Term	Non-Fixed Term	Fixed Term	Non-Fixed Term	Fixed Term
Gender	Male	317	0	318	3	304	4
	Female	192	0	184	2	166	2
Area	Shulin	96	0	97	0	89	0
	Yingge	224	0	219	5	202	2
	Dongshan	189	0	186	0	179	4

Employment Category		Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
Gender	Male	316	1	319	2	306	2
	Female	191	1	185	1	168	0
Area	Shulin	96	0	97	0	89	0
	Yingge	222	2	221	3	202	2
	Dongshan	189	0	186	0	183	0

◆ Statistics for non-employee workers:

	2020	2021	2022
Total Number of Non-Employee Workers / Category	10	12	13
Packaging Personnel (Indirect Contract/Outsourced)	0	2	2
Security (Indirect Contract/Long Term In-House)	9	9	9
Cleaning (Indirect Contract/Long Term In-House)	0	0	1
Catering (Indirect Contract/Long Term In-House)	1	1	1



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## 5-2 Talent Acquisition and Turnover (GRI 3-3、GRI 401、GRI 404、GRI 405、GRI 406)

### 5.2.1 Talent Acquisition (GRI 406-1)

- ◆ Recruitment: The company recruits talents through diversified channels that include channels of job hunting website, employment service station, new Southbound Industry Class and participation in job fair. The company also attends local community recruitment activities to offer feedback to communities by providing local employment opportunities.
- ◆ Retention: Talent acquisition is not affected by gender, religion, ethnics, nationality or political preference, education background or age. Once retention is confirmed, all labor terms entered between the company and employees comply with local regulation requirements, which includes salary, overtime fee, labor and health insurance and severance/pension payment. Employee benefits of group insurance is also provided accordingly.

### 5.2.2 Diversity and Inclusion (GRI 3-3、GRI 405-1)

Material Topic	Equal Opportunities and No Discrimination for Employees
Meaning to King Yuan Fu	Equal opportunities and no discrimination for employees is one of the cornerstones for a corporate's success. Through implementation of these principles, the company is able to attract diversified talents and customer, increase capability of innovation and market development, enhance employee morale and work efficiency, mitigate legal risks and build up a good corporate image.
Influence	Lowered employee loyalty has led to personnel turnover.
Policy and Commitment	Support Diversity and Equal Employment with Actions: Uphold Equal for Everyone Concept; Comply with Requirements and Spirit of Labor Standards Act and Act of Gender Equality in Employment; Increase Employee Satisfaction and Efficiency, Enhance Company's Reputation and Value.
Short-Term Goal	Establishment of Labor Human Rights Policy and Title and Position Allowances Based on Employee Job Grade; Management Guidelines for Promotion, Demotion and Change of Duty; Establishment of Diversified Communication Channels.
Mid/Long Term Goal	Recruit diversified employees and build up a DEI friendly workplace (a unisex restroom to be launched in 2023).
Action Guidelines	Establishment of labor human rights policy; Building up diversified communication channels; Installation of a DEI friendly workplace.
Achievement	Satisfaction in 2022 was 94.2 points, 9.2 points higher than pre-set satisfaction target. Turnover rate for 2022 was 1.21%, 0.2% lower than the one for previous year.
Responsible Unit	Department of Human Resources

- ◆ Support diversity and equal employment with actions: The company upholds the concept of equality for everyone. In addition to employing migration workers from multiple countries, the company also exploits its inclusion spirit in employing native's migrant spouses (the so-called "spouses from China, spouses from other countries") and collaborates with new southbound policy by employing 2 part-time workers and 4 interns. In terms of promotion, nationality is not a factor to be considered. Promotion is offered depending on management capability. Currently, there is one supervisor with Thailand nationality.
- ◆ Care for disadvantaged groups: The company pays special attention in employment for disadvantaged groups. In 2022, there were 2 newly employed individuals with mild disability. With this, the company retains a total of 8 mentally/physically disadvantaged individuals including 2 individuals with severe physical disability. In terms of proportion, it is 1.7% when calculated based on "People with Disabilities Rights Protection Act." This is higher than the 1% mandatory employment rate required. In addition, the company also employs 6 financially disadvantaged employees, and this accounts for 1.0% of total employee number. In the event the company has needs for extended working hours (overtime), such employees with urgent financial needs than those of other employees will be considered. Therefore, departments will be requested to arrange overtime for employees of this group for the purpose of increasing their income.

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Statistics on Diversity / Year			2020		2021		2022		
			Number of Individuals	Percentage	Number of Individuals	Percentage	Number of Individuals	Percentage	
Operation Management	Gender	Male	2	50%	3	60%	2	50%	
		Female	2	50%	2	40%	2	50%	
	Age	Under 50	2	50%	2	40%	2	50%	
		50~60	1	25%	2	40%	1	25%	
		Above 60	1	25%	1	20%	1	25%	
	Academic Background	Above University	2	50%	3	60%	2	50%	
		College	1	25%	1	20%	1	25%	
		Senior High School (Occupational High School)	1	25%	1	20%	1	25%	
		Below Junior High/Primary School	0	0%	0	0%	0	0%	
	Employee	Gender	Male	302	60%	301	60%	289	61%
Female			144	29%	143	28%	128	27%	
Age		Under 30	100	20%	94	19%	76	16%	
		30~50	303	60%	301	60%	289	61%	
		Above 50	43	9%	49	10%	52	11%	
Academic Background		Above University	13	3%	19	4%	17	4%	
		College	70	14%	69	14%	65	14%	
		Senior High School (Occupational High School)	133	26%	139	28%	143	30%	
		Below Junior High/Primary School	230	46%	217	43%	192	41%	
Indirect		Gender	Male	13	3%	17	3%	17	4%
			Female	46	9%	41	8%	38	8%
		Age	Under 30	6	1%	8	2%	3	1%
			30~50	43	9%	37	7%	41	9%
			Above 50	10	2%	13	3%	11	2%
	Academic Background	Above University	8	2%	9	2%	8	2%	
		College	35	7%	34	7%	35	7%	
		Senior High School (Occupational High School)	14	3%	13	3%	10	2%	
		Below Junior High/Primary School	2	0%	2	0%	2	0%	

Note: Operation team is same as operation team and organization chart in 3.2.1.1.

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Statistics for Employment of Physically Disadvantaged Individuals During the Last 3 Years					
Year	Shulin	Yingge	Dongshan	Total	Employment Percentage
2020	2	2	2	6	1.2%
2021	2	2	2	6	1.2%
2022	3	2	3	8	1.7%

Care for migrant workers: The company complies with related applicable laws from International Labour Organization, International Organization for Migration, various international covenants and domestic Labor Standards Act. Starting from 2022, the company initiated a full-scale implementation of zero payment for migrant worker policy. To protect migrant worker's rights, related expenses incurred during employment process such as domestic and foreign pandemic prevention expenses, domestic and foreign service fee, physical examination fee and residence certificate fee will all be assumed in full amount by the company. This not only releases migrant workers' financial pressure when coming to Taiwan to work, it also allows migrant workers to utilize these saved expenses to improve their and their families' lives. For 2022 migrant worker zero payment policy, a total of 160 migrants received refunded expenses with a total amount of \$6,944,796, This generated an average saving of \$43,405 for each migrant worker.

### 5.2.3 Talent Turnover (GRI 401-1)

◆ Due to pandemic impact and fewer births, there is a severe shortage of labor in talent market. A total of 96 new employees were retained in 2022. This accounts for 20.2% of all employees. It is 5.6% lower compared with the one for 2021.

Statistics for New Employees during Last 3 Years							
New Employee Statistics / Year		2020		2021		2022	
		Total	Percentage (Note)	Total	Percentage (Note)	Total	Percentage (Note)
Gender	Under 30	63	35.4%	55	42.0%	34	35.4%
	30~50	112	62.9%	63	48.1%	59	61.5%
	Above 50	3	1.7%	13	9.9%	3	3.1%
Age	Male	108	60.7%	75	57.3%	63	65.6%
	Female	70	39.3%	56	42.7%	33	34.4%
Academic Background	Above University	43	24.2%	50	38.2%	34	35.4%
	College	19	10.7%	7	5.3%	6	6.3%
	Senior High School (Occupational High School)	59	33.1%	44	33.6%	21	21.9%
	Below Junior High / Primary School	57	32.0%	30	22.9%	35	36.5%
Area	Shulin Plant	7	3.9%	15	11.5%	6	6.3%
	Yingge Plant	76	42.7%	59	45.0%	35	36.5%
	Dongshan Plant	95	53.4%	57	43.5%	55	57.3%

Note: Percentage = Number of Individuals from Age, Gender, Academic Background, Region / Sub-Total Number of Individuals for Respective Groups; subtotal of employees for respective groups/total employees for combined groups



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◆ Increase employee retention rate: In 2022, the company initiated multiple measures for Talent hiring. There were a total of 131 employees resigned excluding employees leaving because of retirement or expiration of contract term. Among them, there were 54 female employees and 77 male employees. Average monthly turnover rate is 1.2% and this is 0.2% lower than the one for average monthly turnover rate in 2021.

Employee Turnover Statistics for Last 3 Years							
Employee Turnover Statistics / Year		2020		2021		2022	
		Total	Percentage (Note)	Total	Percentage (Note)	Total	Percentage (Note)
Gender	Under 30	47	31.8%	44	33.1%	40	30.5%
	30~50	91	61.5%	76	57.1%	79	60.3%
	Above 50	10	6.8%	13	9.8%	12	9.2%
Age	Male	95	64.2%	71	53.4%	77	58.8%
	Female	53	35.8%	62	46.6%	54	41.2%
Academic Background	Above University	27	18.2%	36	27.1%	44	33.6%
	College	16	10.8%	14	10.5%	6	4.6%
	Senior High School (Occupational High School)	40	27.0%	39	29.3%	22	16.8%
	Below Junior High / Primary School	65	43.9%	44	33.1%	59	45.0%
Area	Shulin Plant	14	9.5%	13	9.8%	13	9.9%
	Yingge Plant	70	47.3%	57	42.9%	59	45.0%
	Dongshan Plant	64	43.2%	63	47.4%	59	45.0%

Note: Turnover Rate = (Total employees resigned for a specific category during that year / Total number of employees for a specific category at the end of that year) \* 100%.  
 Turnover Rate for Employees under 30 = (Total number of under-30 employees resigned during that year / Total number of under-30 employees at year end during that year) \* 100%.

### 5.2.4 Upgrading Employee Skills and Transition Assistance Programs (GRI 404-2)

The company is always concerned about every employee's growth and development and will always accompany employees until their retirement. As required by Labor Standards Act, pension fund of no less than 6% of each month's wage is appropriated each month to employee's personal pension fund account in the Bureau of Labor Insurance to offer protection for employee's retirement life. To allow employees to receive retirement more comfortably, the company will send out caring e-mails to provide pre-retirement assistance for smooth transition into new life stage at the time when employees are approaching their retirement lives.

For native employees (including spouses from China, foreign spouses), we will award medals to them upon retirement to recognize their contribution and hard work over the years. Medals and cash gifts will also be awarded to render a wonderful memory when migrant workers leave this country upon expiration of work contract.

In the event of the company's termination of employment relationship, the company will also comply with Labor Standards Act requirements and provide appropriate compensations by calculating severance pay based on average wage and years of service.

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## 5-3 Talent Development System (GRI 3-3、GRI 404-1、GRI 404-2、GRI 404-3)

Material Topic	Talent Incubation
Meaning to King Yuan Fu	King Yuan Fu hopes to establish a learning-type organization. We not only emphasize on enhancing employee's personal professional knowledge, skill and attitude, we also hope to create a joint-growth learning type organization through comprehensive education and training system. We are convinced that only employees who continue to learn will be able to ensure corporate sustainable operation and sustainable development.
Influence	Manpower can not be fully supplemented. Enhancement of employee's expertise capability is slow. The company cannot catch up with changes in the market and therefore the company lacks market competitiveness.
Policy and Commitment	Through 5 major systems of "Fundamental New Employee Training," "Professional Competence Training," "Management Competence Training," "General Education and Core Competence Training" and "Self-Inspiration Learning," the company assists talents to achieve operation goal, establishes knowledge and skills needed in workplace as well as systematic training on work attitude while cultivating King Yuan Fu quality talents possessing diversified knowledge, professional work skills and socialized attitude.
Short-Term Goal	Gradual Establishment of Talent Incubation System
Mid/Long-Term Goal	Establishment of Professional Learning Blue Prints for Respective Functionalities
Action Guidelines	The company's operation strategies are linked through implementation and promotion of TTQS. Compliance with PDDRO assessment process cycles have ensured reliability and accuracy of training process for the purpose of continuous strengthening of manpower capital as well as enhancing manpower training system's operation efficiency.
Achievement	In 2022, the company's total employee training hours reached 6,887.4 hours, with an average of 14.5 training hours for each employee.
Responsible Unit	Department of Human Resources

The company's vision is to establish a learning-type organization. We not only emphasize on enhancing employee's personal professional knowledge, skill and attitude, we also hope to create a joint-growth learning type organization through comprehensive education and training system. We are convinced that only employees who continue to learn will be able to ensure corporate sustainable operation and sustainable development.

<b>Strategic Guidelines</b>	Talent development is based on company strategy. The company's purpose is to assists talent to achieve operation goal, establish systematic training to equipment employee with knowledge, skills and work attitude needed in workplace, and cultivate quality King Yuan Fu talents who are equipped with diversified knowledge, professional work skills and socialized attitude.
<b>Commitment</b>	Increase of Employee's Average Training Hours

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### 5.3.1 Training Development System (GRI 404-2)

The company's training is mainly composed of 5 major systems of "Fundamental New Employee Training," "Professional Competence Training," "Management Competence Training," "General Education and Core Competence Training" and "Self-Inspiration Learning." Courses for respective systems are planned and adjusted in real time based on the company's annual operation guidelines, changes in external environment, department performance targets and employee occupational development needs. Training courses needed for cultivating comprehensive talents are provided accordingly. In addition to internal lecturers, the company also introduces domestic and foreign quality training courses or designates respective professional talents to conduct training in order to enhance colleague's quality and their overall competitiveness.

Name	Explanation
Fundamental New Employee Training System	This training assists new employees to know work environment and become integrated into the company's culture. It includes courses of new employee training and learning management requirements and systems.
Professional Competence Training System	This training assists employee in cultivating work professionalism and regulatory requirements. It includes courses for health and safety professional certificate, quality and food safety and hygiene, production and manufacturing, sales and service, finance and accounting, purchase, administration, human resources and so on.
Management Competence Training System	This training assists employee to enhance management and leadership capability. It includes courses for respective levels of management, conflict management, work improvement, leadership and tutoring and so on.
General Education and Core Competence Training System	This training assists employee to establish correct work attitude, team consensus and sustainable development spirit.
Self-Inspiration Learning System	This training assists employee to develop language or second expertise.

### 5.3.2 Training Performance (GRI 404-1)

Statistics / Year		2020	2021	2022
Average Training Hours per Employee (Note 1)		9.9	17.9	14.5
Employee Average Training Hours by Gender (Note 2)	Female	10.8	18.8	16.6
	Male	9.4	17.3	13.3
Employee Average Training Hours by Category (Note 3)	Direct	8.6	15.8	13.0
	Indirect	19.6	33.0	25.2

The company's vision is to establish a learning-type organization. We not only emphasize on enhancing employee's personal professional knowledge, skill and attitude, we also hope to create a joint-growth learning type organization through comprehensive education and training system. We are convinced that only employees who continue to learn will be able to ensure corporate sustainable operation and sustainable development. Under impact from pandemic, there were less external in-person professional courses in 2022. The company's total employee training hours reached 6887.4 hours with average training hours per employee of 14.5 hours. This is 3.4 hours less than the average training hours per employee for the previous year. Indirect personnel consumed more hours than the ones for direct personnel because of their taking of courses for sustainable management personnel and ISO 45001.

Note 1: Average Training Hours Per Employee: Total training hours for all employees for that year / Year-end total number of employees for that year.

Note 2: Average Training Hours Per Male/Female Employee: Total male/female employee training hours for that year / Total number of male/female employees for that year.

Note 3: Employee Average Training Hours by Category: Total training hours for employees of that category for that year / Total number of employees for that category for that year.

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### Training Feedback Shared by Colleagues (1)

Employee: Yo, Chen-Shi Assistant Supervisor for Molding Dept. | Date of Course: 2022/08/26  
Name of Course: Management Capability Cultivation Class for Supervisor

I learned many management methods and utilization of communication skills during this course. I also learned what roles to be played based on management position and missions.

Being a supervisor, you need to be very clear about your mission when handling matters assigned by your supervisor, conducting cross-department collaboration, leading subordinates to achieve targets, or teaching subordinates on knowledge or skills that they don't possess. When leading subordinates, you need to have professional technology, inter-personal relationship and organization harmony to consolidate the team. When necessary, you need to have capability to communicate with your subordinates and compromise in due time. You need to establish a reliable relationship with subordinates, work together to increase production capability and lower occupational safety issues. You need to have capability to find out problems and solve them, establish control over manufacturing process quality, reduce unnecessary wastes and save costs.

No matter if it is for management, communication skill or utilization of enforcement measures, leadership has nothing to do with job title, age or sex. You are a leader as long as you can influence your subordinates and work together to achieve goals. Being a supervisor, we need to have influence over subordinates and teams. As an independent contributor, we need to exert influence on subordinates to enhance collaboration and create better achievements.

### Training Feedback Shared by Colleagues (2)

Employee: Chiu, Zhe-Shen Engineer, Department of Production Control | Date of Course: 2022/10/27  
Name of Course: Becoming a Communication Ace Easily

I learned from the course how to utilize positive thinking and your own body language to communicate. When encountering tricky issues, the first thing to think about is the worst scenario possible. You accept it and then solve it.

Taking will influence counterparty's thoughts and emotion. There are stories in talking. Levels of influence to people come from speaker's facial expression, voice and contents. Do not say words that could be hurting. However, you can utilize body language to make your expression. Everyone tends to have obsessive thinking towards any individual or things. It is not easy even for yourself to find out this. You cannot concentrate on listening to counterparty's expression of opinions if you are pre-occupied with too many positions. You may build up a wall when communicating with others if you are opinionated. People tend to prefer nice words. Rather than a straight jump into subject, you might as well try to observe counterparty first before taking actions.

When communicating with others, try to find as many opportunities as possible to offer counterparty authentic compliments. Find out counterparty's advantages and compliment your counterparty accordingly. This is easier for you to jump right into key points. Establish counterparty's good values to allow counterparty to feel respected. You should offer more recognition and care to colleagues as well as encouragement to counterparty in due time.

Do not be mad when handling things because potential incomplete information may lead to misunderstanding. In the event of conflict, do pause a while to cool down your emotion. Think if there is any appropriate solution to solve unnecessary conflict. Try to measure both sides' positions through objective perspectives. Maintain good manners and avoid agitating counterparty through emotional words. This course allows me to learn to listen to counterparty's thoughts in a polite way, respect other's opinion and do not to respond to others with emotional feelings in order to reduce conflict between each other and achieve win-win status.

### 5.3.3 Enhancement of Training Quality

In 2021, The company introduced Talent Quality-management System ("TTQS") and passed the certification. Through promotion and implementation of TTQS as well as connection with the company's operation strategy and compliance with PDDRO (Plan/Design/Do/Review/Outcome) assessment process cycle, the company has established a set of comprehensive and systemized training system to promote training mechanism in an orderly manner. This ensures reliability and accuracy of training process, strengthens man power capital continuously and enhances manpower training system's operation efficiency.

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### 5.3.4 Performance Assessment (GRI 404-3)

To ensure organization operation goal connects completely with department and individual's goals, the company conducts employee performance assessment every year. Scope of performance assessment includes individual's work target, competence between responsibility and capability as well as disciplinary/reward records. It is hoped that, through performance assessment operation, employee's work contribution and future development potential can be identified effectively, relationship between the company's goals and goals for department as well as individuals can be presented effectively under this fair and objective assessment principle, and that talents needed by the business can be developed accordingly to meet long term development needs from the business. Performance assessment results also serve as a critical reference basis for bonus determination, position promotion, personnel change, salary adjustment, training and development, work improvement and other human resource operations to ensure right place and right position for employees as well as development of talents for the purpose of enhancing the company's operation performance and achieving sustainable operation.

Employees Reviewed in 2022		Actual Number of Employees Reviewed	Total Number of Employees	Percentage
Gender	Male	302	308	98%
	Female	153	168	91%
Employee Category	Direct	402	418	96%
	Indirect	53	58	91%

Note: Employee performance review excludes new employees with less than 3 months of employment.

### 5-4 Compensation and Benefits (GRI 3-3、GRI 202-1、GRI 401-2)

"King Yuan Fu, True Happiness" is not just a slogan. It also illustrates King Yuan Fu's vision for Talent hiring. We are committed to building up a quality, healthy, safe, friendly and happy workplace where talents are willing to stay. It is hoped that employees not only find work value and sense of achievement in King Yuan Fu, but they can also take care of employee families' needs. This allows employees to strike a balance between work and life, obtain real happiness of life, and do things that contribute to the society.

Material Topics	Compensation and Benefits
Meaning to King Yuan Fu	Compensation and Benefits is one of the critical factors in attracting talents. The company provides competitive compensation system together with comprehensive employee benefits to attract excellent talents while enhancing employee's cohesiveness towards the company for the purpose of growing together with the company and creating win-win situation.
Influence	Difficulty in attracting excellent talents leads to increased employee turnover rate.
Policy and Commitment	"Talent" is the company's most important asset. Reduce employee turnover, increase employee loyalty, enhance company reputation and strengthen employee's trust and sense of belonging on the company in order to meet with the needs for the company's organization development. The company establishes a compensation system based on "competence and performance," participates in salary adjustment and reviews industry payment standards in order to make adjustments accordingly in due time.
Short-Term Goal	90+ Points for Employee Satisfaction Survey
Mid/Long Term Goal	Retention of Critical Posts and Talents
Action Guidelines	Establishment of employee management system for job grade, job post, responsibility allowance, promotion and demotion as well as annual salary adjustment system, cadre bonus system and flexible working hour measures.
Achievement	Satisfaction for 2022 was 94.2 points. This is 9.2 points higher than satisfaction pre-set target. (5-Point Likert Scale was utilized in 2022. Therefore, comparison with the one for previous year cannot be conducted.)
Responsible Unit	Department of Human Resources

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### 5.4.1 Compensation System

The company's salary is determined based on employee's education background, professionalism or technology, years of service and experience. There are no differential treatments because of differences in gender, religion, race or party.

#### 5.4.1.1 Basic Wage

Salary times between standard starting wage for basic level personnel and local basic wage:

Employee Category	Gender	Standard Salary	Local Basic Wage	Percentage of Standard Salary over Local Basic Wage
Direct Personnel	Male	30,000	25,250	1.19
	Female	27,000	25,250	1.07
Indirect Personnel	Male	32,000	25,250	1.27
	Female	30,000	25,250	1.19

#### 5.4.1.2 Salary Structure and Adjustment

In addition to basic salary, employees are also entitled to duty allowance, shift allowance, overtime fee, holiday bonus, attendance bonus, technology bonus and other bonuses (such as maintenance or proposal bonuses). For the purpose of stability and retention of talents, we will regularly review market salary levels obtained from job banks or external salary investigation assessments and make appropriate adjustments on employee's salary. Special salary adjustments will be offered to talents with extraordinary performance in order to rival competitive salary levels in the market.

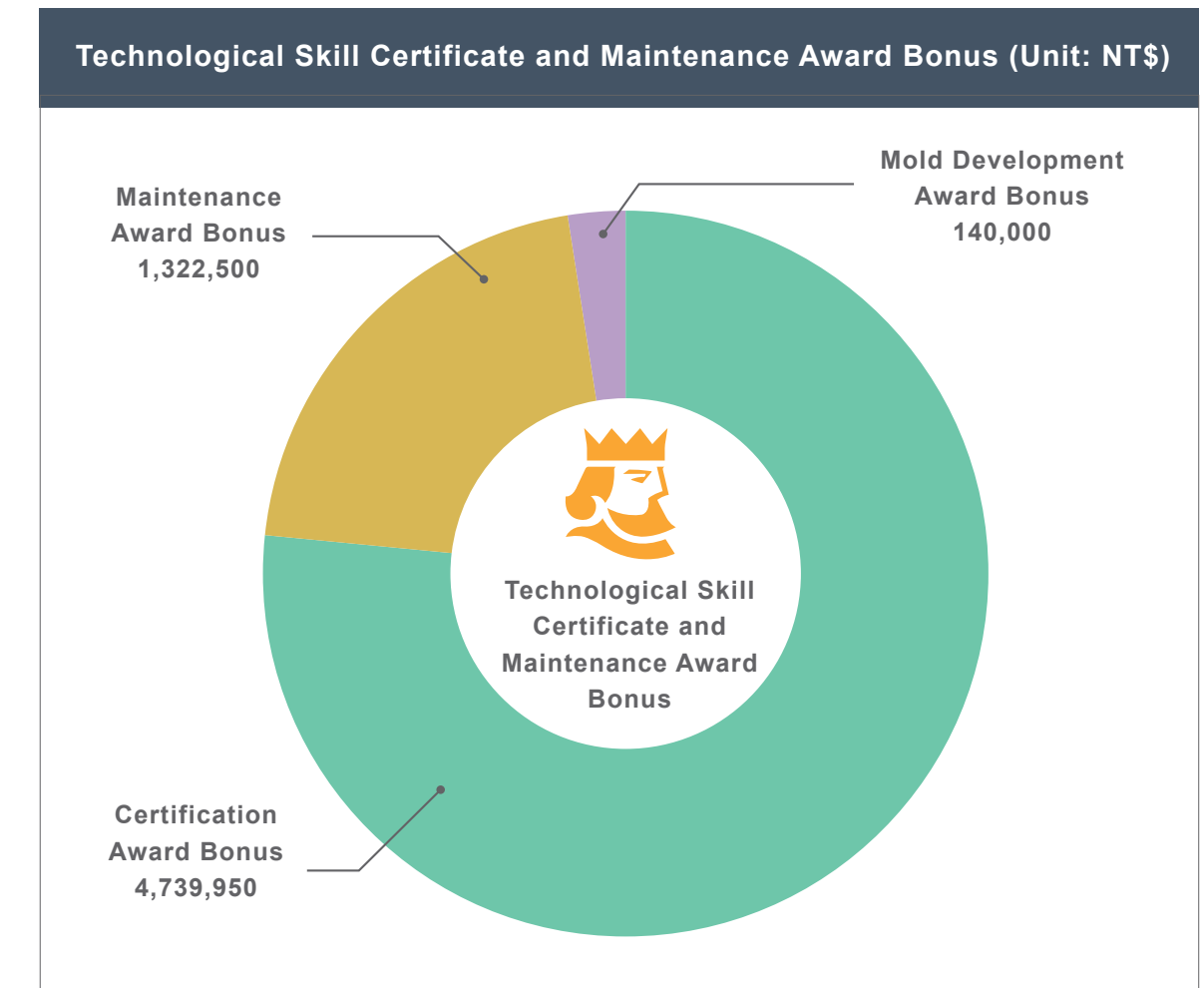
### 5.4.2 Employee Benefit Measures (GRI 401-2)

We promote "Keep Your Family balanced." Coincidentally, this is identical to the company's acronym of KYF. That is, balance between work and family. The company continues to build up a LOHAS work environment for the purpose of shaping a corporate culture of friendly families.

For the purpose of promoting balance between work and life and mitigating employee's burden in raising children, the company entered contracts with childcare agencies such as kindergarten – 3 in New Taipei City and 1 in Yilan – each year to offer preferential services to employee's children enrolled in those agencies. The company also offers childcare allowances twice a year to children under 12 years old. Subsidy for these children is \$4,000 per year per child, with no limit on the number of children receiving this subsidy. In 2022, private childcare agencies were also included in the subsidy. The total number of eligible applicants in 2022 was 90, and total amount for the company's subsidy was \$180,000.

### 5.4.1.3 Professional Technology / Skill Certification Bonus

In terms of 2022 technological skill certification, production units utilized practical test measures and awarded special technology certification bonuses based on technological capabilities of different departments (extrusion/mold/cutting/packaging). The purpose is to enhance employee's professional skills and improve the company's manufacturing technology and production capability. A total of \$6,202,450 had been awarded in 2022. It is an 11% increase over the one for last year.



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**5.4.2.1 Birth Subsidy**

To echo government's promotion of birth encouragement measures and to fulfill a corporate's social responsibilities, the company establishes guidelines for employee birth subsidy. Subsidy of \$3,000 is offered to each child born by employee or his/her spouse. Total amount for this subsidy in 2022 was \$25,500.

**5.4.2.3 Benefit Subsidy**

In addition to gifts (coupon) during employee's birthday and three major holidays, the company also offers employee travel, children education subsidy, wedding subsidy, birth subsidy, relocation subsidy, medical subsidy, funeral subsidy and so on. The company's total subsidy amount for 2022 was NT\$2,806,400.

**5.4.2.5 Pension System (GRI 201-3)**

Pursuant to Labor Standards Act, the company appropriates pension reserve each month to employee's personal pension account in Bureau of Labor Insurance.

Item	Labor Pension	
	Previous System	New System
Basis of Law	Labor Standards Act	Enforcement of Labor Pension Act started on July 1, 2005.
Applicable Party	Employees Regulated by Labor Standards Act	
Percentage of Pension Appropriation over Salary	The company established "Labor Pension Fund Supervision Committee" and labor pension fund of 3% of employee's monthly salary is appropriated accordingly. Currently, the company has already appropriated full amount with an appropriation of \$50,000 fixed amount each month.	Employer: 6% of employee's monthly salary Employee: (paid by employee) 0~6% of monthly salary (This can be deducted in full amount from personal total income of that year.)
Custody Unit	Bank of Taiwan	Bureau of Labor Insurance
Terms and Methods of Payment Application	In the event an employee retires in service unit and qualifies for pension receiving terms stipulated in Labor Standards Act, employer will pay pension accordingly.	Employee is entitled to file application with Bureau of Labor Insurance to receive accumulated amount in personal account at the age of 60 years old.
Level of Employee's Participation in Retirement Plan	100%	100%

Note:

1. Labor Pension Act (new system) was enforced on July 1, 2005. Employees working for the company at that time might select labor pension new system, old system or temporary no selection prior to July 15, 2005. For those selected temporary no selection, old system will continue to be applied. For employees selecting new system, labor pension under new system will have to be paid starting from July 1, 2005. For employees selecting old system (including temporary no selection), they may change to select new system within 5 years (prior to June 30th, 2010). After July 1, 2005, new system will be universally applied to new employees or those who are employed again after resignation.
2. Once pension system under Labor Pension Act (new system) is applied, employees may not change to apply old pension system requirements prescribed in Labor Standards Act.

**5.4.2.2 Provision of Dormitory**

The company offers employee dormitory to employees with accommodation needs. All dormitories are equipped with leisure facilities such as recreation room for employees to rest and entertain.

**5.4.2.4 Designated Stores**

The company entered contracts with designated stores to offer preferential treatments to employee for activities with regards to meal, clothes, accommodation, travel, education and recreation.

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### 5.4.3 Free Meals

The company cares about employee's hard work and provides free meals to employees. Free meals are also provided in the event of employee's needs for meals from extended work hours. Starting from 2023, the company promotes "one meal without meat for each month" campaign and works together with colleagues in contributing to the Earth and reducing carbon emission.

### 5.4.4 Safeguard International Migrant Worker ("Migrant Worker") Labor Rights, Comprehensive Support of Migrant Worker Zero Payment Scheme

- ◆ In terms of caring for migrant workers, the company complies with related applicable laws from International Labour Organization, International Organization for Migration, various international covenants and domestic Labor Standards Act. Starting from 2022, the company initiated a full-scale implementation of zero payment for migrant worker policy. To protect migrant worker's rights, related expenses incurred during employment process such as domestic and foreign pandemic prevention expenses, domestic and foreign service fee, physical examination fee and residence certificate fee will all be assumed in full amount by the company. This not only releases migrant workers' financial pressure when coming to Taiwan to work, it also allows migrant workers to utilize these saved expenses to improve their and their families' lives. For 2022 migrant worker zero payment policy, a total of 160 migrants received refunded expenses with a total amount of \$6,944,796, This generated an average saving of \$43,405 for each migrant worker.
- ◆ After implementation of zero-payment policy, migrants from respective countries do not have to raise fund or borrow money to solve their problems for coming to Taiwan. In the meantime, they do not have to pay for agency fee each month after they come to Taiwan. With this, they can work and earn their salaries without any concern. This illustrates King Yuan Fu's determination to protect migrant worker's human rights. This policy assists in retaining migrant workers and stability in the company's work force while reaching a win-win situation for King Yuan Fu and migrant workers.





## 5-5 Quality Work Environment and Care for Employee's Physical and Mental Health

### 5.5.1 Health Check Better Than the One Required by Law

New employees are entitled to \$600~800 health check subsidy half a year after their employment start dates. Current employees are entitled to a free employee health check each year. In 2022, health check items have been added to colleagues assuming critical posts for the purpose of caring colleague's physical and mental health.

### 5.5.2 Employee Care Environment

Production zones are equipped with shower rooms when needed. Labor health service nursing personnel and independent space for breastfeeding room are also established as required by laws to provide physical health and medical assistance to employees.

### 5.5.3 Employee Assistance Scheme

We are always convinced that employees are the company's most critical assets. Therefore, the company takes employee's physical/mental/spiritual health very seriously. In addition to physical health check, we also care about employee's workplace pressure. Employees may have professional mental counselling and guidance through in-house doctors. The company also holds workplace health promotion and workplace safety workshops, workshops on preventing illegitimate infringement during execution of duty, self-protection skills, prevention on overwork hazards and pressure relief workshops from time to time. Purpose of this is to ensure comprehensive care and assistance to employees in terms of mental adjustment, occupational career management, health enhancement and living quality for the benefit of employee's occupational career development in King Yuan Fu.

### 5.5.4 Continuous Implementation of Environment Improvement

To most employees, company is another home. Therefore, the company hopes to create a safe and comfortable work environment for employees through its dedication to improve work environment over the years. That includes places of staff and production site offices, resting room, guest-receiving room, meeting room, happy space, and so on.



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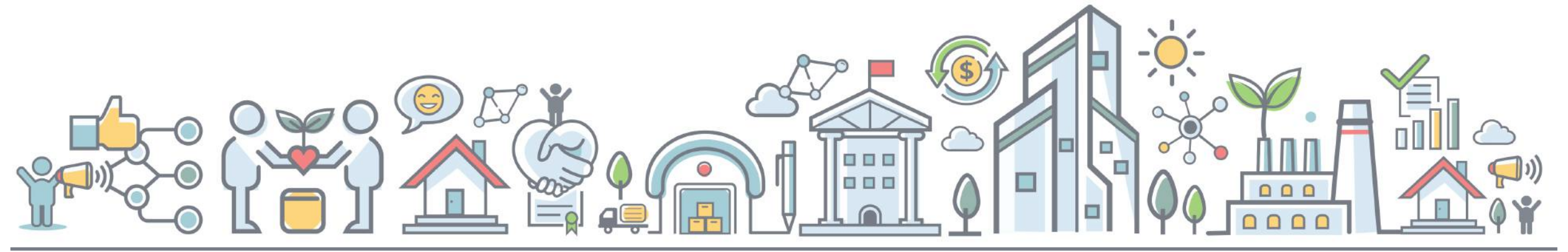
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## 5-6 Human Rights Protection (GRI 407-1、GRI 408-1、GRI 409-1)

The company upholds “People Oriented” spirit and is dedicated to promoting a fair and diversified work environment for employees. For the purpose of fulfilling corporate social responsibility, the company protects employee’s basic human rights and related rights, supports and complies with basic human rights principles of ETI fundamental requirements, International Labor Organization Convention (ILO Declaration on Fundamental Principles and Rights at Work) and Universal Declaration of Human Rights, establishes the company’s labor human rights policy, drafts the following management guidelines and discloses these guidelines in the company’s internal announcement platform.

Discrimination of any form is prohibited. Forced labor and employment of child labor are prohibited. Establish a safe, hygiene and healthy work environment. Respect employee’s rights for assembly and association. Provide fair and reasonable salary and work conditions. Enforce management over supplier’s compliance with Corporate Social Responsibility (CSR) standards. Build up comprehensive employee report mechanisms. Establish official and non-official channels, including suggestion box and e-mail complaint box, that listen to employee’s voice for the purpose of maintaining harmonious labor/management relationship, work atmosphere and employee’s rights. (For details, please refer to 5-9 win-win communication bridge for labor and management.) In the meantime, human rights policy is promoted through internal education and training. In 2022, total hours for the company’s all employees as a whole participating in human rights training was 809 hours with training achievement rate of 100%.



## 5-7 Gender Equality (GRI 401-3)

Respective plants of the company all emphasize gender equality system and comply with requirements and spirit of Labor Standards Act and Act of Gender Equality in Employment.

- ◆ Breastfeeding room is established, 7-day “pregnancy check leave and paternity leave,” 8-week maternity leave as well as parental leave are established in accordance with laws to protect female employee’s rights. Over-time is restricted and work on related tasks with potential danger to mother or infant is prohibited. Equal pay for equal work applies to employees with reinstatement after maternity leave. Meanwhile, appropriate work environment is provided to pregnant colleagues to avoid their engagement in tasks that may impact their health. Special seats are installed to mitigate their discomfort during work.
- ◆ Employee’s application request of maternity leave without pay can all be processed before their children reaching 3 years old. Maximum period for the leave can be 2 years. Average age in this company is 38.8 years old. Therefore, this company has relatively fewer employees giving birth. A total of 8 employees applied for parental leave without pay in 2022.

The return-to-work rate for those returning from parental leave in 2022 reached 44%. The company has comprehensive mechanisms for deputy and family care leave. A friendly environment that takes care of family is established accordingly to enhance balances in family life while allowing employees to take care of family and work at the same time.

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Employee Parental Leave without Pay / Year	Gender	Statistics		
		2020	2021	2022
Total number of employees that were entitled to parental leave	Male	9	15	22
	Female	2	5	7
Total number of employees that took parental leave	Male	0	0	4
	Female	2	8	4
Total number of employees that should have returned to work in the reporting period after parental leave ended (A)	Male	1	0	1
	Female	5	3	8
Total number of employees that returned to work in the reporting period after parental leave ended (B) (including early returning to work)	Male	0	0	1
	Female	4	3	3
Return to work rate (B/A)	Male	0%	0%	100%
	Female	80%	100%	38%
Total number of employees retained 12 months after returning to work following a period of parental leave (C)	Male	0	0	0
	Female	2	3	1
Retention Rate (C/Previous Year B)	Male	0%	0%	0%
	Female	100%	75%	33%

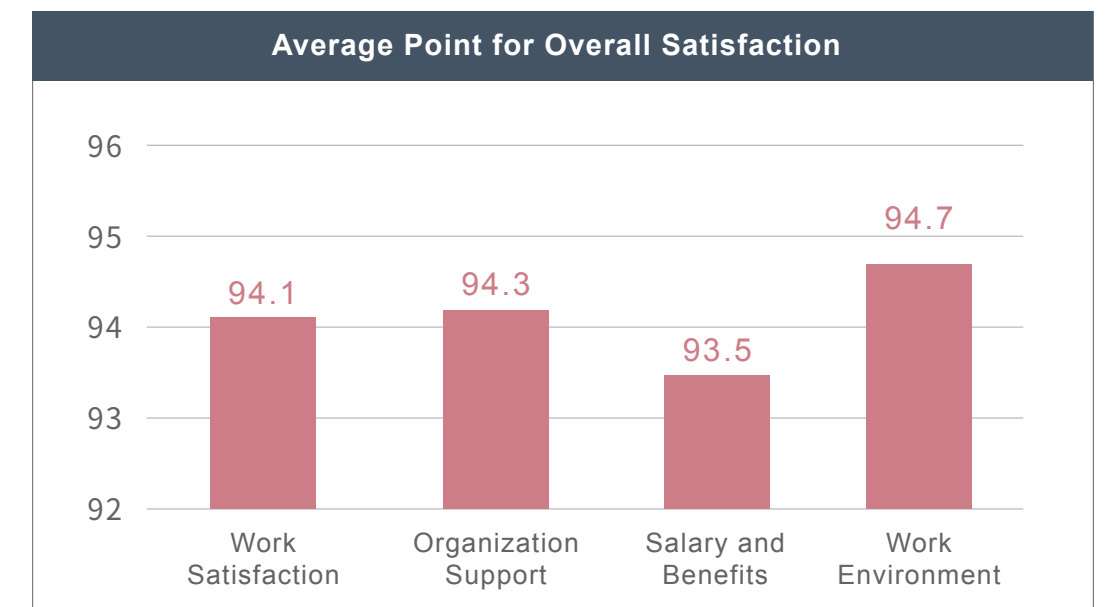
Note 1: Total number of employees that were entitled to parental leave is based on accumulated number of male and female employees applying for maternity leave and paternity leave during last 3 years.

Note 2: Return to work rate = (Total number of employees that did return to work after parental leave / Total number of employees due to return to work after taking parental leave)\*100%.

Note 3: Retention rate = (Total number of employees retained 12 months after returning to work following a period of parental leave / Total number of employees returning from parental leave in the prior reporting period)\*100%.

## 5-8 Employee Satisfaction

For the purpose of continuing to understand employee's thoughts and build up a happy work location for the company, we conduct employee opinion survey every year. Investigation and analysis are conducted focusing on four major perspectives of work balance, development, salary and work environment. Target for 2022 satisfaction is set at 85 points. Overall satisfaction average points for 2022 is 94.2 points which is 9.2 points higher than established target. Overall satisfaction is pretty high. It is judged that satisfaction comes from building up of related systems in sustainable talent development. This allows employees to feel the company's dedication in taking care of employees, and consequently, this has enhanced employees' willingness to stay in the company and therefore improved their experience quality.



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## 5-9 Win-Win Labor-Management Communication Channels (GRI 406-1)

The company has always been open to employee's voice. In addition to active caring for employees from time to time, it also holds labor/management meetings regularly as required by laws. Meanwhile, the company has already established employee complaint channels for years. In the event that employees are treated unfairly or unreasonably during work, or when their rights are infringed, or when they report other's inappropriate infringement of the company's interest, employees are capable of filing a complaint accordingly. In 2022, there were three labor/management disputes related to change of duty, and an agreed mediation has been reached accordingly.

### 5.9.1 Designated Caring Little Angel

Department of Human Resources has designated personnel across all plants working on caring for local and migrant workers in their respective plants. Workers may explain to responsible personnel regarding their difficulties on work or life. Responsible personnel will also actively offer concern when they learn of employee's encountering of problems. This helps in solving problems smoothly while achieving the purpose of retention. In addition to raising concerns to supervisors and migrant worker agents when having doubts, migrant workers may also raise their concerns directly to responsible personnel in respective plants. Responsible personnel will then discuss these concerns with department management or request migrant worker agents to offer assistance accordingly.

### 5.9.2 Regular Holding of Labor / Management Meetings

The company holds labor/management meetings every 3 months. These meetings are attended by representatives from both labor and management. Management representatives explain the company's operation latest status and significant matters while labor representatives may reflect voices from employees. This renders positive assistance to communications between labor and management. Labor/management meetings offers open discussions on work rules update, pandemic prevention measures on severe and special contagious pneumonia (COVID-19), employee travel as well as issues raised by benefit and salary committee. Basically, this applies to all King Yuan Fu employees. Currently, no collective bargaining agreement has been entered. However, we're convinced that continuous communication between labor and management will assist in the company's harmony and future development.

### 5.9.3 Migrant Worker Care Meeting

The company takes every employee's voice very seriously. In addition to native migrant workers, the company also holds migrant worker care meeting each month, with meetings held in Shulin and Yingge plants once every two months starting from January and in Dongshan Plant once every two months starting from February. Through these meetings, the company promotes related policies. Additionally, the company also understands more regarding migrant's life, work and physical /mental/spiritual status through these meetings. Furthermore, the company also established text message groups with migrant worker for the sake of two-way communication from time to time.

### 5.9.4 Employee Complaint/Suggestion Mailbox (GRI 406-1)

The company established management guidelines for employee complaint. In the event that an employee encounters unreasonable matter and it is inconvenient to report to supervisor, he or she may express his or her opinion, in verbal words or in writing, directly to the company's complaint contact window to seek help. After Department of Human Resource receives the complaint, designated related personnel will be assigned to conduct investigation depending on the severity of scenario and related individuals will be notified to come up for explanation accordingly. Process and result of case handling will all be recorded in a confidential manner in order to protect whistle blower's rights and provide a fair and reasonable work environment.

#### 5.9.4.1 Employee complaint channel, related plan and prevention measures are as follows:

1. "Prevention Plan for Illegitimate Infringement Inflicted During Execution of Duty": In the event that an employee encounters unreasonable matter, or suffers from physical or mental illegitimate infringement (including physical violence, mental violence, language violence, sexual harassment) from other's behavior during execution of duty, he or she may submit workplace violence incident complaint form to the company's complaint contact window to seek help.
2. Guidelines for Workplace Sexual Harassment Prevention Measures, Report and Punishment: These guidelines have specifically included measures prescribed hereto in work rules. In addition to filing a report in accordance with these guidelines, colleagues may also refer to Paragraph 1 and file a report accordingly.

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### 3. Report Channels:

- Acceptance and Investigation Unit: Department of Human Resource
- Report Hot Line: 02-8677-6555 ext. 2321~4
- Employee Suggestion Mailbox (Physical)
- Employee Suggestion Mailbox (email): hr@kyf.com.tw

### 5.9.4.2 There was no reports of occurrence of any discrimination related incidents in 2022.

### 5.9.5 Sexual Harassment Prevention Measures

The company is dedicated to prevention of sexual harassment and improvement of workplace facilities in order to protect employees from sexual harassment. Promotion of guidelines for sexual harassment prevention and matters regarding employee's rights is also conducted regularly.

### 5-10 Occupational Safety (GRI 3-3、GRI 403)

King Yuan Fu deeply understands that “people” is the foundation of a corporate’s sustainable development. The company is responsible for building up a safe and healthy work environment for stakeholders of employees and contractors. To implement occupational safety and health more systematically, 100% of the company’s business footprints have all introduced occupational health and safety management system (ISO 45001:2018) to ensure steps—including product development, manufacturing, test, and sales—during operation process comply with occupational health and safety regulations and other related requirements for the purpose of prevention of incidents. Additionally, the company conducts risk assessments, internal audit and external audit every year. Through PDCA, the company continues to improve process and enhance workplace health and safety protection measures for the purpose of avoiding occupation disasters caused by unsafe behavior, environment and equipment as well as fulfilling its responsibility in protecting employee’s health and safety.

Material Topics	Occupational Health and Safety
Meaning to King Yuan Fu	The company needs to ensure that employees and contractors comply with health and safety regulations and standard requirements, build up a work environment of zero occupational injury or occupational disaster and protect worker’s health and safety in order to fulfill its responsibility as an employer and owner.
Influence	People: Employees will not be able to work and will lose source of income if occupational injury occurs. Economics: The company has to assume medical expense, compensation liability as well as time and costs for conducting incident investigation.
Policy and Commitment	The company needs to increase education and training frequency, conduct health promotion related workshops and enhance employee’s safety awareness and attention to their own health. Zero Occupational Injury, Zero Occupational Disaster, Protection over Employee’s Health and Safety.
Short Term Goal	Number of occupational disaster cases in 2023 is zero. 1. 3hrs/year education and training for current employees      2. 1event/year for health promotion activity
Mid/Long Term Goal	1. Attendance rate for employee education training reached more than 80%. 2. Promotion of Employee Exercise (establishment of in-house gym/mini bar or Health Promotion Committee) 3. Low-calorie meals served with lowered calorie and more nutrition.
Action Guidelines	1. Corporate Governance: Occupational Health and Safety Management System (ISO 45001: 2018) is introduced for compliance with occupational safety related regulations and ensuring system effectiveness. The company continues to improve for the purpose of building up a work environment which allows employees to work without concern. “Occupational Safety Encouragement Guidelines” are drafted to encourage employees to fulfill work safety. “Management Regulations for Hazard Identification and Risk Assessment” are drafted. Management by levels is utilized to mitigate risks as much as possible.

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Material Topics	Occupational Health and Safety
Action Guidelines	<p>2a. Personnel: Honesty and integrity are the core values for work ethic and regulation compliance. They are constructed through drafting of a series of regulations, realization and implementation, self-review, smooth report channels and whistle-blower protection. Self-review of compliance situation is conducted through annual internal control self-assessment. Guidelines for colleagues to comply with during execution of business are drafted. All colleagues of respective companies of the Group, regardless of their position, job grade or location, are requested to comply with “Integrity Operation Code of Conduct, Moral Behavior Guidelines,” which include contents of work environment guidelines, equal opportunities, confidentiality terms, prohibition of part-time job, avoidance of conflict of interest, gift offering or receiving, business manners, respect for employees and clients, report, protection, exemption and so on. Purpose of this is to obtain public’s trust, enhance corporate image and ensure the company’s sustainable operation and development.</p> <p>2b. Education and Training: For the purpose of enhancing colleague’s work ethics and regulation compliance awareness, the company takes references from laws and internal requirements and designates Department of Health and Safety to collaborate with other responsible departments in conducting routine regulation training on colleagues of different departments/job grades. A total of 25 sessions were conducted in 2022 with 1,946 participants and average training hours of 2,992 hours per attendant. Corresponding training was given to colleagues of different responsibilities. Training included new employee training, on-job training, physical courses, promotion from respective units an external training. In the meantime, through monthly health and safety promotion in plants and the company’s internal web page, compliance guidance is provided to allow colleagues access to health and safety knowledge from time to time.</p> <p>3. Environmental Health and Safety: The company safeguards corporate internal occupational safety and workplace safety. Through continuous monitoring of environment management together with occupational health and safety control system, the company fulfills a corporate’s obligation and responsibility through environment health and safety management system (environmental protection, health and safety, prevention of occupational hazards).</p>
Achievement	There are a total of 7 occupational disasters in 2022. Number of occupational disasters declined proportionately. Statistics of on-job-training personnel: 23 sessions with 1,946 man/times and a total of 2,992 hours.
Responsible Unit	Department of Health and Safety Management

**5.10.1 Occupational Health and Safety Management System** (GRI 403-1、GRI 403-8)

The company’s three plants (Shulin Plant, Yingge Plant and Dongshan Plant) comply with labor location requirements of national regulations and introduced occupational health and safety management system (ISO 45001:2018) in 2021 and obtained third party certification. Occupational health and safety management system encompasses colleagues and related personnel executing work activities in three plants. They include 467 employees (accounting for 97.7%) and 9 non-employees (accounting for 2.3%) (Source of Data: Smart Cloud Report Dec. 2022). Their tasks include 100% of business sales scope including: sales, production, design, development, purchase, administration, and so on.

Through comprehensive PDCA occupational health and safety management system, the company holds environment and occupational health and safety committee meetings regularly for the purpose of continued improvement of operation environment and comprehensive prevention of occupational injury and diseases. Achievements from environmental health and safety meetings held in 2022 are as illustrated in the table below.

Note: Non-employees are security and cleaning individuals.

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### 5.10.1.1 Occupational Health and Safety Committee

The company establishes “Occupational Health and Safety Committee” in accordance with Occupational Health and Safety Management Guidelines. Percentage of commissioners elected by labor representatives is higher than one-third as required by laws. This committee holds meeting regularly once each quarter. Labor representatives will speak for all employees and discuss related issues of environmental protection, health and safety with heads of management levels.

Region	Factory	Total Number of Commissioners in Health and Safety Committee	Number of Labor Representatives	Labor Percentage	Number of Meetings / Year
Taiwan	Shulin Plant	11	4	37%	4
	Yingge Plant	11	4	37%	4
	Dongshan Plant	11	7	63%	4



Scope Encompassed by Occupational Health and Safety Management System				
Workers Encompassed by Occupational Health and Safety Management System in 2022				
Management System/Regulation	Inspection Category	Number of Workers	Percentage	Note
Occupational Health and Safety Act	Labor Inspection	467	98%	Personnel with Labor Insurance (including security guard)
ISO 45001	External Verification	476	100%	Explanation on Verification Scope and Exception Worker (including security guard)

### 5.10.1.2 Contractor Management

In terms of management on contractor safety, the company establishes “Contractor Management Process” with contents including education and training prior to entering factory, holding communication coordination meeting and conducting danger notification. Construction will only be allowed after construction application form is approved prior to construction. Supervision on construction safety has been enhanced. (ISO 45001 was introduced in 2021. Education training system for the first year was not completely satisfactory. On-line education training was conducted in May 2022.)



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## 5.10.2 Danger Identification and Risk Assessment (GRI 403-2)

### 5.10.2.1 Danger Identification

The company drafted “Management Guidelines for Danger Identification and Risk Assessment” with contents including matters of personnel, location and facility for various operation activities which may be affected by organization operation as well as operation location not directly controlled by organization. These matters will all be implemented in accordance with the guidelines. Major execution process for occupational safety identification is as follows:



### 5.10.2.2 Risk Assessment

Occupational safety risk assessment is conducted each year. Occupational health and safety management personnel conduct internal education training and teach respect units to identify dangers that may lead to personnel injury or equipment loss on related raw materials, products, activities and service operation. Risk levels are assessed and hierarchical management is established based on risk levels. Improvement targets are established and level of implementation on executing rectification measures is monitored for the purpose of lowering possibility of danger occurrence.

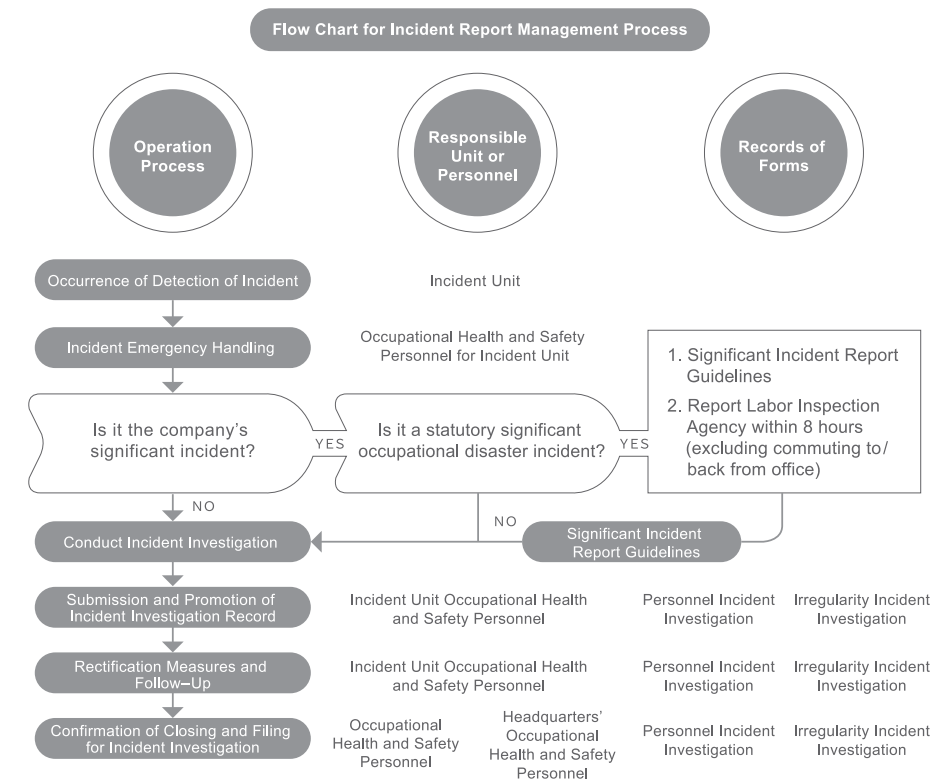
Respective plants continue to conduct cause analysis and strengthen education training on every occurrence of incident. They also keep track of improvement schedule on respective occupational injury incidents. When necessary, occupation doctors or nurses will offer related information of health counselling and medical assistance to colleagues.

Note: There were no occupational disaster cases of death, total and permanent disability, or partial and permanent disability in 2022.

### 5.10.3 Occupational Disaster Incident

(GRI 403-2、GRI 403-9)

“Occupational Disaster and Incident Investigation Management Process” The company immediately conducts emergency incident handling and notification in order to mitigate damage to the lowest level. The company also investigates and reviews causes of occurrence as well as prevention measures for the purpose of preventing similar incidents from occurring again. There were a total of 7 cases of occupational injury incidents in 2022 with an accumulated 188 days of total work loss.





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Through further analysis of 2022, it is observed that the majority of occupational injury types are from employee's insufficient danger awareness, with occurrences of cutting, slicing, scratch and stabbing accounting for the most parts. For the purpose of reducing occurrence of incidents, health and safety operation standards were established in 2022 to enforce comprehensive strengthening safety mechanisms for machines and equipment. Through comparison of annual number of accidents and number of days for work loss, number of incidents across plants has dropped from 19 in 2020 to 7 in 2022, and number of days for work loss has dropped from 408 days in 2020 to 188 days in 2022.

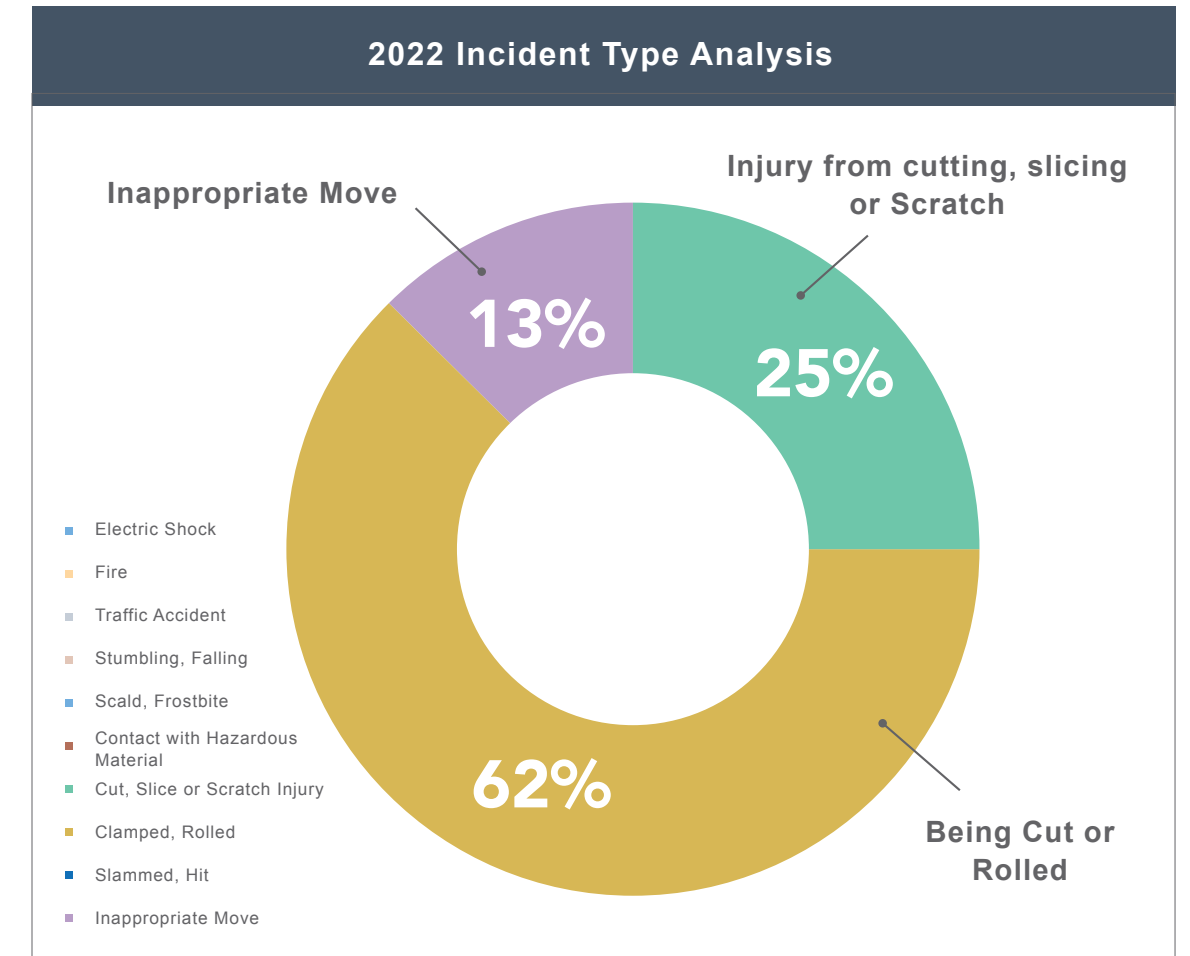
### 5.10.4 Occupational Health and Safety Management Measures (GRI 403-4、GRI 403-5)

#### 5.10.4.1 Occupational Health Service (GRI 403-3)

The company provides health examination benefits better than the ones required by laws.

On-site health counselling assistance is provided. Each month, occupation doctors are arranged to visit plants to conduct counselling and offer the following services:

- Conducting respective units' related danger assessment and suggestions based on requirements from occupational health and safety unit.
- Providing injury/disease counselling, assessment and related suggestions to employees; (For instance, counselling, assessment and judgement of health examination hierarchical management for general health examination/special operation examination, review and assessment of human factor danger, physical examination/health examination irregularity assessment, and so on.)
- In terms of engineering improvement scheme proposed by occupation doctors, related units will conduct subsequent assessment and improvement accordingly.
- For employees with abnormal findings in health examination, occupation doctors or occupation nurses shall continue to track their improvement status, or assist in recommending their work adaptive adjustment.



Item	Party	Time Required by Laws	Expense Assumption	Company Benefits
General Physical Examination (Including Group Meal)	New Employees	Prior to New Employee's Report to Office	Labor / Management Negotiation	The company assumes expenses.
Special Health Examination (Noise)	Special Health-Endangering Operation Personnel	Prior to New Employee's Report to Office Duty Change	Prior to New Employee's Report to Office Duty Change	The company assumes expenses.
General Health Examination (Including Group Meal)	Age < 40	Every 5 Years	Assumed by Employer	All employees may participate in general health examination each year with expenses assumed by the company. Supervisors may participate in management health examination each year with expenses assumed by the company.
	Age = 40 ~ 64	Every 3 Years		
	Age > 65	Every Years		
Special Health Examination (Noise)	Special Health-Endangering Operation Personnel	Every Years	Assumed by Employer	Expenses assumed by the company

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### 5.10.4.2 Occupational Health and Safety Education and Training

To ensure that every worker is familiarized with occupational health and safety related regulations and the company's health and safety management mechanisms, King Yuan Fu regularly provides occupational health and safety related education and training in order to introduce health and safety culture and concepts. This year, a total of 1946 man/times received training, with an average training hours of at least 1.5 hours for each personnel. Total training hours from all workers is 2992 hours.

Names of Courses	Dongshan Plant		Shulin Plant		Yingge Plant	
	Man-Times	Total Hours	Man-Times	Total Hours	Man-Times	Total Hours
General Education and Training	642	697	200	290	528	1,066.5
Management Education and Training	15	30	0	0	0	0
Chemical Products Education and Training	5	5	6	6	8	8
Fire-Fighting Drill Education and Training	158	158	87	90	172	562
Special Operation Education and Training (Forklift, Jib Crane, and so on)	79	47	6	5.5	40	27
<b>Total</b>	<b>899</b>	<b>937</b>	<b>299</b>	<b>391.5</b>	<b>748</b>	<b>1,663.5</b>

Scale of education and training encompasses management announcement, meeting promotion and posting signs and announcements. On-job education and training is conducted routinely or randomly. Purpose of education and training is not just for employees to understand regulations. What's more important is to allow employees to understand their respective handling principles and attitudes for daily work in order to reduce their negligent behavior. With this, employees are therefore able to understand reasons for these measures and achieve effective execution when promoting related protection measures. All education and training activities are recorded in detail for reference purpose.

### 5.10.4.3 Emergency Incident Handling

The company drafted "Management Process for Emergency Incident Preparation and Response" and conducted contingency handling in accordance with handling processes for presumed scenarios (handling criminal's threat and extortion, water and power outage, pandemic, chemical leakage, and so on). The company also complies with guidelines from Occupational Safety and Health Administration and conducts emergency response drill regularly (e.g., 2022 Fire-Fighting Drill Hours for Respective Plants). The main purpose is to enhance personnel's capability of responding to emergencies, establish accurate handling process and provide timely action guidelines when disaster strikes so as to ensure personnel and environment's safety, maintain factory normal operation and mitigate possible disaster losses from accidents to the lowest level.



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## 5.10.5 Employee Health Management (GRI 403-6、GRI 403-7、GRI 403-10)

### 5.10.5.1 Health Examination

- ◆ Each year, the company commissions large hospitals to conduct health examination in order to protect employee's health and report to competent authority for reference. Health examination rate for 2022 reached 100%, covering colleagues in Shulin Plant, Yingge Plant and Dongshan Plant.
- ◆ In addition to general health examination items, special health examination is also conducted in accordance with labor health protection requirements from the Ministry of Labor.
- ◆ Hierarchical management is adopted in health management. Most cases are classified as tier 1 or tier 2 management and few cases are classified as tier 4 management after doctor's examination. Based on this hierarchical management (tier 1 to tier 4), factory nurses will provide care or suggestion depending on employee's health examination results. In the event of cases with irregularity detected from special health examination, referral to hospital for further examination, routine tracking or medical treatment will be arranged accordingly. There was no occupational disease reported in 2023.

Occupational Injury and Occupational Disease				
Year / Item	2020	2021	2022	Note
Number of Employees	509	507	467	1. Injury Rate (IR) = Total Occupational Injury Incidents / Total Working Hours × 200,000 2. Occupational Disease Rate (ODR) = Total Occupational Disease Incidents / Total Working Hours × 200,000 3. Lost Day Rate (LDR) = Number of Days Lost / Total Working Hours × 200,000 *: Calculation is based on percentage for every 100 employees with 50 weeks per year and 40 working hours per week* (200,000 units)  2020 Total Working Hours Endured: 978,520 hours Number of Days for Occupational Injury: 408 (occupational injury hours/8H)  2021 Total Working Hours Endured: 1,059,817 hours Number of Days for Occupational Injury: 410 (occupational injury hours/8H)  2022 Total Working Hours Endured: 932,748 hours Number of Days for Occupational Injury: 188 (actual number of days for occupational injury)
Death Accident	0	0	0	
Occupational Disaster	19	8	7	
Significant Occupational Disaster	3	2	0	
Injury Rate (IR)	3.88	1.51	1.5	
Occupational Disease Rate (ODR)	0	0	0	
Lost Day Rate (LDR)	84	77	40.3	

### Worker Health Promotion

◆ **Comprehensive Health Management**  
King Yuan Fu Company's comprehensive health management encompasses implementation of occupational disease prevention and promotion of employee's personal health. Through work environment, health risks are controlled, employee's physical and mental health is maintained and their balance between work and life is enhanced accordingly.

Health Examination Items
1. 作業經歷、既往病史、生活習慣及自覺症狀之調查。 2. 身高、體重、腰圍、視力、辨色力、聽力、血壓及身體各系統或部位之理學檢查。 3. 胸部X光(大片)攝影檢查。 4. 尿蛋白及尿潛血之檢查。 5. 血色素及白血球數檢查。 6. 血糖、血清丙胺酸胺酶(ALT)、肌酸酐(creatinine)、膽固醇、三酸甘油酯、高密度脂蛋白膽固醇、低密度脂蛋白膽固醇之檢查。 7. 其他經中央主管機關指定之檢查。
A型肝炎檢查 IgM, 傷寒 Widal test, 梅毒。
聽力檢查，測試頻率為五百、一千、二千、三千、四千、六千、八千赫之純音，並建立聽力圖。



◆ **Implementation of Occupational Disease Prevention**  
King Yuan Fu Company continue to build up a work environment of health and safety, reviews work items repeatedly and collaborates with occupation doctors and external experts based on risk identification measures hoping to locate 5 major hazardous factors of chemical factor, physical factor, human factor, biological factor and social/mental factors that may lead to occupational disease, and to implement corresponding prevention measures accordingly.

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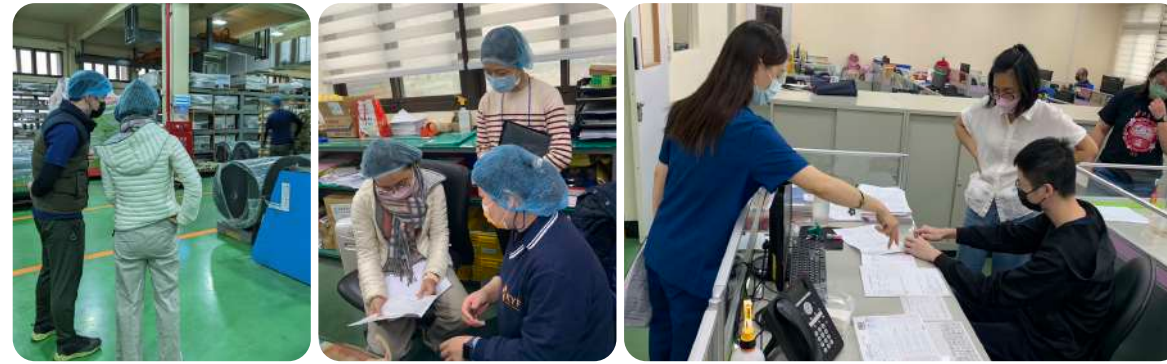
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### ◆ Effects

#### Human Factor

- The company collaborates with occupation doctors in conducting on-site visits.
- Occupation doctors are arranged to visit operation sites in plants and offer related suggestions for implementation of improvement accordingly/once every year.



Explanation: Collaboration with occupation doctors in conducting on-site visits.

#### Biological Factor

- Real-Time Tracking of Announcements from Center for Disease Control and Health Promotion Administration; Timely Provision of Latest Health Education Information in Response of News.
- The company continues to pay attention to real-time information of respective countries' pandemic situation, establishes preparation and responding guidelines for communicable disease and drafts King Yuan Fu Company's pandemic prevention strategies.

(For instance: For COVID-19, the company provides pandemic prevention materials of multiple fixed and hand-held temperature thermometers, hand-sanitizer, protective clothes, mask, face mask, quick test and conducts whole-factory environment sanitization. The company also establishes respective departments' self-health management monitoring forms and keeps these records for reference purpose.)



Explanation: Real-Time Tracking Announcement Information from Center for Disease Control and Health Promotion Administration. Timely Provision of Health Education Latest Information in Response of News.

#### Mental Factor

- Management Scheme for Continued Improvement on Cardiovascular Disease Prevention
- Health management system is utilized to combine with employee health examination result and working hour status for assessment of health risks.
- On-Job Health Examination: Mental Health Inventory (10-year risk assessment), Copenhagen Burnout Inventory /once every year



Explanation: On-Job Health Examination: Mental Health Inventory, Copenhagen Burnout Inventory

#### Physical Factor

- Environmental air conditioning is increased to enhance comfort for indoor environment.
- The company establishes good operation environment and regularly conducts operation environment monitoring as well as random on-job training.



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### 5.10.5.2 Prevention and Mitigation of Occupational Disaster

#### ◆ Patrol Operation Management

The company drafted “Patrol Operation Management Guidelines” and Health and Safety Management Department will conduct critical area patrol as well as random check on respective departments. Critical area patrol includes daily patrol on machine rooms in respective floors, contractor on-site construction’s compliance with application form and random check on machine safety equipment. On-site department conducts patrol based on contractor’s operation patrol form which includes general requirements, falling, electric shock, falling object and fire prevention for the purpose of enhancing various operation’s safety while ensuring personnel’s life safety and health. For deficiency matters, “Health and Safety Violation Handling Form” will be issued accordingly. For departments with failure to rectify after notice has been issued 3 times or for departments with immediate risk of danger occurrence, they will be requested to suspend operation and improve accordingly within deadline.

#### ◆ Manufacturing Process Safety Management

Manufacturing Process Safety Management has 7 major items including rectification and prevention, education and training, management on contracting, management on operation change, occupational disaster incident investigation, emergency plan and contingency and compliance audit for the purpose of maintaining equipment completeness and personnel’s familiarization on equipment (including protection gear). Through implementation of risk assessment, labor participation, hot work permit, change management, incident investigation and compliance audit, the company understands factory equipment and personnel operation’ best status and therefore this reduces occurrence possibilities of various risks. It is recommended to use false alarm to prevent danger.

#### ◆ Other Related Operation Guidelines

To prevent and mitigate occupational health and safety impact directly related to business relationship, related operation guidelines are drafted accordingly such as personal protective equipment management guidelines, management guidelines for operation environment monitoring, special operation management guidelines and management guidelines for labor health protection. Safety of operation environment is maintained through systematic management. Additionally, for the purpose of promoting work safety, the company established work safety disciplinary operation management guidelines in order to calculate production units’ occupational disaster cases. Reward is rendered to those with excellent performance for the purpose of building up a work safety culture through measures of employee encouragement.





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## Altruism

We are firmly committed to becoming one of the “Best for the World” by pursuing our sustainability vision. We therefore show high concern for social welfare from a humanistic perspective. In the human, environmental, and social dimensions, we espouse the principles of tolerance, respect, and harmonious relations.

We build and optimize our relations with local communities by harnessing our core capabilities in the field of plastic packaging. In addition to the provision of essential goods, we clearly demonstrate our commitment to fulfilling our responsibility and exerting positive influence on communities to our stakeholders. We therefore spare no effort to invest resources and act in concert with all members of society to tackle the challenges in the field of sustainable development.

After discussions with our internal and external stakeholders, we have decided to exert positive influence in the three core dimensions of environmental education, environmental protection, and community care with our operating sites as our main service bases. We make ongoing efforts to integrate our internal and external resources and gradually step up care and concern for society and the environment by relying on an incremental approach. The beneficiaries of relevant activities include isolated seniors, underprivileged children, and students engaged in physical activities. We are also deeply committed to the promotion of education and social welfare. For instance, we strive to raise environmental awareness through the organization of enterprise visits and education. Our ultimate goal is to forge strong bonds with society, create virtuous cycles and healthy, sustainable relations, and fulfill our corporate social responsibility to ensure swift progress toward our vision of becoming one of the “Best for the World.”

### 6-1 Environmental Education

It is a well-known fact that plastic products are cheap and convenient, but it is often overlooked that plastic can also be an eco-friendly, reusable material. Starting in 2018, we therefore stepped up our education efforts through the organization of enterprise visits and environmental education to share plastics-related knowledge and thereby cultivate responsible consumption and equip the public with environmental awareness.

#### 6.1.1 Educational Concepts and Models

1. Environmental education: We provide all participants with a clear understanding of ESG and circular economy concepts as well as the current state of environmental topics and how they affect us. We also explain how eco-friendly use and responsible consumption habits can be promoted through different packaging designs. The goal is to open up the horizon of our audiences by emphasizing the eco-friendly characteristics of plastic based on the concept of total environmental costs and by demonstrating its discovered reusability which represents one of its major properties for the design process. In addition to physical lectures, we organize online workshops in cooperation with external organizations as a platform for sharing of information and exchanges on ESG and circular economy strategies without temporal or spatial constraints.
2. Enterprise visits: We usually schedule lectures when other enterprises or organizations visit our company. Our visitors are offered a chance to inspect extrusion, thermoforming, and packaging processes and get a first-hand glimpse of our QA Lab operations at our manufacturing sites. The goal is to provide visitors with a vivid first-hand experience and deepen their understanding of the various concepts introduced in the presentations in addition to arousing their interest in plastics and environmental protection. On top of that, we arrange visits to our Sample Room where various packaging mockups with food contents are displayed. These mockups convey our firm belief and commitment to the synthesis of function and aesthetics in our packaging design and aim to ignite the imagination of our visitors. Diverse eco-friendly packaging materials on display in the Sample Room such as rPET, PLA, and molded pulp bear testimony to our steadfast pursuit of sustainable packaging.

#### 6.1.2 Actual achievements

Due to the rising severity of the pandemic in April 2022, enterprise visits could only be gradually resumed in the second half of the year. A total of 16 environmental education and enterprise visits organized in 2022 and drew 873 participants.

Number of environmental education and enterprise visits and participant statistics in the most recent three years		
Year	Number of organized events	Number of participants
2020	18	657
2021	24	1,063
2022	16	873

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### Environmental education and enterprise visit statistics in 2022

Date	Participants	Type	Number of attendees
2022/01/10	Students enrolled at National Taiwan University of Science and Technology	Enterprise visit	20
2022/03/03	UT Dallas (1)	Online education	50
2022/03/17	Students and Faculty Members of National Lotung Industrial Vocational High School	Enterprise visit	30
2022/03/24	B Corps Online Sharing Meeting	Online education	50
2022/06/20	Industrial Development Bureau and Industrial Technology Research Institute	Online education	50
2022/07/11	SME Heritage Training	Enterprise visit	25
2022/10/19	UT Dallas (2)	Online education	50
2022/11/10	DPI	Enterprise visit	8
2022/11/18	New Generation College	Enterprise visit	30
2022/11/23	Wang Jin–Mu Educational Foundation (1) Luodong Senior High School, National Lo–Tung Commercial Vocational High School	Enterprise visit	70
2022/11/24	National Taiwan Normal University EMBA Student Association	Enterprise visit	30
2022/11/25	National Chengchi University EMBA	Enterprise visit	30
2022/12/02	B Corps Day – New Supply Chain Partner Relations	Off–plant education	220
2022/12/07	Wang Jin–Mu Educational Foundation (2) National Lan–Yang Girls' Senior High School, National Lotung Industrial Vocational High School	Enterprise visit	70
2022/12/14	Wang Jin–Mu Educational Foundation (3) Huey Deng High School, National Su–ao Marine & Fisheries Vocational High School	Enterprise visit	70
2022/12/21	Wang Jin–Mu Educational Foundation (3) Huey Deng High School, National Su–ao Marine & Fisheries Vocational High School	Enterprise visit	70

Event images



Environmental education: Yingge Plant – Explanation of the circular economy process



Environmental education: Dongshan Plant – Explanation of our ESG action plans



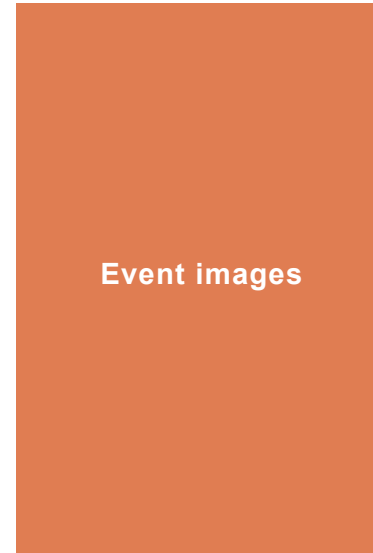
Enterprise visit: Yingge Plant



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◆ We welcome visits by and exchanges with relevant organizations and units. If you are interested, please don't hesitate to contact us:

1. Environmental education: <https://sites.google.com/view/kyfdcc1/>      2. Enterprise visit: <https://sites.google.com/view/kyfdcc2/>

## 6-2 Environmental Protection

In line with UN SDG 15 “Life on Land” and the Trillion Trees Act, we gradually initiated various environmental protection actions (beach cleaning, mountain cleaning, and adoption of forest areas) starting in 2018 and will persist in our efforts to achieve brilliant results. However, during the pandemic from 2020–2022, many activities had to be suspended to prevent crowding. Nevertheless, we have maintained our unwavering commitment to cherishing our environment and taking concrete action. For instance, we continued our forest adoption program to provide ongoing care for our forests and make a contribution to environmental sustainability. This program not only helps absorb carbon dioxide, purify the air, and conserve soil and water but also represents a valuable contribution to environmental beautification, protection of local biodiversity, and bringing out the beauty of our island.

- ◆ Forestation: Since 2009, we have been engaged in an afforestation program in cooperation with the Taiwanese Forestry Bureau. We have planted a total of 12,474 trees covering an area of 11.9 hectares. Since each of these trees absorbs 12kg of carbon per year, annual CO<sub>2</sub> absorption amounts to approximately 149.68 metric tons.
- ◆ Adoption of forest areas: At the end of 2019, we signed a contract with the Forestry Bureau for the adoption of two areas of forest land totaling 1.21 hectares in the Four Beasts Trail forest planting area. In addition to the planting of new trees, we also engage in mowing, weeding (bitter vine control), and replanting. Annual carbon absorption of this project equals 13.19 tons (2022 Ecological Restoration Program in Land Areas of Concern – Project No.12).
- ◆ Planted tree species: Formosan Gum, Formosan Ash, Woodland Elaeocarpus, Formosa Acacia, Red Machilus, Ring-cupped Oak



Notes: 1. The Environmental Quality Protection Foundation states in the chapter titled “Contributions of Trees to Our Environment” of its annual report that “observations of the Memorial Forest indicate that each tree absorbs 12kg of carbon dioxide per year.” Source: <http://www.eqpf.org/sf/3-1.htm>

2. The Environmental Information Center has reported that 1 hectare of forest land can absorb around 10.9 metric tons of CO<sub>2</sub>.

**6-3 Community Care** (GRI 413-1)

We uphold a spirit of giving back to local communities, show genuine concern for community development, and participate in local activities with the ultimate goal of promoting the common good and prosperity of all communities.

**6.3.1 Food donations**

We have responded to the call to action against poverty in SDG1 by making annual donations to and caring for physically challenged seniors in need of assistance in Dongcheng Village, Dongshan Township, Yilan County.

- ◆ There are currently 85 seniors in this community (Bento boxes are delivered to 55 physically challenged seniors, the remaining 30 elderly community members dine in the activity center)
- ◆ Against the backdrop of rising commodity prices caused by the pandemic, we decided to increase our annual donations to 30,000 (effective 2021) to ensure sufficient food supplies for the seniors in Dongcheng Village.

Year	2020	2021	2022
Donations	20,000	30,000	30,000
Number of beneficiaries	85	85	85

During the most critical period of the pandemic, we closely monitored social needs. When we learned of the relief initiatives of The Mustard Seed Mission and Sinfu Children’s Home in Yilan, we decided to donate a total of 176kg of rice to feed underprivileged children, ensure a sufficient supply of food for beneficiaries (children and families), and thereby give them hope and strength in a period of great hardship and suffering.

Donation beneficiaries	Item	Quantity
Sinfu Children’s Home Affiliated to the Buddhist Sinfu Social Welfare & Charity Foundation	Rice	80 kg
The Mustard Seed Mission	Rice	90 kg
The Mustard Seed Mission	Healthful Wafer Rolls	1 box
The Mustard Seed Mission	Nuts	1 box



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## 6.3.2 Investment of Resources in Communities

We have made a lasting commitment to ongoing donations to NGOs such as Chilin Foundation, Taiwan Fund for Children and Families, and World Vision. We strive to support diversified activities in Taiwan and serve as a corporate sponsor for Taiwanese table tennis virtuoso Lin Yun-Ju and the varsity basketball team of National Yilan Senior High School with the ultimate goal of promoting sports culture and raise health awareness on our island. In line with our strong emphasis on social healthcare needs, we have donated an ambulance to the Fire Department of Yilan County Government and hybrid operation room and patient ward facilities to Fu Jen Catholic University Hospital. Our great zeal in other fields of social welfare is borne witness by our donation of a dining hall for seniors in the Dongcheng Community in Yilan and our sponsorship of community activities in Xianghe and Daxing Villages in Yilan.

Despite the forced suspension of numerous community activities due to the pandemic in 2020, we persisted in our efforts to implement social welfare actions (total expenditures amounted to NT\$ 1.699 million). In 2021, we increased our donations to NGOs with the goal of effectively extending our outreach and care to more communities in need of help (combined social welfare expenditures reached NT\$ 1.726 million). In 2022, we noticed a strong demand for medical assistance in communities. We therefore stepped up our efforts in the field of NPO and medical aid donations in addition to offering financial support to local table tennis hero Lin Yun-Ju. Donations therefore climbed to a record NT\$ 9.665 million, the highest amount in recent years.

	NGO donations	Sponsorship of community activities	Social relief	Medical donations	Industrial sponsorship	Sports sponsorship	Adoption of forest areas	Total
2020	NT\$ 1.26 million	-	NT\$ 20,000	-	NT\$ 10,000	NT\$ 300,000	NT\$ 109,000	NT\$ 169.9 million
2021	NT\$ 1.47 million	-	-	-	NT\$ 150,000	-	NT\$ 106,000	NT\$ 172.6 million
<b>2022</b>	<b>NT\$ 2.55 million</b>	<b>NT\$ 49,000</b>	-	<b>NT\$ 4.077 million</b>	<b>NT\$ 190,000</b>	<b>NT\$ 2.7 million</b>	<b>NT\$ 99,000</b>	<b>NT\$ 966.5 million</b>

Our deep devotion to charity and social welfare is reflected in regular or ad-hoc donations over many years and support of charity and social welfare activities to give back to society. The list of donation beneficiaries in 2022 is as follows:

- NGO donations: Chilin Foundation, Taiwan Fund for Children and Families, Taiwan Catholic Nursing Home, Single Parent Educational Foundation, Hualien County Youth Charity Association, and World Vision
- Community activities: Donation of a dining hall for seniors in the Dongcheng Community in Yilan and sponsorship of community activities in Xianghe and Daxing Villages in Yilan
- Medical donations: Donation of an ambulance to the Fire Department of Yilan County Government and hybrid operation room and patient ward facilities to Fu Jen Catholic University Hospital
- Industrial sponsorship: Taiwan Plastics Industry Association sponsorship
- Sports events: Sponsorship of Taiwanese table tennis virtuoso Lin Yun-Ju and the varsity basketball team of National Yilan Senior High School
- Adoption of forest areas: Conclusion of a contract with the Forestry Bureau for the adoption 1.21 hectares of forest land in the Xinyi Yongchun area from 2019 to 2022



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## 6.3.3 Donation of Epidemic Prevention Supplies

### Response to epidemic prevention needs

In 2022, the COVID-19 epidemic was still raging in Taiwan and hospital wards were filled with COVID patients. Healthcare workers had to perform their duties with great caution and were forced to don N95 respirator masks and bunny suits at all times. They were constantly worried about contracting the virus when they had to doff their masks during meals.

With a view to making a contribution to meeting the high demand for epidemic prevention supplies, we designed a facemask box titled “Zhaolicun” and mass-produced 12,956 boxes in a timely manner. These boxes were donated to hospitals and clinics such as Tiancheng Hospital and Shuang Ho Hospital to allow medical personnel to don and doff their face masks in a worry-free manner and safeguard their physical and mental well-being. These face mask boxes convey our deep appreciation for their dedicated efforts and our resolve to cheer them up in their unselfish sacrifices.

#### Description:

- ◆ Material: PP/ -10~120 degrees/UV & alcohol sanitizable
- ◆ Features:
  1. Air ventilation holes ensure moisture-free storage when the lid is closed
  2. The grooves at the bottom of the box secure the ear loops, masks can be donned and doffed without touching the fabric part to avoid contamination
  3. The box dimensions are suitable for flat-fold and cup-shaped N95 masks, while storage room for ear-loop surgical masks is available on the two sides of the box
  4. Names can be written on the box lid to avoid accidental use by others



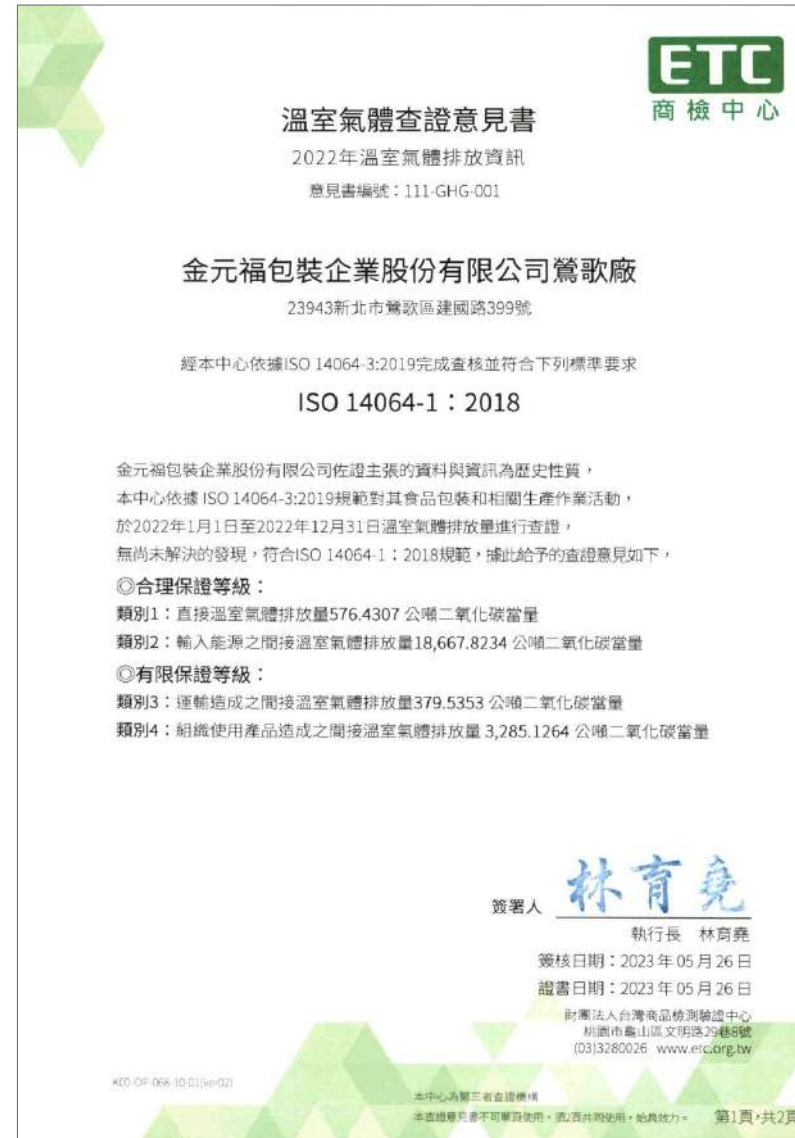


# References

# References

## Verification statements

Issuing unit: ETC Taiwan Testing and Certification Center  
 Certificate name: ISO 14064-1: 2018



Plant: Yingge Plant  
 Certificate No.: 111-GHG-001  
 Issued on: May 26, 2023



Plant: Shulin Plant  
 Certificate No.: 111-GHG-002  
 Issued on: May 26, 2023





Plant: Dongshan Plant  
 Certificate No.: 111-GHG-003  
 Issued on: May 26, 2023

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Issuing unit: BSI OPINION STATEMENT  
Certificate name: ISO 14067: 2018

Product: CM.NS9.5 Hinged Tray  
Certificate No.: PCFV273  
Issued on: July 6, 2021

By Royal Charter

# Opinion Statement

**Product Carbon Footprint  
Verification Opinion Statement**

This is to verify that: KING YUAN FU PACKAGING CO., LTD (DONGSHAN PLANT) No. 275, Xiangzhong Rd. Dongshan Township Yilan County 269027 Taiwan


金元福包裝企業股份有限公司 (冬山廠)  
臺灣  
宜蘭縣  
冬山鄉  
香中路 275 號  
269027

Holdings Statement No: PCFV 273

Verification opinion statement  
As a result of carrying out the verification of product life cycle greenhouse gas emissions, it is the opinion of BSI with reasonable assurance that:

- The product carbon footprint with the declared unit of one piece NS9.5 5oz hinged clamshell (每個 CM.NS9.5 對折盒) is 193.71 grams of CO<sub>2</sub> equivalent.
- No material misstatements in this product life cycle greenhouse gas emission statement were revealed.

The product life cycle GHG data quality was verified to be acceptable against the requirements of ISO 14067:2018.  
This statement shall be valid for a maximum period of two years after the latest issue date on this certificate. Should there be a change in the life cycle of the product whose GHG emissions are being assessed, the validity of this opinion statement will cease.



For and on behalf of BSI: \_\_\_\_\_  
Managing Director BSI Taiwan, Peter Pu

Originally Registration Date: 2021-07-06      Effective Date: 2021-07-06  
Latest Revision Date: 2021-07-06      Expiry Date: 2023-07-05

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The British Standards Institution is independent to the above named client and has no financial interest in the above named client. This Opinion Statement has been prepared for the above named client only for the purposes of verifying its statements relating to its carbon emissions more particularly described in the scope. It was not prepared for any other purpose. The British Standards Institution will not, in providing this Opinion Statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used or to any person by whom the Opinion Statement may be read. This Opinion Statement is prepared on the basis of review by The British Standards Institution of information presented to it by the above named client. The review does not extend beyond such information and is solely based on it. In performing such review, The British Standards Institution has assumed that all such information is complete and accurate. Any queries that may arise by virtue of this Opinion Statement or matters relating to it should be addressed to the above named client only.  
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Statement No: PCFV 273

Location	Verification Information
KING YUAN FU PACKAGING CO., LTD (DONGSHAN PLANT) No. 275, Xiangzhong Rd. Dongshan Township Yilan County 269027 Taiwan 金元福包裝企業股份有限公司 (冬山廠) 臺灣 宜蘭縣 冬山鄉 香中路 275 號 269027	The product carbon footprint with the declared unit of one piece NS9.5 5oz hinged clamshell (每個 CM.NS9.5 對折盒) is 193.71 grams of CO <sub>2</sub> equivalent.

Product related information is as follows:

- System boundary for this product: Cradle to Gate  
The product system boundary is consistent with its system boundary definition in the PCF report for product carbon footprint, which involves acquisition of raw material, process activities, transportation of raw material and transportation of product in the product life cycle.
- The data in this product life cycle greenhouse gas inventory report is from 2020-01-01 to 2020-12-31.
- The site-specific data include related facilities from its own processes under the operational control of the organization and individual processes under the financial or operational control of the organization undertaking the CFP study.
- The secondary data include relative factors from EPA Carbon Footprint Calculation Platform and LCA software SimaPro 9.0.0.

Originally Registration Date: 2021-07-06      Effective Date: 2021-07-06  
Latest Revision Date: 2021-07-06      Expiry Date: 2023-07-05



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Issuing unit: BSI OPINION STATEMENT  
Certificate name: ISO 14067: 2018

Product: CB48 Round Salad Bowl  
Certificate No.: PCFV272  
Issued on: June 29, 2021

By Royal Charter

# Opinion Statement

**Product Carbon Footprint Verification Opinion Statement**


<p>This is to verify that: KING YUAN FU PACKAGING CO.,LTD (YINGGE PLANT) No. 399, Jianguo Rd. Yingge Dist. New Taipei City 239011 Taiwan</p>	<p>金元福包裝企業股份有限公司 (鶯歌廠) 臺灣 新北市 鶯歌區 建國路 399 號 239011</p>
--	--

Hold Statement No: PCFV 272

Verification opinion statement  
As a result of carrying out the verification of product life cycle greenhouse gas emissions, it is the opinion of BSI with reasonable assurance that:

- The product carbon footprint with the declared unit of one piece CB48 round salad bowl (每個 CB48 沙拉外殼上/下(合併)) is 173.72 grams of CO<sub>2</sub> equivalent.
- No material misstatements in this product life cycle greenhouse gas emission statement were revealed.

The product life cycle GHG data quality was verified to be acceptable against the requirements of ISO 14067:2018.  
This statement shall be valid for a maximum period of two years after the latest issue date on this certificate. Should there be a change in the life cycle of the product whose GHG emissions are being assessed, the validity of this opinion statement will cease.



For and on behalf of BSI: \_\_\_\_\_  
Managing Director BSI Taiwan, Peter Pu

Originally Registration Date: 2021-06-29	Effective Date: 2021-06-29
Latest Revision Date: 2021-06-29	Expiry Date: 2023-06-28

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Statement No: PCFV 272	Verification Information
------------------------	--------------------------

<p>Location</p> <p>KING YUAN FU PACKAGING CO.,LTD (YINGGE PLANT) No. 399, Jianguo Rd. Yingge Dist. New Taipei City 239011 Taiwan 金元福包裝企業股份有限公司 (鶯歌廠)臺灣 新北市 鶯歌區 建國路 399 號 239011</p>	<p>The product carbon footprint with the declared unit of one piece CB48 round salad bowl (每個 CB48 沙拉外殼上/下(合併)) is 173.72 grams of CO<sub>2</sub> equivalent.</p>
---	---

Product related information is as follows:

- System boundary for this product: Cradle to Gate
- The product system boundary is consistent with its system boundary definition in the PCF report for product carbon footprint, which involves acquisition of raw material, process activities, transportation of raw material and transportation of product in the product life cycle.
- The data in this product life cycle greenhouse gas inventory report is from 2020-01-01 to 2020-12-31.
- The site-specific data include related facilities from its own processes under the operational control of the organization and individual processes under the financial or operational control of the organization undertaking the CFP study.
- The secondary data include relative factors from EPA Carbon Footprint Calculation Platform and LCA software SimaPro 9.0.0.

Originally Registration Date: 2021-06-29	Effective Date: 2021-06-29
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**References**

**List of Issuing Units and Persons Responsible for this Report**

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ESG Committee members	Mr. Roy Lee, General Plant Manager of the Manufacturing Business Division Mr. Benjamin Guo, Vice President in charge of operations of the Operations Business Division Mr. Yang, Wen-Long, Vice Plant Manager of the Manufacturing Business Division
ESG Executive Secretary	Sustainable Development Department
Report preparation	Sustainable Development Department
Responsible persons of ESG Task Forces	Ms. Lin, Chu-Xin, Manager of the HR Department Ms. Lin, Yi-Fang, Deputy Department Manager of the Finance & Accounting Department Mr. Hsu, Fu-Jie, Manager of the Sales Department Mr. Chen, Yan-Zhang, Engineer, Health & Safety Department Mr. Lin, Jia-Rong, Assistant Manager of the Manufacturing Business Division Mr. Li, Qiu-Fa, Assistant Manager of the QA Department Ms. Zheng, Ya-Rong, Senior Engineer, R&D Department Mr. Yu, Hong-Ren, Manager of the IT Department Ms. Ruan, Wan-Zhu, Department Manager of the Procurement Department Mr. Huang, Qing-Chuan, Assistant Manager of the Mold Department

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Statement of Use: King Yuan Fu has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2022		GRI 1 Used: GRI 1: Foundation 2021		Applicable GRI Sector Standard(s): None	
<b>GRI 2: General Disclosures 2021</b>					
Topic	Disclosure	Description	Corresponding chapter	Page	Reason / explanation for omission
The organization and its reporting practices	2-1	Organizational details	3-1 Company Profile	<a href="#">24</a>	
	2-2	Entities included in the organization's sustainability reporting	About this Report	<a href="#">04</a>	
	2-3	Reporting period, frequency and contact point	About this Report	<a href="#">04</a>	
	2-4	Restatements of information	Restatements of information in this report are explained in notes and remarks in each chapter or table	--	
	2-5	External assurance	About this Report	<a href="#">04</a>	
Activities and workers	2-6	Activities, value chain and other business relationships	3.1.6 Relationship Between Up – and Downstream Sectors	<a href="#">30</a>	
	2-7	Employees	5-1 Employee Overview and Staff Structure	<a href="#">84</a>	
	2-8	Workers who are not employees	5-1 Employee Overview and Staff Structure	<a href="#">84</a>	
Governance	2-9	Governance structure and composition	3.2.1 Organizational Framework	<a href="#">32</a>	
	2-10	Nomination and selection of the highest governance body	---	--	NA/ no nomination and selection procedures are in place since King Yuan Fu is a non-listed private company
	2-11	Chair of the highest governance body	3.2.1 Organizational Framework	<a href="#">32</a>	
	2-12	Role of the highest governance body in overseeing the management of impacts	3.2.1 Organizational Framework	<a href="#">32</a>	
	2-13	Delegation of responsibility for managing impacts	3.2.1 Organizational Framework	<a href="#">32</a>	
	2-14	Role of the highest governance body in sustainability reporting	3.2.2 Functional Committee: ESG Committee	<a href="#">35</a>	
	2-15	Conflicts of interest	3.2.1.2 Recusal by the Management Team Due to Conflicts of Interest	<a href="#">34</a>	
	2-16	Communication of critical concerns	3.2.3 Communication of Material Issues	<a href="#">37</a>	
	2-17	Collective knowledge of the highest governance body	3.2.1.3 Strengthening of the Management Functions of the Management Team	<a href="#">34</a>	
	2-18	Evaluation of the performance of the highest governance body	---	--	Confidentiality constraints/this information is confidential and cannot be disclosed to the public
	2-19	Remuneration policies	---	--	Confidentiality constraints/this information is confidential and cannot be disclosed to the public
	2-20	Process to determine remuneration	---	--	Confidentiality constraints/this information is confidential and cannot be disclosed to the public
Strategy, Policies and Practices	2-21	Annual total compensation ratio	---	--	Confidentiality constraints/this information is confidential and cannot be disclosed to the public
	2-22	Statement on sustainable development strategy	Message from the CEO	<a href="#">05</a>	
	2-23	Policy commitments	3.1.4 Sustainability Vision and Policy	<a href="#">27</a>	
	2-24	Embedding policy commitments	3.1.4 Sustainability Vision and Policy	<a href="#">27</a>	
	2-25	Processes to remediate negative impacts	3.2.4 Risk Management 3.2.6.1 Business Ethics and Anti-corruption	<a href="#">39</a> 、 <a href="#">42</a>	
	2-26	Mechanisms for seeking advice and raising concerns	3.2.6.1 Business Ethics and Anti-corruption	<a href="#">42</a>	
	2-27	Compliance with laws and regulations	3.2.6.2 Legal Compliance	<a href="#">42</a>	
2-28	Membership associations	3.1.7 Partner and Initiatives	<a href="#">31</a>		

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	2-30	Collective bargaining agreements	5.9.2 Regular Holding of Labor/Management Meetings	<a href="#">100</a>	
<b>GRI 3: Material Topics 2021</b>					
Material Topics	3-1	Process to determine material topics	2-4 Identification of Material Issues	<a href="#">17</a>	
	3-2	List of material topics	2-5 List of Material Issues	<a href="#">22</a>	

<b>Economic Aspects</b>					
Topic	Disclosure	Description	Corresponding chapter	Page	Reason / explanation for omission
<b>★ Economic Aspects (Operational Performance)</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	3-3 Operational Performance	<a href="#">43</a>	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	3-3 Operational Performance	<a href="#">43</a>	
	201-2	Financial implications and other risks and opportunities due to climate change	4-8 The Management and Adaptation of Climate Change Risks	<a href="#">78</a>	
	201-3	Defined benefit plan obligations and other retirement plans	5.4.2.5 Pension System	<a href="#">95</a>	
	201-4	Financial assistance received from government	---	--	Confidentiality constraints / this information is confidential and cannot be disclosed to the public
<b>Market Presence</b>					
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5-4 Compensation and Benefits	<a href="#">93</a>	
	202-2	Proportion of senior management hired from the local community	3.2.1.1 Management Team and Organizational Chart	<a href="#">32</a>	
<b>Procurement Practices</b>					
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	3-4 Supply Chain Management	<a href="#">44</a>	
<b>Anti-Corruption</b>					
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	---	--	Information incomplete / King Yuan Fu has a Code of Ethical Conduct, Employee Integrity Norms, and employee training in place, but risk management has not been carried out
	205-2	Communication and training about anti-corruption policies	3.2.6 Business Reputation and Legal Compliance	<a href="#">42</a>	
	205-3	Confirmed incidents of corruption and actions taken	3.2.6 Business Reputation and Legal Compliance	<a href="#">42</a>	

<b>Environmental Aspects</b>					
Topic	Disclosure	Description	Corresponding chapter	Page	Reason / explanation for omission
<b>★ Materials (Raw material management) / (Circular Economy)</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	4-1 Circular Economy 4.1.3.2 Raw material	<a href="#">50</a> 、 <a href="#">55</a>	

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GRI 301: Materials 2016	301-1	Materials used by weight or volume	4.1.3.2 Raw Materials	<a href="#">55</a>	
	301-2	Recycled input materials used	4-1 Circular Economy 4.1.3.3 Manufacturing	<a href="#">50</a> 、 <a href="#">57</a>	
	301-3	Reclaimed products and their packaging materials	---	--	NA/Sold products are currently not reclaimed and reused
<b>★ Energy (Carbon Emissions)</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	4-3 Energy	<a href="#">65</a>	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	4.3.1 Energy Consumption	<a href="#">65</a>	
	302-2	Energy consumption outside of the organization	4.3.1 Energy Consumption	<a href="#">65</a>	
	302-3	Energy intensity	4.3.1 Energy Consumption	<a href="#">65</a>	
	302-4	Reduction of energy consumption	4.3.2 Power Conservation and Energy Management	<a href="#">68</a>	
	302-5	Reductions in energy requirements of products and services	---	--	NA/No collected information and quantitative methods are available
<b>Water and Effluents</b>					
GRI 303: Water and Effluents 2018 Management Approach	303-1	Interactions with water as a shared resource	4-5 Water Resource Management	<a href="#">71</a>	
	303-2	Management of water discharge-related impacts	4-5 Water Resource Management	<a href="#">71</a>	
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	4-5 Water Resource Management	<a href="#">71</a>	
<b>★ Emissions (Carbon Emissions)</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	4-3 Energy	<a href="#">65</a>	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4-6 GHG Emissions	<a href="#">73</a>	
	305-2	Energy indirect (Scope 2) GHG emissions	4-6 GHG Emissions	<a href="#">73</a>	
	305-3	Other indirect (Scope 3) GHG emissions	4-6 GHG Emissions	<a href="#">73</a>	
	305-4	GHG emissions intensity	4-6 GHG Emissions	<a href="#">73</a>	
	305-5	Reduction of GHG emissions	4-6 GHG Emissions	<a href="#">73</a>	
	305-6	Emissions of ozone-depleting substances (ODS)	4-4 Air Pollution Control	<a href="#">70</a>	
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	4-4 Air Pollution Control	<a href="#">70</a>	
<b>Waste</b>					
GRI 306: Waste 2020 Management Approach	306-1	Waste generation and significant waste-related impacts	4-7 Waste Management	<a href="#">75</a>	
	306-2	Management of significant waste-related impacts	4.1.3 Inclusion of 3R Principles 4-7 Waste Management	<a href="#">53</a> 、 <a href="#">75</a>	
GRI 306: Waste 2020	306-3	Waste generated	4-7 Waste Management	<a href="#">75</a>	
	306-4	Waste diverted from disposal	4-7 Waste Management	<a href="#">75</a>	
	306-5	Waste directed to disposal	4-7 Waste Management	<a href="#">75</a>	

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★ Supplier Environmental Assessment (Supply Chain Management)					
GRI 3: Material Topics 2021	3-3	Management of material topics	3-4 Supply Chain Management	<a href="#">44</a>	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	3-4 Supply Chain Management	<a href="#">44</a>	
	308-2	Negative environmental impacts in the supply chain and actions taken	3-4 Supply Chain Management	<a href="#">44</a>	

Social Aspects					
Topic	Disclosure	Description	Corresponding chapter	Page	Reason / explanation for omission
★ Employment (Compensation and Benefits)					
GRI 3: Material Topics 2021	3-3	Management of material topics	5-4 Compensation and Benefits	<a href="#">93</a>	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	5.2.3 Talent Turnover	<a href="#">88</a>	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.4.2 Employee Benefit Measures	<a href="#">94</a>	
	401-3	Parental leave	5-7 Gender Equality	<a href="#">98</a>	
★ Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3	Management of material topics	5-10 Occupational Safety	<a href="#">101</a>	
GRI 403: Occupational Health & Safety 2018 Management Approach	403-1	Occupational health and safety management system	5.10.1 Occupational Health and Safety Management System	<a href="#">102</a>	
	403-2	Hazard identification, risk assessment, and incident investigation	5.10.2 Danger Identification and Risk Assessment 5.10.3 Occupational Disaster Incident	<a href="#">104</a>	
	403-3	Occupational health services	5.10.4.1 Occupational Health Service	<a href="#">105</a>	
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.10.4 Occupational Health and Safety Management Measures	<a href="#">105</a>	
	403-5	Worker training on occupational health and safety	5.10.4 Occupational Health and Safety Management Measures	<a href="#">105</a>	
	403-6	Promotion of worker health	5.10.5 Employee Health Management	<a href="#">107</a>	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.10.5 Employee Health Management	<a href="#">107</a>	
GRI 403: Occupational Health & Safety 2018	403-8	Workers covered by an occupational health and safety management system	5.10.1 Occupational Health and Safety Management System	<a href="#">102</a>	
	403-9	Work-related injuries	5.10.3 Occupational Disaster Incident	<a href="#">104</a>	
	403-10	Work-related ill health	5.10.5 Employee Health Management	<a href="#">107</a>	
★ Training and Education (Talent Incubation)					
GRI 3: Material Topics 2021	3-3	Management of material topics	5-3 Talent Development System	<a href="#">90</a>	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	5.3.2 Training Performance	<a href="#">91</a>	
	404-2	Programs for upgrading employee skills and transition assistance programs	5.3.1 Training Development System 5.2.4 Upgrading Employee Skills and Transition Assistance Programs	<a href="#">91</a> - <a href="#">89</a>	
	404-3	Percentage of employees receiving regular performance and Career development reviews	5.3.4. Performance Assessment	<a href="#">93</a>	

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★ Diversity and Equal Opportunity (Equal Opportunity and No Discrimination for Employee)					
GRI 3: Material Topics 2021	3-3	Management of material topics	5.2.2 Diversity and Inclusion	<a href="#">86</a>	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	5.2.2 Diversity and Inclusion	<a href="#">86</a>	
★ Non-Discrimination (Equal Opportunity and No Discrimination for Employee)					
GRI 3: Material Topics 2021	3-3	Management of material topics	5.2.2 Diversity and Inclusion	<a href="#">86</a>	
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	5.9.4 Employee Complaint / Suggestion Mailbox	<a href="#">100</a>	
Freedom of Association and Collective Bargaining					
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	5-6 Human Rights Protection	<a href="#">98</a>	
Child Labor					
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	5-6 Human Rights Protection	<a href="#">98</a>	
Forced or Compulsory Labor					
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5-6 Human Rights Protection	<a href="#">98</a>	
Local Communities					
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	6-3 Community Care	<a href="#">114</a>	
★ Supplier Social Assessment (Supply Chain Management)					
GRI 3: Material Topics 2021	3-3	Management of material topics	3-4 Supply Chain Management	<a href="#">44</a>	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	3-4 Supply Chain Management	<a href="#">44</a>	
	414-2	Negative social impacts in the supply chain and actions taken	3-4 Supply Chain Management	<a href="#">44</a>	
★ Customer Health and Safety (Product Safety and Quality)					
GRI 3: Material Topics 2021	3-3	Management of material topics	4.1.4 Product Safety and Quality	<a href="#">60</a>	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	4.1.4 Product Safety and Quality	<a href="#">60</a>	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.1.4 Product Safety and Quality	<a href="#">60</a>	
★ Marketing and Labeling (Product Safety and Quality)					
GRI 3: Material Topics 2021	3-3	Management of material topics	4.1.4 Product Safety and Quality	<a href="#">60</a>	
GRI 417: 行銷與標示 2016	417-1	Requirements for product and service information and labeling	4.1.4 Product Safety and Quality	<a href="#">60</a>	
	417-2	Incidents of non-compliance concerning product and service information and labeling	4.1.4 Product Safety and Quality	<a href="#">60</a>	
	417-3	Incidents of non-compliance concerning marketing communications	4.1.4 Product Safety and Quality	<a href="#">60</a>	

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Self-defined Topics					
Topic	Disclosure	Description	Corresponding chapter	Page	Reason / explanation for omission
<b>★ Corporate Governance</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	3-2 Corporate Governance	<a href="#">32</a>	
Self-defined material topics	Self-defined	Newly launched products	3-2 Corporate Governance	<a href="#">32</a>	
<b>★ Customer Relationship</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	4.1.4 Product Safety and Quality	<a href="#">60</a>	
Self-defined material topics	Self-defined	Customer satisfaction survey	4.1.4 Product Safety and Quality	<a href="#">60</a>	



Activity data					
Type	SASB Code	Category	Data	Unit	Corresponding page in this report
Amount of production, by substrate	RT-CP-000.A	Quantitative	PET 38,451.52 rPET 5,840.04 PLA 4,076.71 PP 11,702.89	Metric tons	<a href="#">24</a>
Percentage of production as: (1) paper/wood, (2) glass, (3) metal, and (4) plastic	RT-CP-000.B	Quantitative	(1) paper/wood: 0% (2) glass: 0% (3) metal: 0% (4) plastic: 100%	%	<a href="#">56</a>
Number of employees	RT-CP-000.C	Quantitative	Total workforce of all plant areas: 476	Persons	<a href="#">84</a>

Type	SASB Code	Category	Disclosure item	Data & Unit	Corresponding page in this report
Greenhouse Gas Emissions	RT-CP-110a.1	Quantitative	Gross global Scope 1 GHG emissions (MT CO <sub>2e</sub> ); % of global Scope 1 emissions covered under emissions-limited regulations	Total Scope 1 (direct emissions) GHG Emissions of all plant areas: 1,788.3178 MT CO <sub>2e</sub>	<a href="#">73</a>
	RT-CP-110a.2	Discussion & Analysis	Discussion of plan to manage Scope 1 emissions, including emissions reduction targets and analysis of performance against those targets.	Carbon reduction goal: annual power savings of 1.0%	<a href="#">65</a> 、 <a href="#">73</a>
Air Quality	RT-CH120a.1	Quantitative	Air emissions for the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	(1) 0.0 ton (2) 0.0 ton (3) 45.2 tons (4) 0.0 ton	<a href="#">70</a>

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Type	SASB Code	Category	Disclosure item	Data & Unit	Corresponding page in this report
Energy Management	RT-CH130a.1	Quantitative	(1) Total energy consumed (GJ) (2) Percentage grid electricity (%) (3) Percentage renewable (%) (4) Total self-generated energy (GJ)	(1) Total energy consumed: 96,622,855 kWh (2) Percentage grid electricity: 100% Taipower (3) Percentage renewable: 0.01% (4) Renewable energy—total solar power generation: 11,000 kWh; another 1,302,868 kWh sold to Taipower	<a href="#">65</a>
Water Resource Management	RT-CH140a.1	Quantitative	(1) Water withdrawn (2) Water consumed (3) Water withdrawn in locations with High or Extremely High Baseline Water Stress as a percentage of the total water withdrawn	(1) Total water withdrawn: 61,761 m <sup>3</sup> (2) Total water consumed: 61,761m <sup>3</sup> (3) NA	<a href="#">71</a>
	RT-CH140a.2	Quantitative	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	NA	--
	RT-CH140a.3	Discussion & Analysis	Description of water management risk and discussion of strategies and practices to mitigate those risks	1. Domestic water: Pipes are regularly cleaned and maintained to ensure they remain unblocked. Water conservation reminders are posted in all water consumption areas to promote water conservation 2. Process water: Annual testing of process water quality 3. Drinking water: Regular maintenance of water dispensers and replacement of filters coupled with annual testing of drinking water quality	<a href="#">71</a>
Waste Management	RT-CH150a.1	Quantitative	Amount of hazardous waste generated & recycled	NA (the Company does not generate any hazardous waste)	--
Product Safety	RT-CP-250a.1	Quantitative	Number of recalls issued, total units recalled	NA	--
	RT-CP-250a.2	Discussion & Analysis	Discussion of process to identify and manage emerging materials and chemicals of concern	All chemicals are handled in accordance with the Chemical Management Manual	<a href="#">106</a>
Product Lifecycle Management	RT-CP-410a.1	Quantitative	Raw materials: 1. % of raw materials from recycled content 2. % of raw materials from renewable resources 3. % of raw materials from renewable and recycled content	1. rPET rate 13.19% regrind material reuse rate: 42% 2. PLA rate: 6.79% 3. NA	<a href="#">24</a> 、 <a href="#">57</a> 、 <a href="#">59</a>
	RT-CP-410a.2	Quantitative	Revenue from products that are reusable, recyclable, and/or compostable	rPET: 2,387,269,905 NTD PLA: 564,136,368 NTD	--
	RT-CP-410a.3	Discussion & Analysis	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	1. Increased rPET rate 2. Cartons provided by three paper manufacturers have passed FSC certification audits	<a href="#">56</a> 、 <a href="#">59</a>
Supply Chain Management	RT-CP-430a.1	-	Total weight (in metric tons) of wood-fiber-based raw materials procured	NA	--
	RT-CP-430a.2	-	Total aluminum purchased, percentage from certified sources	NA	--



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 **TCFD Climate-related Risks**

Item	Corresponding chapter in this report
Description on the Board and Management's oversight and governance on climate-related risks and opportunities	<a href="#">4-8 The Management and Adaptation of Climate Change Risks</a>
Description on how the identified climate risks and opportunities impact the company's business, strategies, and finance (short, mid, long-term)	<a href="#">4-8 The Management and Adaptation of Climate Change Risks</a>
Description on the impact extreme climate events and transitional actions have on finance	<a href="#">4-8 The Management and Adaptation of Climate Change Risks</a>
Description on how the climate risk identification, assessment, and management process is integrated in the overall risk management system	<a href="#">4-8 The Management and Adaptation of Climate Change Risks</a>
Should scenario analysis is used to assess the company's resilience in face of climate change risks, explanations on the scenario, parameters, hypothesis, analysis factors and major financial impacts should be provided	<a href="#">4-8 The Management and Adaptation of Climate Change Risks</a>
Should there be transitional programs in response to managing climate-related risks, please explain the program's content and metrics and targets used to identify and manage physical and transitional risks	<a href="#">4-8 The Management and Adaptation of Climate Change Risks</a>
Should the internal carbon pricing is used as the planning tool, the pricing mechanism should be explained	NA
Should climate-related targets are in place, information such as their scope of action, GHG emissions, planned timeline, and yearly achieved progress should be stated; for targets achieved through carbon offset and RECs, the source of offset amount and number of RECs should be stated	<a href="#">4-8 The Management and Adaptation of Climate Change Risks</a>
Carbon inventory and assurance efforts	<a href="#">4-6 GHG Emissions</a>

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	Principles	Description	Explanation	Corresponding page in this report
<b>Human Rights</b>	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	ESG Policy	<a href="#">28</a>
	Principle 2	Make sure that they are not complicit in human rights abuses	Statement on Gender Equity in the Workplace	<a href="#">98</a>
<b>Labor</b>	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Employees can freely participate in club activities; no trade union has been formed	--
	Principle 4	The elimination of all forms of forced and compulsory labor	Policy of Zero Placement Fees for Migrant Workers	<a href="#">96</a>
	Principle 5	The effective abolition of child labor	Pledge Against Child Labor	<a href="#">98</a>
	Principle 6	The elimination of discrimination in respect of employment and occupation	Hiring decisions are not affected by factors such as gender, religion, ethnicity, nationality, political orientation, educational background, or age. All decisions are based on equality and diversity principles.	<a href="#">86</a>

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	Principles	Description	Explanation	Corresponding page in this report
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges	<ul style="list-style-type: none"> <li>▪ Membership in the RE 100 Initiative</li> <li>▪ Adoption of ISO 14001 Environmental Management System</li> <li>▪ Acquisition of ISO 14064–1: 2018 GHG Inventory certificates by all plants</li> <li>▪ Acquisition of ISO 14067: 2018 Product Carbon Footprint certificates for two products</li> </ul>	<a href="#">11</a> 、 <a href="#">69</a>
	Principle 8	Undertake initiatives to promote greater environmental responsibility	<ul style="list-style-type: none"> <li>▪ Adoption of ISO 14001 Environmental Management System</li> <li>▪ Acquisition of ISO 14064–1: 2018 GHG Inventory certificates by all plants</li> <li>▪ Acquisition of ISO 14067: 2018 Product Carbon Footprint certificates for two products</li> </ul>	<a href="#">11</a>
	Principle 9	Encourage the development and diffusion of environmentally friendly technologies	Increased rPET rate	<a href="#">59</a>
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	Stipulation of an anti-corruption policy and training administration	<a href="#">42</a>

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**Independent Assurance Statement Based on 2022 Sustainability Report of KING YUAN FU PACKING CO., LTD.**

Statement No.: 2307003

KING YUAN FU PACKING CO., LTD. (hereinafter referred to as KING YUAN FU) and GREAT International Certification Co., Ltd. (hereinafter referred to as GREAT) are independent companies and organizations. Except for the evaluation and verification of the company's 2022 sustainability report, GREAT has no financial relationship with KING YUAN FU.

The purpose of this independent assurance statement (hereinafter referred to as the Statement) is only to serve as the conclusion of guaranteeing the relevant matters within the scope defined in the following relevant KING YUAN FU's Sustainability Report, and not for other purposes. Except for the independent assurance statement for fact verification, GREAT does not bear any relevant legal or other responsibilities for the use of other purposes, or anyone who reads this independent assurance statement.

This independent assurance statement is based on the conclusions made by the relevant information verification provided by KING YUAN FU to GREAT. Therefore, the scope of the review is based on and limited to the content of the information provided. GREAT believes that the information content is complete, accurate and precise. Any questions about the content of this independent assurance statement or related matters will be answered by KING YUAN FU.

**The Scope of Assurance**

- The verification scope of KING YUAN FU and GREAT agreement includes:
- The contents of the entire sustainability report and all operating performance of KING YUAN FU from January 1, 2022 to December 31, 2022;
  - According to the type 1 of AA1000 Assurance Standard v3, evaluate the nature and degree of KING YUAN FU's compliance with the AA1000 Accountability Principles (2018), excluding the verification of the reliability of the information/data disclosed in the report
  - This statement is made in Chinese and translated into English for reference.

**Verification Opinion**

We summarize the content of KING YUAN FU 's sustainability report, and provide a fair standpoint of KING YUAN FU 's related operations and performance. We believe that the specific performance indicators of KING YUAN FU in 2022, such as economy, society, environment and corporate governance, are presented correctly. The performance indicators disclosed in the report demonstrate KING YUAN FU 's expectations and efforts to identify and satisfy stakeholders.

Our verification work is carried out by a group of teams with verification capabilities according to the AA1000 Assurance Standard v3, as well as the planning and execution of this part of the work to obtain the necessary information data and instructions. We believe that the evidence provided by KING YUAN FU sufficient to show that its reporting method and self-declaration in accordance with the AA1000 Assurance Standard v3 and its 2018 appendix are in line with the GRI Sustainability Reporting Guidelines.

**Verification method**

- To gather the evidence relevant to the conclusions, we performed the following:
- To conduct a senior management review of issues from external parties related to KING YUAN FU 's corporate policies to confirm the appropriateness of the statement in this report;
  - To Discuss with the managers of KING YUAN FU about the way of stakeholder participations, and have no direct contact with external stakeholders;
  - To interview with employees related to the preparation of the sustainability report and information provision;
  - To audit the performance data of KING YUAN FU on a sampling basis;
  - To evidence supporting the claims made in the review report;
  - To Review the management process of the principles of inclusivity, materiality, responsiveness, and impact described in the company report and its related AA1000 Accountability Principles (2018).

**Conclusion**

The results of a detailed review of the AA1000 Accountability Principles (2018) including inclusivity, materiality, responsiveness, impact and GRI sustainability reporting standards are as follows:



- **Inclusivity**  
KING YUAN FU has established a process of cooperation with government/competent authorities, customers, employees, suppliers/business partner contractors, audit certification body, general public/community residents, investors/shareholders/financial institutions, and medias etc., and will launch a series of stakeholder activities in 2022, involving economy, society, environment and a series of major themes. In terms of our professional opinion, this report covers the inclusivity issues of KING YUAN FU.
- **Materiality**  
The report has stated that KING YUAN FU focuses on Environment, Society, Corporate Governance topics, and identified 12 major topics including corporate governance, customer relations, operating performance, circular economy, raw material management, carbon emission, supply chain management, product safety and quality, talent education, equal opportunity and non-discrimination for employees, salary and benefits, and occupational safety and health, etc. In terms of our professional opinion, this report appropriately covers the materiality issues of KING YUAN FU.
- **Responsiveness**  
KING YUAN FU responds to requests and opinions from stakeholders. Implementation methods include numerous internal and external stakeholder communication mechanisms, as an opportunity to provide further responses to stakeholders, and to promptly respond to stakeholder concerns. In terms of our professional opinion, this report covers the responsiveness issues of KING YUAN FU.
- **Impact**  
KING YUAN FU has identified and fairly demonstrated its impact with balanced and effective measurement and disclosure. KING YUAN FU has established a process for monitoring, measuring, evaluating and managing impacts, which helps to achieve more effective decision-making and results management within the organization. In terms of our professional opinion, this report covers the impact issues of KING YUAN FU.
- **GRI Guidelines**  
KING YUAN FU provides the self-declaration of compliance with the GRI Sustainability Reporting Standards and relevant information. Based on the results of the review, we confirm that the report refers to the social responsibility and sustainability of the GRI Sustainability Reporting Standards. Relevant disclosure items for developments have been disclosed, partially disclosed, or omitted. In terms of our professional opinion, this self-declaration covers KING YUAN FU 's social responsibility and sustainability themes.

**Assurance level**

According to the AA1000 Assurance Standard v3 and its 2018 Appendix, we have verified that this Statement is a moderate level of assurance, as described in the scope and methods of this Statement.

**Responsibility**

The responsibility of the sustainability report, as stated in this Statement, is owned by the person in charge of KING YUAN FU. The responsibility of GREAT is solely to provide professional opinions based on the scope and methods described, and to provide an independent assurance statement for the stakeholders.

**Ability and Independence**

GREAT is composed of experts in various management system fields. The verification team is composed of members with professional background, who have received training in a series of sustainable development, environmental and social management standards such as AA1000AS v3, ISO 9001, ISO 14001 and ISO 45001, and are qualified as lead auditors.

*On behalf of the assurance team JULY 15<sup>th</sup>, 2023*

**GREAT International Certification Co., Ltd.**

*Taiwan, Republic of China*



Signed by General Manager

W. J. Chen





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金元福包裝企業股份有限公司  
KING YUAN FU PACKAGING CO., LTD.