



Standard Foods Group

2022 Sustainability Report

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A lifetime of Well-Being! Sustainable and Healthy Living Practitioner

Standard Foods Group is dedicated to becoming "the whole family's nutrition and health partner." We have continuously invested in R&D resources and strive to take care of the nutrition and health of the entire family from morning to night and from childhood to old age. So far, Standard Foods has launched over 600 nutrition and health products.

The No. 1 Brand of Nutritional Supplements for Seniors

The nutritional needs of the elderly are receiving more attention as the elderly population increases. However, over 15% of the elderly who require nutritional supplements do not take them because they cannot adjust to the taste, which increases the challenges in care. The Quaker COMPLETE series products under Standard Foods broke away from the traditional industry stereotype that liquid nutritional products are mostly sweet flavors. We also launched the first adult nutritional product – "Natural Ingredients Salty Flavored Chowder"!

The product design concept is "enjoying a delicious Western-style chowder." Only natural and non-genetically modified ingredients are used in the Quaker COMPLETE salty series, which introduced the "ultra-micron refining technology" that grinds natural ingredients to only one-tenth of the diameter of a hair. The Quaker COMPLETE "Natural Ingredient Salty Chowder – Delicious Pumpkin" won the "2022 International Taste Institute (ITI) Superior Taste 2-Star Award" and successfully turned drinking nutritional supplements into a tasty treat.

In addition to developing innovative salty flavor series, Quaker COMPLETE constantly improves existing products' nutrition and flavor. The low-residue series adopts Taiwan's first special stabilization and HMB technology to promote muscle synthesis in liquid products. It can also overcome the solidification

problem caused by the high-strength ion effect despite the necessary high-temperature sterilization process. This technology is also applied to the dual-protein formula to help the elderly improve their sarcopenia symptoms. As for the diabetic drink series, we have overcome equipment limitations to successfully improve the coarse texture and refine the taste using our exclusive drying technology. Regarding health drinks, the Quaker 5X B+ Ginseng Concentrated Essence Drink uses circular extraction technology to extract ginseng essence and the low-temperature vacuum concentration method to completely retain its functional substances and improve its nutritional value. Standard Foods adopts cutting-edge R&D technology to delicately add efficacy and flavor to nutritional and health supplements for the elderly.

Standard Foods Porridge! Ideal Baby Development Companion

According to the Taiwan Nutritional Status Report issued by the Ministry of Health and Welfare, the average intake of specific nutrients for infants and babies in Taiwan is insufficient. With over 36 years of experience in infant and child food supplements, Quaker launched the "Quaker Additive-Free Baby Porridge" in March. This is the first functional room-temperature porridge for young children. It contains no artificial flavors, colors, sweeteners, preservatives, etc., and then won the Clean Label certification. The products contain small molecules, "black feather free-range chicken essence," that are easy to absorb with lecithin, probiotics, and various high nutritional value vegetables to strengthen the baby's digestive tract function. We use carefully selected germ rice and red quinoa as the porridge's base to provide rich nutrition and a better taste. The "Quaker Additive-Free Baby Porridge" received the Food Innovation "Most Consumer Favorite Award" and quickly gained popularity among parents with young children after its initial release!





Everyone can Eat Healthy! Nutritious Food Practitioner

Standard Foods spares no effort to promote proper diet and body care knowledge and has introduced products to benefit the public's health. After years of promotion, Quaker Parents Classroom has become the best partner for pregnant mothers and parents with a newborn baby. As a grain expert, Quaker has also used "International Oatmeal Day" as the theme to capitalize on the recent trends to promote the benefits of oat milk.

Quaker Parents Classroom

Since its launch 13 years ago in 2009, the "Quaker Parents Classroom" has accompanied countless parents to experience the most special 10 months. All Quaker Parents' Classrooms were held online in 2022 due to COVID-19. Pregnant parents/parents who want to participate can take courses independently, without regard for geographical restrictions or group gathering concerns. Those who completed the course can get a participation gift specially prepared by Quaker and participate in the lucky draw for monthly limited gifts.

Professional physicians were invited to lecture on themes such as the baby's intestinal health and brain development, the relationship between the baby's diet and immunity, and the development of the baby's five senses. The newly launched "Nutritionist and Nursing Specialist" series of courses provides more professional perspectives for parents or parents during pregnancy on themes from pregnancy, postpartum, and parenting. In 2022, nearly 6,000 students participated in the courses. Compared with previous years before COVID-19, the contact rate from parents/parents during pregnancy has increased by 1.2 times!

International Oatmeal Day

Oatmeal is a whole-grain rhizome plant food. It has no cholesterol, lactose, gluten, or genetically modified. It is the first food the US Food and Drug Administration (FDA) certified to provide health benefits. The "Quaker" brand of Standard Foods is a leading oatmeal brand. The star product "Instant Whole Oats" has obtained health food certifications and has been shown to help lower cholesterol, reduce the risk of cardiovascular disease, and promote intestinal peristalsis. The health benefits of oats have received renewed attention in recent years. On the 10/29 "International Oatmeal Day," Quaker used the power of Facebook and KOL (Opinion Leader) to promote the benefits of oatmeal to the general public. The Facebook operations have received 1.26 million views and 3,366 shares. The KOL videos also received 146,000 views, allowing the public to better understand the health benefits of oatmeal.



桂格營養生活
由 Wei-An Chen 發佈 · 10月12日 ·

【10月國際燕麥日，邀你體驗 #雙降族 的世界餐桌】
桂格大燕麥片身為燕麥的龍頭品牌
在這個專屬節日，要讓更多人體驗燕麥的健康好處
整整一個月，我們將攜手#桂格集團 旗下的眾多品牌
用來自世界各國的優質良品打造#燕麥世界餐桌
跨越歐洲、亞洲、美洲的精選食材，用味蕾來趟風味旅行
就讓我們期待接下來，將陸續公開的神秘合作吧！

桂格即沖即食大燕麥片健康食品認證
(一)調節血脂功能認證：
每天一碗桂格燕麥片，
配合低飽和脂肪及低膽固醇飲食
1.有助於降低血中總膽固醇
2.有助於降低血中低密度脂蛋白膽固醇
3.有助於減少發生心血管疾病的危險因子
(二)不易形成體脂肪功能認證：
經動物實驗結果證實，有助於減少體脂肪之形成
#桂格 #大燕麥片 #雙降生活
#國際燕麥日 #降低膽固醇 #減少體脂肪形成

Let the Earth take a Deep Breath! Promote Low-carbon Sustainable Foods

Standard Foods is committed to developing plant-based products in response to the international trend of carbon reduction issues and burden-free diets. We have researched packaging material, plastic, and weight reduction. We are committed to reducing the carbon footprint throughout the operation and product production processes to create sustainable products and a new food paradigm!

Innovative R&D of Low-carbon Products

Standard Foods is committed to developing products that are not burdensome to the body. In 2022, 64 products passed the Clean Label verification system and obtained the A.A. 100%, the Tsu-Yue clean label, and other non-additives certifications. Another 23 products have obtained international certification marks, such as the A.A. 2-star global pure flavor taste evaluation award, ITQI – excellent taste medal, and other international quality marks to ensure people's health.

Standard Foods is pursuing a healthier diet together with consumers. In recent years, we have been committed to developing plant-based products, such as the "Quaker Oat Ya grain drink series" products, which contain no animal ingredients, no lactose, no added creamer, and no added gum. Our vegan products include super multi-grains, cereal rice, breakfast cereals, and black cereal drinks. We have also developed the "Quaker COMPLETE" adult vegan plant protein formula without animal ingredients. The R&D colleagues are also working on improving the health and nutritional value of the "CHiiiiiiii Energy Drink," which is popular among young people. In addition to low calories and no added coloring, the ginseng concentrate and eye-care formula are added to boost the energy drink's health benefits.



Green Packaging Material Design Fulfill the Spirit of Sustainability

Standard Foods has focused on the "use of environmentally friendly packaging materials" and adopted "lightweight packaging materials" in response to the worldwide emphasis on environmental issues. The "environmentally friendly packaging materials" were first adopted for the Fresh Delight True Milk product, after which the entire series of products replaced plastic straws with paper straws. The inner package lining is also changed from polyvinyl chloride (PVC) to thermoplastic elastomer (TPE) to reduce environmental impact. The acid cover lid is currently completed, and the neutral cover lid is expected to be completed in 2023. The "lightweight packaging" includes plastic reduction and weight reduction. Since September, the bottle sleeve labels of oil products under 1L have been completely removed. We also started the weight reduction projects for oil cartons in December. We have also extended the concept of sustainable packaging to the printing aspect. The laminated roll of baby porridge was originally printed using eight-color printing layers. We reduced the color of package printing to two colors to reduce the energy consumption of ink printing and process. The goal is to maximize the performance of Standard Foods' sustainable packaging materials. Using sustainable packaging materials also reduces carbon emissions in the transportation and logistics stages of the overall value chain. The amount of secondary packaging used is significantly reduced by changing the packaging method, effectively reducing transportation carbon emissions and labor costs.



Standard Foods has overcome numerous challenges in developing environmentally friendly packaging materials. Considering the convenience of straw use, it is necessary to adjust the production equipment to change the diameter of the straw to a drinking size during paper straw development. Since safety is Standard Foods' top priority, the materials have been inspected to ensure compliance with regulations, and the manufacturers are audited to ensure that only food-grade raw materials are used during production. The plastic coating inside the paper straw, which has always been a topic of contention, was also fully considered in the initial design. Therefore, the paper straws for Fresh Delight products are made of all paper and FSC-certified paper raw materials without a plastic coating layer. Paper straws' unit price is higher than plastic straws, increasing the cost by NT\$7.72 million annually. But considering its environmental value, Standard Foods still adopted earth-friendly paper straws. In 2022, the Standard Foods environmental protection packaging material replacement project reduced the use of 2.1 metric tons of plastic in less than one season. We believe that the benefits will multiply in 2023.

Employee Low-carbon Education

Net zero emissions have become an important global trend, and Standard Foods must also do its part to contribute to carbon reduction and environmental protection! Standard Foods Group's 2022 ESG sustainability action topic is "Toward to Net Zero." We held two sustainable handicraft courses to raise our colleagues' awareness of sustainability and low-carbon practices. The theme for July was "Zero Waste." A couple, Ah Shang and Ah Xuan, were invited to share how they achieved "A Marriage Without Garbage" and "Apartment Life Without Garbage" and guide colleagues to make shopping bags using waste cloth. For the sustainable fashion theme in October, StoryWear was invited to share environmental issues and entrepreneurial ideas in the textile industry (jeans), and colleagues were invited to use discarded jeans to make clock ornaments.

In addition, the Sustainability Group launched the "Green Life Week Challenge" and held the "Turn off the lights for one hour challenge" in August to call on colleagues to save electricity. In November, the "Green Diet Challenge" was held to advocate a low-carbon diet and call on colleagues to reduce food waste. These activities were designed to familiarize employees with the concept of sustainability, and the employees and the company are transitioning to a lower-carbon lifestyle and producing lower-carbon products to help protect the planet.



Message from the Chairman

Standard Foods Group operates under the principle of absolute quality. Standard Foods will produce high-quality products that meet the Taiwanese people's nutritional and health needs while adhering to strict standards and specifications. Since its establishment in 1986, Standard Foods has adhered to the mission of becoming "the whole family's nutrition and health partner" and introduced hundreds of nutrition and health products through its trademarks "Quaker," "Great Day," "TDHB," "Fresh Delight," and "CHiiiiiiii." Standard Foods has served 90% of families in Taiwan through innovative R&D of better and more convenient nutrition and health products so that more people can "live every moment of life!"

Looking back to 2022, the global spread of the Omicron mutated virus caused the epidemic to spread quickly. Russia's invasion of Ukraine caused the price of agricultural products, grains, crude oil, natural gas, and other commodities to skyrocket. The supply chain bottleneck has not yet been resolved, and logistics and transportation are in short supply, causing price quotes and other factors to increase supply uncertainty in the global supply chain. Standard Foods faced multiple supply chain risks in 2022, predicted future demands, and responded quickly to macro changes. The company also developed new suppliers to implement the decentralization strategy, thus enhancing the supply chain's flexibility and autonomy to meet consumer and production needs and becoming a solid partner of Taiwanese consumers by stabilizing the supply.

Given that environmental hazards are permanent, Standard Foods is committed to reducing the environmental impact of product packaging. The R&D Department has announced the "lightweight packaging materials," "green packaging materials," and "packaging material recycling and reuse" strategies for its "Environmental Packaging Material Plan." The long-lasting plastic straws were replaced with "paper" straws in 2022, and the packaging material transformation plan for oil products, refrigerated cereal drinks, cereal flour, health products, and other categories was launched sequentially. We have launched greenhouse gas inventory operations and implemented energy management, waste reduction, and paperless operations in the office and plant areas. The company is expected to complete the inventory and issue a statement in 2023. Furthermore, Standard Foods extended the "Earth Hour" action on World Earth Day to encourage colleagues to address environmental issues. The entire group's office areas have turned off the lights for one hour daily, turning the annual one-hour lights-off challenge into a daily routine!

Standard Foods' social care activities are divided into two aspects to care for the elderly and children. One aspect is "community-grounded care." For a long time, the group's three plants have provided material assistance to the more vulnerable groups of residents, and the business operators have collaborated with the sales channels to extend a helping hand to the neighbors through small community activities. The other aspect is "public appeal and advocacy." The "Calcium with Love" childcare program, which has entered its third year, has donated over one million milk bottles and helped 20,000 children in rural areas supplement calcium and nutrition. As the era of the super-aging society is gradually upon us, Standard Foods has observed that many elders live alone without the company of their children. The elders often eat alone with simple and casual foods, resulting in unbalanced nutrition. In 2022, we launched the "Live with Love" Elderly Care Program, and the elders were encouraged to accompany and challenge the "Return to Northern Cross-Island Highway" walking activity. The total climbing height in the 3-day event was equivalent to 6.1 times the height of 101 buildings. It was also shot into a documentary video, which has inspired countless elders! Regarding sales channels, we collaborated with Medfirst drug store on the "buy one, donate one" campaign. Eventually, Standard Foods donated over 7,000 "Live with Love Public Welfare" packages to provide material assistance and care to the elderly living alone or in poverty.

Standard Foods has adopted the spirit of one team to successfully overcome multiple challenges, such as the Ukrainian-Russian War and the COVID-19 epidemic. In the future, our urgent goal is to strengthen the resilience of the company's sustainable development. Standard Foods has established an internal sustainable development plan divided into 2 parts: "training" and "promoting." "Training" starts with first-level supervisors and cooperates with external consultants to improve professional knowledge. We also "promoted" the "establishment of the "ESG Sustainable Development Committee." The goal is to hold inter-departmental brainstorming meetings yearly to gather opinions from all levels and implement sophisticated plans in five aspects: corporate governance, food safety, environmental sustainability, employee care, and social care so that sustainability awareness can take root in Standard Foods and transform into sustainable actions. Standard Foods is not just a "nutrition and health partner for the whole family" but also a "sustainable development partner for the earth"!

Standard Foods Group's General Manager

Arthur Tsao



About This Report

Report Overview and Issue Frequency

Thank you for taking the time to read Standard Foods' 6th public sustainability report. We publish this report annually to continuously disclose our environmental, social, and corporate governance operating results other than financial performance to the outside world and to put the corporate vision of sustainable management into action. This report was published in September 2023; the next report is expected to be published in September 2024. This annual report does not restate any information provided in previous reports.

Report Boundary and Scope

The reporting period of this report is from January 1, 2022, to December 31, 2022, and this report is issued regularly every year. The scope of coverage includes Standard Foods Co., Ltd. and Standard Dairy Foods Co., Ltd. under the Standard Foods Group. The scope of disclosure accounts for 46% of the net revenue in the consolidated financial report.

The 2022 consolidated financial statements of Standard Foods Co., Ltd. are the source of financial-related data in this report, with "Standard Foods Co., Ltd. (Standard Foods)" and "Standard Dairy Co., Ltd. (Standard Dairy)" as the scope of the disclosure. Regarding environmental and social category information boundaries, Standard Foods and Standard Dairy are the main disclosure areas (some environmental category data include the data of the three plants in China: Xiamen plant, Taicang plant, and Inner Mongolia plant). In addition, the sustainability of the Chinese plants will also be highlighted in the report starting this year. For more detailed information on related companies, please refer to Standard Foods Co., Ltd.'s "2022 Annual Report" (<https://bit.ly/3MGZg05>). The organization had no material scale, structure, ownership, or supply chain changes during the reporting period.

Compilation Guide

This report is compiled according to the latest version of the Global Reporting Initiative (GRI), the 2021 version of the general standards. The GRI 303 and GRI 403 of the subject guidelines are compared with the 2018 edition, The GRI 207 is compared with the 2019 edition, the GRI 306 is compared with the 2020 edition, and the rest of the subject guidelines are compared with the 2016 edition. The GRI content index is also provided in the appendix.

The report also discloses the sustainable accounting standards indicators for the food processing industry issued by the US Sustainability Accounting Standards Board (SASB) and the information provided by the Task Force on Climate-related Financial Disclosures (TCFD) of the International Financial Stability Board (FSB). In addition, we also complied with the provisions of Table 1-1, Article 4 of "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" promulgated by the Taiwan Stock Exchange to explain the sustainability disclosure indicator requirements for the food and catering industries whose income accounts for over 50% of their total operating income, as well as climate-related information according to Table 2 in Article 4-1. Please refer to the appendix for details.

Main Responsible Unit and Quality Management Method of the Report

To strengthen the integrity and credibility of Standard Foods' sustainability reports, the company had complied with the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" to establish the sustainability report compilation procedures for implementing internal audits or external verifications, incorporate the process into the company's "Internal Control System," and submitted the system to the board of directors for suitability review and approval.

Operating Procedure	Method	Responsible Unit (or Position)
Report Compilation	The Marketing Department is responsible for the overall planning of this report. The data, strategic goals, and performance indicators disclosed in the report are provided by the responsible unit and then integrated, compiled, proofread, and revised by the marketing support department/sustainability team.	Sustainability Team
Internal review	After each unit has reconfirmed the completed report for completeness and correctness of its content, it shall be approved by the relevant unit's top supervisor.	Marketing Support Department
External Guarantee	The company has engaged in the following to enhance the accuracy and credibility of the information in this report: <ul style="list-style-type: none"> • KPMG International Cooperative also issues part of the information with limited assurance according to the Assurance Engagements No. 3000 issued by the Accounting Research and Development Foundation of the R.O.C. 	KPMG International Cooperative
Approval Finalization	The Sustainability Team submits the final version of the complete manuscript to the board of directors and the general manager, and it is released to the public after final review and approval by the Sustainability Team.	Board of Directors Sustainability Team

Contact Information

Should you have any suggestions or questions regarding the "Standard Foods Group 2022 Sustainability Report," please get in touch with us via the method below. We have also published this report on the official website for easy access and to fulfill our corporate information disclosure responsibility.

Standard Foods Co., Ltd.

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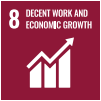


Email: ESG@sfworldwide.com





Sustainability Performance Highlights

SDGs x ESG Action Performance

Dimension	United Nations SDGs Indicators	SDGs Action Initiative
Environment	  7 affordable And Clean Energy 13 climate Action	<ul style="list-style-type: none"> Starting on December 26, 2022, the lights in the office area shall be turned off for one hour at noon every day according to the energy saving and carbon reduction policy. The company introduced multiple energy and carbon reduction schemes 2022 to reduce emissions by 360 metric tons of CO₂e. Executed the refinery production rationalization project, which is expected to save 54 thousand kWh of electricity/year. Diversify products to spread raw material risks. Five new cereal products with 23 specifications were launched in 2022. The long-lasting milk paper straw project was introduced to reduce about 13 metric tons of plastic annually. Developed more lightweight packaging for concentrated drinks (2 new products, a total of 5 specifications) to reduce transportation carbon emissions caused by weight. Reduced the carbon footprint of operations and products, and the green procurement ratio is 93.49%.
Social	    2 Zero Hunger 3 Good Health And Well-Being 5 Gender Equality 10 Reduced Inequalities	<ul style="list-style-type: none"> Promoted the benefits of oats to the public on the 10/29 "International Oats Day" to 140,000 consumers. Follow the United Nations Guiding Principles (UNGPs) on Business and Human Rights In 2022, Standard Foods and its suppliers had no major discrimination, child labor, forced labor, other risks, incidents, or labor human rights violations. We donated 1.14 million milk bottles to disadvantaged children in rural areas through the "Calcium with Love" children's public welfare project, fulfilling our goal of donating one million bottles in three years. The "Live with Love" public welfare project for the elderly called on 8 elderly people to participate in the "Return to Northern Cross-Island Highway" walking challenge. The total climbing height in the 3-day event was equivalent to 6.1 times that of 101 buildings, and the total walking distance was 45 kilometers. The three Live with Love "Return to Northern Cross-Island Highway" videos received 1.83 million views and inspired countless people. The Live with Love Charity Team collaborated with the Medfirst drug store on the "you buy, I donate" campaign to donate 7,559 supplies to vulnerable elders.
Governance	   8 Decent Work And Economic Growth 12 Responsible Consumption And Production 17 Partnership For The Goals	<ul style="list-style-type: none"> Launched the first functional room temperature baby porridge "Quaker Non-additive Baby Porridge" Launched the "CHiiiiiiiiii" energy drink brand to enter the energy drink market Established the P&L forecast and cost control mechanism and completed 9 projects In 2022, the company received 0 employee complaints and 0 whistleblowing cases. Incorporate enterprise development to cultivate long-term, stable, diverse talents to enhance productivity and competitiveness. The high-standard inspection method passed 19 ability tests to ensure the credibility of the inspection results. By 2022, a total of 34 products have obtained the health food certification mark. To support local economic development, the proportion of local procurement is 67.15%.

Sustainable Commitment and Strategy

Group Vision and Mission

Standard Foods not only rigorously researches and develops products but also devotes itself to the sustainable development of the enterprise. Standard Foods adheres to the 17 Sustainable Development Goals (SDGs) of the United Nations as its ESG development criteria and advocates the integration of social, economic, and environmental sustainability indicators. The company also supports the United Nations Global Compact; advocates the development of human rights, labor, environment, anti-corruption, and sustainable governance; and works with the world to achieve sustainability. Standard Foods has complied with the local regulations of each plant and sales office, adhered to the principle of honesty and integrity, optimized the corporate governance policies, advocated the United Nations Convention against Corruption (UNCAC), and established a sound governance system for prevention and zero corruption. We also support the United Nations Principles for Responsible Investment (PRI) by helping investors to obtain ESG-oriented information and incorporate it into investment considerations. We also respect human rights and strive to create a dignified working environment, protect the human rights of all partners, including employees and partners, support the United Nations Universal Declaration of Human Rights (UDHR), and are committed to comply with the international human rights norms such as the "International Bill of Human Rights," the "International Labor Organization-Declaration of Fundamental Principles and Rights at Work," the "United Nations Guiding Principles on Business and Human Rights (UNGPs)," and the "United Nations Global Compact (UNGC)." We also adhere to the Responsible Business Alliance (RBA) to treat all personnel with dignity and respect.

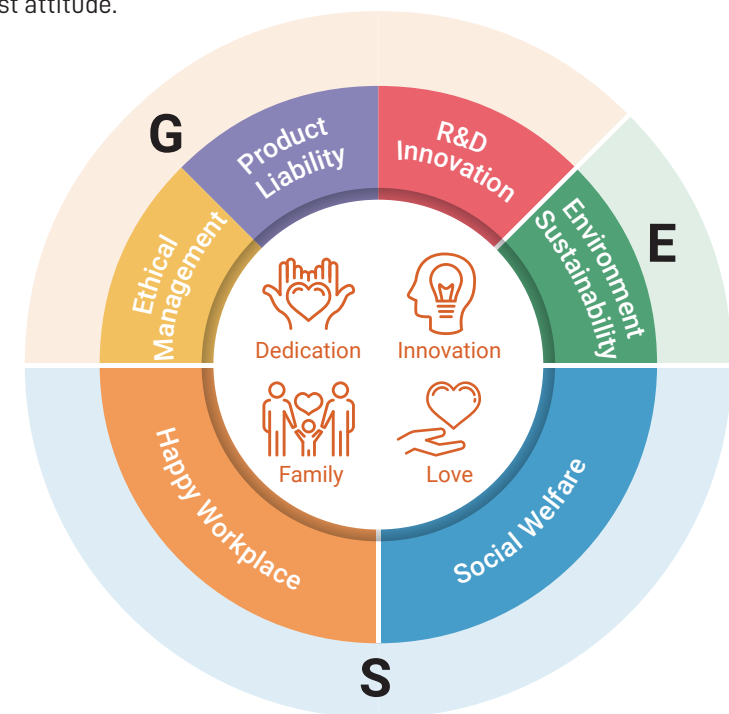
We treat every stakeholder with "respect" to maintain an honest business attitude despite the changing economic environment at home and abroad. In addition to complying with various domestic economic laws and regulations, food safety is our unwavering duty. Our production plants have passed the ISO 22000 or FSSC 22000 food safety management system verification. Regarding food safety management, we will continue to work hard to protect our public commitment to food safety by collaborating on audits, strengthening food safety laboratory capabilities, and raising food safety awareness.

Regarding environmental sustainability, Standard Foods strives to meet international environmental protection standards while adhering to various domestic laws and regulations. The company also promotes daily environmental protection activities and energy-saving and carbon-reduction policies. We will continue to monitor the production process to ensure energy conservation, carbon reduction, and greenhouse gas reduction by improving equipment efficiency and

energy management. Standard Foods will continue to reduce excessive packaging to reduce packaging material consumption and select cartons made of the environmentally friendly recycled pulp as much as possible to slow the rate of deforestation and help to protect the earth's environment.

Standard Foods regards social care as its responsibility to actively spread "love." In addition to long-term collaboration with public welfare organizations, the company has also invested in the long-term planning of "Children's Nutrition and Health" and "Evergreen Nutrition and Health" care activities. The goal is to bring nutrition to children's foundations, rural schools, nursery homes, elderly foundations, nursing homes, and other facilities to share nutrition and health with more people in need through significant community work in the field.

Standard Foods' goal is to reveal the company's operating mechanism, continue to promote and optimize corporate governance policies while adhering to laws and regulations while respecting all stakeholders and fulfill sustainable operations with an honest attitude.





Major Topic Analysis

Standard Foods primarily refers to the sustainable issues listed in the GRI Guidelines, SASB Guidelines, and the AA1000 Account Ability Principle (2018) to identify major topics under inclusiveness, materiality, responsiveness, and influence. They were then sorted according to the 2021 GRI General Principles requirements. Standard Foods use the results to calibrate the sustainable development goals and strategies to improve external communication effectiveness.

Collect Sustainability Topics	Conduct evaluations and initiatives to collect sustainable issues relevant to Standard Foods's business activities according to national policy trends and international standards.
Stakeholders Consensus	<ul style="list-style-type: none"> • A total of six stakeholders were identified • Collect stakeholders' concerns and focus on 18 key issues
Assess Operational Impacts	Stakeholders are invited to conduct impact assessments on 18 key issues
Identify Major Topics	<ul style="list-style-type: none"> • Analyze and sort the results of the impact survey questionnaire • A total of 10 major topics were identified for 2022
Examine Major Topics	<ul style="list-style-type: none"> • Invite external consultants to jointly review and test the suitability of relevant procedures and standards. • Confirm the Completeness, Inclusiveness, and Macroscopicity of Major Topics
Set Major Topics	The 10 major topics were all confirmed after the sustainability team reported to the board of directors for approval.

Stakeholder Consensus

The company has identified (1) employees, (2) shareholders/investors, (3) consumers, (4) customers, (5) suppliers, and (6) public interest groups as the 6 key stakeholders according to the company's operating operation characteristics and industry attributes and the 5 principles of the AA1000 Stakeholder Engagement Standard (SES) 2015 Edition. The goal was to assess the stakeholders and the company's dependence, responsibility, attention, influence, diverse perspectives, etc.



employees



shareholders/investors



consumers



customers



suppliers









public interest groups

The company has engaged with various stakeholders daily through various two-way and continuous channels to fully understand the issues that stakeholders are concerned about or have an actual or potential impact on them and to confirm the extent of the impact. The goal is to communicate with the stakeholders while collecting and responding to issues of concern.

The company also referred to the national policy trends; the various international standards (SASB industry standards, TCFD) and initiatives (SDGs); and 18 economic, environmental, and social aspects-related sustainable issues to design and formulate the "Design and manufacture the "Stakeholder Survey Questionnaire." The results of the survey analysis are forwarded to the sustainability team, who will hold discussions based on the company's development strategy, industry status, value chain practice, and expert advice to confirm the impact of these concerns on the economy, the environment, the population, and their human rights. The main information disclosure in this report is based on the year's major topics to provide stakeholders and information users with effective evaluation and a basis for decision-making.

Consensus Status between Standard Foods' Stakeholders

Stakeholders	Significance (Importance) for Standard Foods	Communication Frequency		Communication Method and Frequency	Communication Performance
<div> Employees</div>	Employees are the Foundation of Standard Foods' Operation and Development	<ul style="list-style-type: none">• Annual Performance Appraisal and Communication [Yearly]• Labor–management and Trade Union Consultation Meetings [Quarterly]• Set Up Plant Manager Mailboxes for Dayuan and Zhongli Plants [Immediately]• Sexual Harassment Complaint Hotline and Mailbox [Immediately]	<ul style="list-style-type: none">• Integrity Management Dedicated Report Phone Number and Mailbox [Immediately]• Corporate Sustainability Report [Annually]• Internal Communication Meetings [Unscheduled]• Course Opinion Feedback Survey [Immediately]	<ul style="list-style-type: none">• Ethical Management• Talent Cultivation and Recruitment• Human Rights• Salaries and Benefits	<ul style="list-style-type: none">• A total of 10 agreement consensuses, including industrial safety measures in production areas, were reached in 2022• No Complaint Case in 2022• Feedback Questionnaires are Distributed at the End of Each Cours
<div> Shareholders/ Investors</div>	Fund injection from investors to support Standard Foods' operations and sustainable development	<ul style="list-style-type: none">• Shareholders' Meeting [Annually]• Investor Conference [Annually]• Corporate Visit [Unscheduled]• Operational Performance Announcement [Scheduled]• Annual/Sustainability Report [Scheduled]• Telephone, Spokesperson, and Acting Spokesperson Mailbox [Permanent Setup]	<ul style="list-style-type: none">• Company Website Investor Area [Permanent Setup]• Greenhouse Gas and Energy Reporting [Scheduled]• Market Observation Post System [Permanent Setup]	<ul style="list-style-type: none">• Business Performance• Ethical Management• Legal Compliance• Risk Management• Food Safety and Health Management• Response to Climate Change• Energy and Greenhouse Gas Management	<ul style="list-style-type: none">• Annual Shareholders' Meeting/Investor Conference• Solic Operational Performance• Long-term Investor Investment• Continuous Corporate Visit• Information Transparency and Diversity
<div> Consumers</div>	Consumers are the Main Users of Standard Foods Products	<ul style="list-style-type: none">• 0800 Customer Service Line/Customer Service Mailbox [Timely]• Consumer Focus Meeting [Unscheduled]• Company/Social Media/Brand Marketing Websites [Unscheduled]• Sustainability Report [Annually]		<ul style="list-style-type: none">• Food Safety and Health• Product Labeling and Marketing• Ethical Management• Legal Compliance• Response to Climate Change• Energy and Greenhouse Gas Management	<ul style="list-style-type: none">• 0800 calls from consumers, LINE members, and health GO incoming calls. 100% of the 32,762 consumer services have been completed, an increase of 893 compared with last year.
<div> Clients</div>	Channel customers are the contact medium between Standard Foods and consumers.	<ul style="list-style-type: none">• Customers Come to the Plant for Audit/ Evaluation [Annually]• Distribution Business Conference [Unscheduled]• Business Procurement Meeting [Quarterly]	<ul style="list-style-type: none">• Distributor Visits [As Needed]• Pharmacist Conference [As Needed]	<ul style="list-style-type: none">• Response to Climate Change• Product Labeling and Marketing• Business Performance	<ul style="list-style-type: none">• Two distribution business conferences are held each year to reach a consensus on performance.• Hold new product lottery for major customers every quarter, 4 sessions/year.
<div> Suppliers</div>	Standard Foods and suppliers form a tight sustainable supply chain	<ul style="list-style-type: none">• Order Communication [As Needed]• Supplier Annual Audit [Annually]• Supplier Annual Evaluation [Annually]• Industry Exchange Conference [Regular]• Telephone/Email/Meetings/Visits [Unscheduled]		<ul style="list-style-type: none">• Response to Climate Change• Product Lifecycle Management• Energy and Greenhouse Gas Management• Legal Compliance• Supply Chain Management	<ul style="list-style-type: none">• 47 Suppliers Completed the Audit• 273 suppliers completed the evaluation: 253 superior suppliers (over 85 points), about 93%; 20 excellent suppliers (75-84.99 points), about 7%.
<div> Public Interest Group</div>	Standard Foods has long worked with public welfare organizations to ensure the nutrition and health of those in their care.	<ul style="list-style-type: none">• Telephone/Email [Unscheduled]		<ul style="list-style-type: none">• Social Welfare• Human Rights	<ul style="list-style-type: none">• Throughout the year, 45 donations were made in collaboration with public welfare organizations, totaling 19,902 boxes of materials.



Major Topic Identification and Procedure

After the stakeholder consensus has been completed, we shall proceed with the operational impact assessment, identification, inspection, and major topic establishment stages. Based on the questionnaire analysis and internal evaluation results, we identified and ranked ten major topics that should be disclosed in this report. They include three environmental themes, three social themes, and four economic themes. The sustainability team discusses and examines the suitability of relevant processes and standards with external consultants and experts and checks and confirms that major topics have no omissions. It is submitted to the board of directors for approval before preparing the report.

We have also established a "Stakeholder Area" on the official website (bit.ly/41X36l0) to ensure effective communication with a wide range of stakeholders through the sustainability report. The goal is to provide an exclusive contact channel for all stakeholders concerned about the company's sustainable development. Please refer to ESG@sfworldwide.com for information on major topics or other report content. If you have any questions or suggestions or need to file a complaint, please use this mailbox to maintain smooth and proper interactions.

✓ List of Major Topics

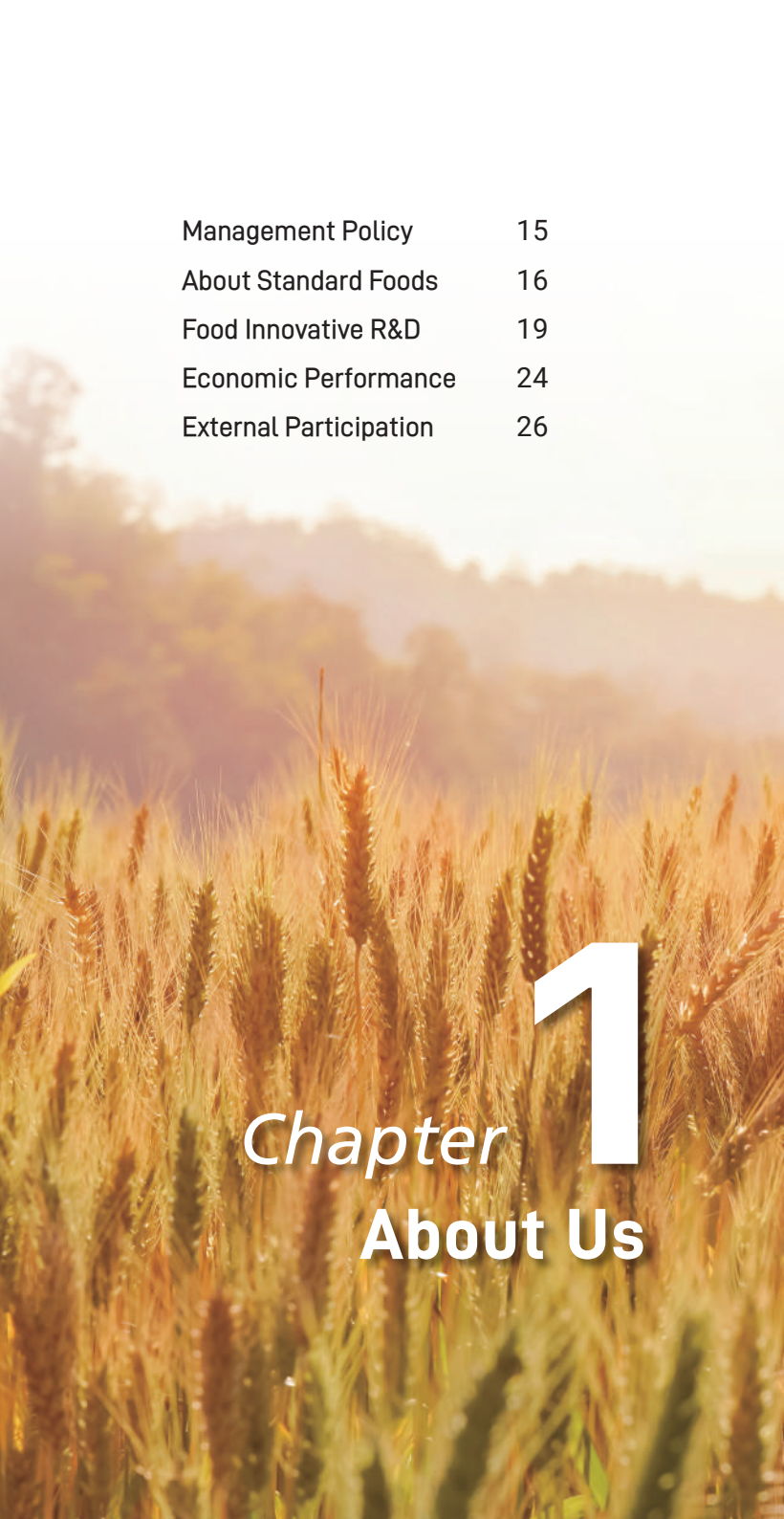
No.	Major Topics (Orientation)	Significance and Importance to Standard Foods	Value Chain Impact			Corresponding Chapters
			Upstream	Standard Foods	Downstream	
1	Food Safety and Health Management	Provide products that meet consumers' health and nutritional demands, and ensure product quality and food safety.	★	★	★	Chapter 3 Food Safety
2	Business Performance	Profit from the company's operations, including financial information such as company operations, expenses, and profits	★	★	★	Chapter 1 About Us
3	Supply Chain Management	Raw material procurement and use, customer relationship, and dealer management	★	★	★	Chapter 4 Supply Chain Management
4	Product Lifecycle Management	Ensure that the packaging material is safe for product quality, increase the proportion of environmentally friendly and recyclable packaging materials, reduce the weight of plastic and packaging materials, and actively promote the company's sustainable development.	★	★	★	
5	Procurement Practices and Management	Select qualified suppliers and provide raw materials and services that meet the company's procurement specifications.	★	★	★	
6	Talent Cultivation and Recruitment	Employee Career Development, Diversity, Equal Opportunity, and Local Hiring		★		Chapter 6 Social Inclusion
7	Energy and Greenhouse Gas Management	Energy management policies, energy usage, energy conservation-related measures, etc.	★	★	★	Chapter 5 Environmental Protection
8	Response to Climate Change	Identify the impact of climate change on the company's operations, assess related risks and opportunities, and execute the management strategies and response actions.	★	★	★	
9	Social Welfare	Invest in social public welfare to care about the nutrition and health of more ethnic groups.		★	★	Chapter 6 Social Inclusion
10	Human Rights	We have clearly defined various standards and complied with government laws and regulations, from gender equality, labor protection to ethical behavior.		★		

Major Topic Changes in 2022

In 2022, we have referenced the GRI sustainable issues and the disclosure items required by the SASB guidelines for Standard Foods' industry to assess the major topics. Some themes have been slightly adjusted, and their names were revised to make major topics more focused on key and trending issues.

▼ 2022 Major Topic Changes for Standard Foods

2021 Major Topics (Previous Year)	2022 Major Topics (Reporting Year)	Description of Changes
Product Safety and Nutritional Health	Food Safety and Nutritional Health	Name Change
Ethical Management	-	Impact Assessment That Scored Below Average
Legal Compliance	-	
Risk Management	-	Include Basis Disclosure Contents in the Sustainability Report
Sustainable Development Strategy	-	
Product Labeling and Marketing	-	Impact Assessment That Scored Below Average
Occupational Safety & Health	-	Impact Assessment That Scored Below Average
Social Welfare & Charity	Social Welfare	Name Change
Supply Chain Management	Supply Chain Management	No Change
Labor Rights and Employee Welfare	Human Rights	Incorporated in Response to the New GRI's Spirit
Operating Environment Management	Response to Climate Change	Distinguished According to the Industry Characteristics and the Standard Foods' Sustainable Operation Development Directions
	Energy and Greenhouse Gas Management	
	Product Lifecycle Management	
Talent Development & Management	Talent Cultivation and Recruitment	Name Change
-	Procurement Practices and Management	Added According to SASB Standard
-	Business Performance	Newly Added



Chapter 1

About Us

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Management Policy

Linked SDGs



Major Topics	Standard Foods' Management Status for the Major "Business Performance" Topic in 2022
Correspond to GRI Indicators	Business Performance
Policy or Commitment	GRI 201-1 Establish a transparent and honest enterprise, and become a "nutrition and health partner of the entire family" in Taiwan. Short-term goals ▶ Continuous product development, upgrading, and quality improvement to meet a wide range of needs. ▶ Continue digital transformation, improve work efficiency, and optimize operation strategy. ▶ Implement channel strategies for balanced development and strengthen supply chain resilience management. ▶ Create operational benefits through innovative marketing and diversified sales channels. ▶ Use of group resources effectively to improve economic synergy. Medium-term goal ▶ Follow the sustainable development trends, accelerate strategy formulation and action implementation, and implement ESG goals. ▶ Incorporate enterprise development to cultivate long-term, stable, diverse talents to enhance productivity and competitiveness. ▶ Improve the corporate governance and financial management system to support the company's overall development strategy. Long-term goal ▶ Expand overseas markets, move towards internationalization, and become the "Nutrition and Health Partners for the Entire Family." ▶ Sustainable operation and development, accompanying everyone: "live happily for every moment of life!"
Indicators and Goals	Perfect Management Cycle ▶ Monthly Interdepartmental Executive Meetings ▶ Routine Department Meetings ▶ Project Meetings
Effectiveness Tracking Mechanism	▶ Strengthen the Budget Analysis and Control Mechanism, and Complete the Construction of 9 Projects ▶ The BPM has Introduced 7 Items Into the E-Application Procedure ▶ Introduce sales forecast assistance, model construction, and optimization adjustment. ▶ Information security training: social attack education and training ▶ The customer service response rate was 100% in 2022 ▶ The plant introduced TPM to reduce the overall failure rate ▶ Created the "CHiiiiiiiiii" energy drink brand to enter the energy drink market and increased the company's penetration rate in the young and middle-aged market
2022 Actions and Measures	

About Standard Foods

Standard Foods Co., Ltd. (or "Standard Foods" in this report) was founded on August 8, 1986. The company's headquarters is in Neihu District, Taipei City, with 1,327 formal employees. The main business items include manufacturing and selling nutritious food, edible oil products, dairy products, beverages, etc. The company was listed in 1994, and the stock code is 1227. The company is a legal entity. For an overview of ownership, please refer to the shareholder structure and major shareholders list in the fundraising status section of the company's "2022 Annual Report." In 2022, the capital was NT\$9.15 billion, and the consolidated revenue was NT\$28.922 billion.

The Quaker Oats Company, the largest cereal food company in the United States, took on the vision of "sharing the nutrition of the earth's grains with Taiwanese" in 1978. It invested US\$4 million to build a cutting-edge oat manufacturing plant in Taiwan and is dedicated to promoting nutritious multi-oat products. In 1986, Quaker decided to withdraw from the Taiwan market. Te-Feng Tsao, the founder of Standard Foods Co., Ltd. in Taiwan, acquired all of Quaker's assets and employees in Taiwan. Mr. Tsao also obtained production authorization for the Standard Foods brand, cereals, and infant milk powder and officially started operations in the same year.

Mr. Arthur Tsao became CEO in 2019 and decided to invest more resources and workforce based on his insight into the industry and market environment changes. The goal is to provide better services to consumers and to fully integrate the "Standard Foods Group" to achieve operational synergy. We are actively expanding the company's scale, developing more diverse products, guiding the team to take root in the younger generation, and expanding the international market to fulfill the concept "everyone should have a good choice for nutrition and health." We aim to become the "Nutrition and Health Partners for the Entire Family," protect every family by providing safe, balanced, healthy foods; and strive to create the next glorious 35 years for Standard Foods!

	Standard Foods Co., Ltd.	Standard Dairy Co., Ltd.
Date of Establishment	June 6, 1986	April 16, 1999
Headquarters' Location	10F, No. 610, Ruiguang Road, Neihu District, Taipei City, Taiwan (R.O.C.)	10F, No. 610, Ruiguang Road, Neihu District, Taipei City, Taiwan (R.O.C.)
Number of Full-time Employees	1,059	268
Paid-in Capital	NT\$9.15 billion	NT\$300 million
Main Products	Biotechnology Health Products, Edible Oils, Cereal Drinks (Brewed/Ready-To-Drink), Adult Nutrition, Dairy Products, and Beverages	Nutritional Drinks, Dairy Products, and Beverages
Net Sales	NT\$12.17 billion	NT\$3.7 million
Main Product Sales	125,720 metric tons	82,501 metric tons

Global Operation Locations

The company currently sells (offers) its main products and services primarily in Taiwan. Other subsidiaries provide services in the following market regions:

Standard Foods Global Operation Bases

Names of Operation Bases	Address	Telephone
Headquarters	10F, No. 610, Ruiguang Road, Neihu District, Taipei City, Taiwan (R.O.C.)	(02)2709-2323
Dayuan Plant	No. 369, Section 1, Heping W. Rd, Dayuan District, Taoyuan City	(03)386-5130
Zhongli Plant	No. 13, Jilin Road, Zhongli District, Taoyuan City	(03)452-5131
Hukou Plant	No. 7, Guangfu Road, Hukou Township, Hsinchu County	(03)598-5858
Běi-ěr Office	No. 448, Section 3, Zhongzheng E. Rd, Dayuan District, Taoyuan City	(03)381-0768
Taichung Operating Base	8F-1, No. 1-67, Wuquan Rd, West District, Taichung City	(04)2372-9229
Chiayi Office	8F-1, No. 762, Xinmin Rd, West District, Chiayi City	(05)235-0092
Tainan Office	A1 Office, 10F., No. 689-43, Xiaodong Rd., Tainan City, Yongkang District	(06)311-6598
Kaohsiung Operating Base	11F-1, No. 306, Zhongzheng 1st Rd, Lingya District, Kaohsiung City	(07)716-0958
Yilan Office	5F., No. 95, Xiaoshe 1 Rd., Yilan City	(039)388-442



▼ Standard Foods' Subsidiary Information

Name of Subsidiary	Address	Telephone
Standard Dairy Co., Ltd.	10F, No. 610, Ruiguang Road, Neihu District, Taipei City, Taiwan (R.O.C.)	(02)2709-2323
Standard Beverage Co., Ltd.	12F., No. 610, Ruiguang Road, Neihu District, Taipei City, Taiwan (R.O.C.)	(02)2709-2323
Charng Hui Company Limited	12F., No. 610, Ruiguang Road, Neihu District, Taipei City, Taiwan (R.O.C.)	(02)2709-2323
Domex Technology Corporation	No. 6, Xin'An Road, East District, Hukou City	(03)577-2115
Accession Limited	Portcullis Chambers , 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands	
Standard Investment (Cayman) Limited	P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 – 1205 Cayman Islands	
Standard Foods, LLC.	55 W. 5th Avenue, Unit 10C, San Mateo, California	
Standard Great Foods Singapore PTE. LTD.	531A UPPER CROSS STREET #03-108 HONG LIM COMPLEX Singapore 051531	
Standard Foods (Hong Kong) Co., Ltd.	1501 Capital Centre, No. 151, Gloucester Road, Wan Chai, Hong Kong	
Dermalab S.A.	Dufourstrasse 20 8702 Zollikon/Zurich Switzerland	+41 44 396 15 54
Swissderma, SL	Calle Balmes 177, 08006 Barcelona, Spain	
Shanghai Standard Foods Co., Ltd.	3F., Building 8, No. 1128, Wuzhong Road, Shanghai	021-64016665
Shanghai Heart Energy Health Technology (Group) Co., Ltd.	Office 811, Building 1, No. 2138, Wanyuan Road, Shanghai	021-64016665
Standard Foods Investment (China) Co., Ltd.	No. 88, Dalian West Road, Taicang Port Economic and Technological Development Zone (New District)	021-64016665
Standard Foods (China) Co., Ltd.	No. 88, Dalian West Road, Taicang Port Economic and Technological Development Zone (New District)	021-64016665
Shanghai Lejun International Trade Co., Ltd.	Office 728, F. 7, Building 1, No. 180, China (Shanghai) Pilot Free Trade Zone	021-64016665
Shanghai Lebentuo Health Technology Co., Ltd.	Office 5, F. 4, Building 1, No. 39, China (Shanghai) Pilot Free Trade Zone	021-64016665
Shanghai Lebend Health Technology Co., Ltd.	F. 2, Building 8, No. 1128, Wuzhong Road, Shanghai	021-64016665
Standard Foods (Xiamen) Co., Ltd.	No. 99, Sandu Rd., Fujian Free-Trade Zone, China (Fujian) Pilot Free-Trade Zone	021-64016665
Shanghai Lehe Industry Co., Ltd.	Office BN138, Building 22, No. 1–30, Minbei Road, Shanghai	021-64016665
Shanghai Leming Industrial Co., Ltd.	Office BN139, Building 22, No. 1–30, Minbei Road, Shanghai	021-64016665

Major Events

- ▶ In 1978, Quaker Oats, the largest cereal food company in the United States, invested in Taiwan.
- ▶ In 1986, Standard Foods Co., Ltd. of Taiwan purchased all of Quaker's assets and employees in Taiwan.
- ▶ In 1988, The "Great Day" brand was founded, and the Great Day sunflower oil was introduced.
- ▶ In 1994, the company was officially listed in Taiwan to fulfill the nutrition and health concept.
- ▶ In 1997, Standard Foods entered the health drink market with Taiwan's first plant-based health drink, "Quaker Ginseng Drink."
- ▶ In 1999, Acquired Yoplait Company and Fresh Delight dairy plant and used their machinery and trademark to establish Standard Dairy Products Taiwan Limited.
- ▶ In 2001, Standard Foods entered China and invested to establish Shanghai Standard Foods Co., Ltd.
- ▶ Launched the "Hanbu Tiandi" brand in 2002 to develop a variety of high-quality healthcare products
- ▶ In 2003, Standard Foods established the edible oil brand "Mighty" and entered the Chinese market.
- ▶ In 2011, Shanghai Standard Foods decided to strengthen its investment and established Standard Foods Investment (China) and Standard Foods (China) Company.
- ▶ In 2015, Standard Foods established the Standard Foods Food (Xiamen) Company in Xiamen, the southern tip of China.
- ▶ In 2019, Standard Foods and Standard Dairy's resources were reorganized to increase investment and workforce and were integrated into Standard Foods Group to prepare for the new era.
- ▶ In 2022, Launched the "CHiiiiiiii" energy drink brand to enter the energy drink market.

Lead the Food Sustainability Trend

For over 30 years, Standard Foods firmly believes that "eating nutritiously and healthily is the foundation of people's health." We specialize in the nutrition and health categories to care for the entire family and implement product innovation, R&D, promotion, and marketing. From cereal products to milk powder, oil products, healthcare products, and a variety of COMPLETE series products, we are committed to pursuing good nutrition and good health by creating products suitable for all age groups, and we strive to ensure that all family members can meet nutrition and health expectations at all stages.

Healthy and High-quality Nutrition



Standard Foods expects to meet everyone's diverse nutritional needs. Every aspect of our products is designed with the principle that "a balanced diet is the foundation of people's health." The product formulas are designed by a team of food scientists and professional nutritionists, and innovative products are constantly introduced to make the natural nutritional essence into high-quality nutritional, less burdensome, and trustworthy products suitable for the entire family's nutritional needs.

Convenient and High-quality Health Products



Consumers hope to keep their families and themselves healthy more efficiently to keep up with the market changes and user habit trends. We firmly believe in "regulating health from the inside out." We combine western nutritional science and Eastern food supplement concepts, use the essence of the earth, and adopt innovative technology and cutting-edge technology to create high-quality healthcare products that are healthy and less burdensome for people of all physical conditions.



Food Innovative R&D

Standard Foods has closely observed social lifestyles and consumer needs, understands consumption trends, and develops and designs multiple nutritional and innovative health products to meet consumer needs. Standard Foods' R&D budget for 2022 was NT\$88 million. Our innovative R&D team is scientifically trained and dedicated to developing and clinically testing new products. Its goal is to upgrade and improve existing products' formulas and packaging to offer consumers more effective and convenient products.

Standard Foods Group responds to international scientific experiment trends while protecting animal welfare. It does not conduct, sponsor, or entrust/outsource animal experiments to third-party organizations unless explicitly required by laws and regulations. Our health food application policy is to give priority to human food research experiments. We do not conduct sponsored or entrust/outsource third-party units to conduct animal experiments unless expressly required by laws and regulations. If unavoidable, the animal experiment unit must abide by the replacement, reduction, and refinement (3R) principle.

Standard Foods Group has accelerated the introduction of environmentally friendly green packaging for products according to the 3R principle in response to the global sustainable development trend. The goal is to research lightweight packaging materials, material simplification, and secondary packaging materials to increase the use of recycled materials, develop packaging materials with the least environmental impact and the highest recyclable ratio, and achieve sustainable packaging objectives.

Standard Foods' R&D Team Development Strategy

Product Upgrade

Regarding nutrition and health, our goal is to focus on convenience, deliciousness, and immediate effectiveness. We want every product bite for consumers to be of the highest quality, flavor, and safety.

We will continue innovating, developing, pursuing quality, and improving flavor for natural and additive-free foods. Our goal is to upgrade whole grain nutrition for whole grain flour series products, introduce new cereal cooking products promoted by the government that emphasizes compliance with the non-refined rice activities, and re-evolve the salty flavor of oatmeal. The multi-grain and multi-bean series was launched for the canned grain flour series to supplement the protein of grains and beans. The development of all-vegetarian series products gives consumers more choices.



New Product Launch

We are committed to the R&D of new products based on consumer needs, novel science, and innovative technology. The goal is to introduce new products that meet the needs and preferences of modern family structures and young generations, such as the TDHBTDBH beauty drinks and the balanced nutrition and calorie-controlled light oatmeal cereal series – Quaker Chowder oatmeal and Great Day porridge. Examples include the Quaker COMPLETE nutrition salty taste series, Quaker COMPLETE nutrition HMB series, Quaker COMPLETE nutrition high protein series, Quaker organic barley extract, Quaker baby porridge, Great Day soup series, Quaker 5X vitamin B complex ginseng concentrated essence drink, Quaker OatYa oat milk, and CHIIIIIIIIII energy drink. In 2022, we launched over 62 products with new forms, flavors, or packaging extensions.



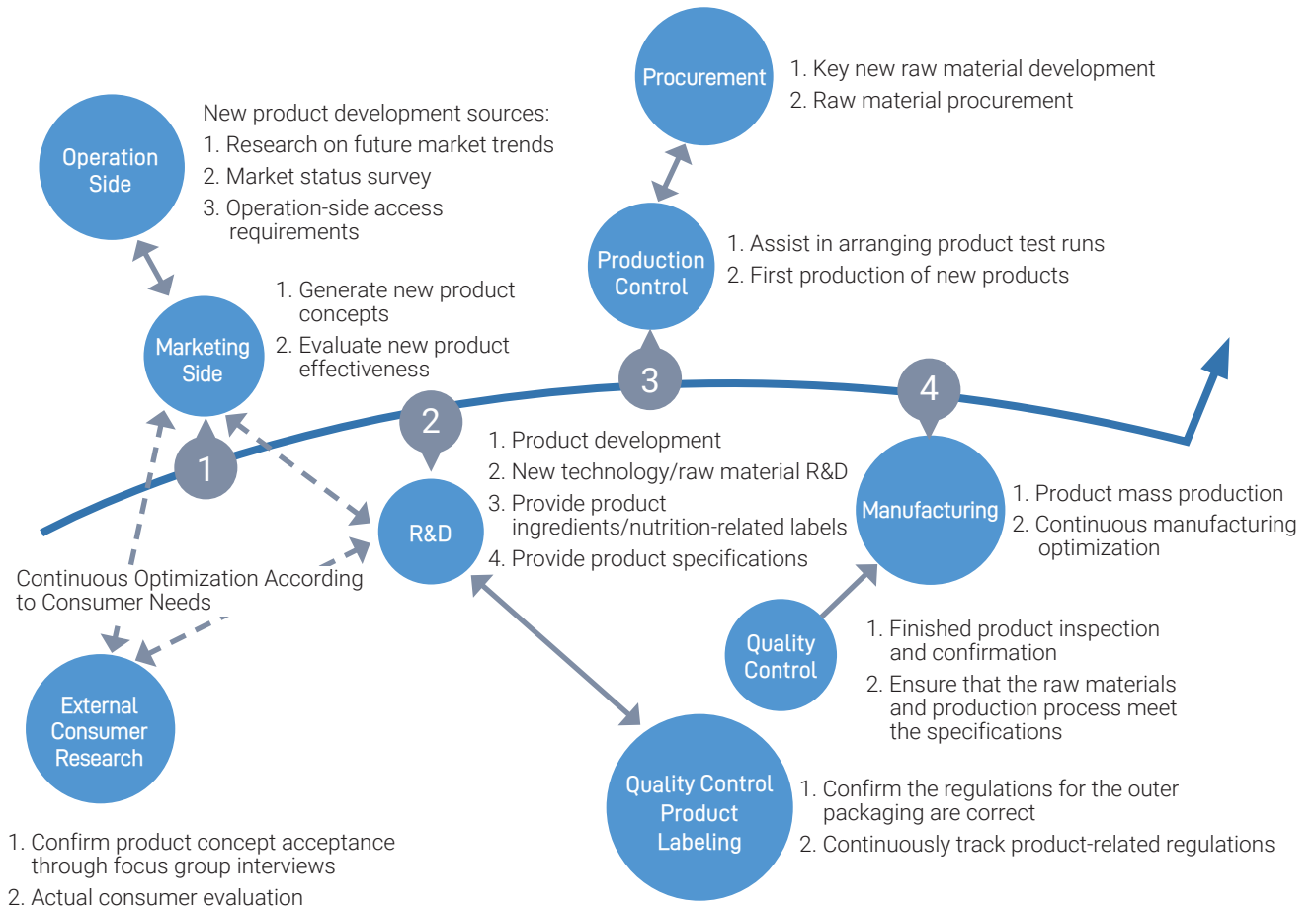
Top R&D Team

Standard Foods' R&D team comprises professional R&D personnel from food science, nutrition, chemistry, and engineering. To meet more people's nutritional and health needs, we will adhere to the rigorous product development and manufacturing process, remain focused and innovative, and produce high-quality nutritional and health products.

The R&D team is committed to professionalism and continuous improvement and collaborates with research institutes of colleges and universities and teaching hospitals to conduct various safety tests, clinical experiments, and efficacy experiments. The Ministry of Health and Welfare has approved healthy food certifications for the company based on scientific evidence. Standard Foods is the food company that has obtained the most domestic health food certifications. It takes an average of 2-3 years to obtain each health certification effect. Every health effect must be proven through numerous rigorous experiments, and the quality and quantity of the final experimental results must meet strict standards to be rated as the trustworthy "National Health Food" grade.

Standard Foods R&D has been certified to cover 10 of the 13 health food health functions announced by the Ministry of Health and Welfare. By 2022, a total of 34 products have obtained the health food certification mark. Each research result is a concrete presentation of Standard Foods' healthcare for the citizens!

Standard Foods' product development value chain





R&D Team Achievements

-  The food company that obtained the domestic health food certifications
-  Launched the first edible blending oil designed according to the nutritional needs of the citizens
-  The first company to add DHA to baby foods
-  The first company to launch functional, healthy milk powders
-  Obtained a worldwide patent and launched baby wheat flour made with hydrolytic enzyme technology, which can effectively reduce allergens
-  The first company to produce hydrolyzed milk powder in Taiwan
-  Launched Quaker COMPLETE Nutrition, the No. 1 selling product for diabetics
-  Obtained a world patent and launched oatmeal noodles with the same cholesterol-lowering effect as oatmeal
-  Acquired world patents for equipment and methods to reduce the color and improve the production quality of oil products
-  Obtained the world patent for part of the beverage bottle to expand the packaging style of products.
-  Obtained a world patent for spraying roller systems, fixing solid particles on dry flakes, and launching chia seed oatmeal.

Monde Selection World Quality Evaluation Awards

Standard Foods won a total of 20 medals in 2022, including 11 gold medals, 5 silver medals, and 4 bronze medals.



- Fresh Delight Extra Fresh Milk (200ML, 300ML, 936ML, 936ML with lid, 1830ML)
- Fresh Delight Extra Fresh Low Fat Milk (200ML, 936ML with lid)
- Fresh Delight High-Quality Fresh Milk (1830ML)
- Fresh Delight Premium Yogurt (135G, 500G)
- Quaker Drip Essence of Chicken (9-Pack Gift Box)



- Quaker Drip Essence of Ginseng (19 Pack Gift Box)
- Quaker Sugarless Drip Essence of Ginseng (19 Pack Gift Box)
- TDHB EXX Collagen Drink (6 Pack)
- Quaker All Natural Sugarless Five Wheat Carefully Selected 16 (10 bags)
- Quaker All Natural Five Wheat Carefully Selected Five Wheat Pine Nuts and Walnuts (10 Pack)



- Great Day Assorted Pork Stock Porridge
- Great Day Tomato Beef Stock Porridge
- Great Day Corn and Chicken Stock Porridge
- TDHB – The Finest Bird's Nest (6 Pack with 2 Lutein Drink as Gift)

Superior Taste Award

Standard Foods won 22 medals in 2022, including two 3-star awards, ten 2-star awards, and ten 1-star awards.



- Fresh Delight High-Quality Top-Grade Milk
- Fresh Delight Apple Milk



- Fresh Delight High-Quality Fresh Milk
- Fresh Delight High-Quality, Low-Fat Milk
- Fresh Delight Chocolate Milk
- Fresh Delight Cocoa
- Fresh Delight Premium Yogurt
- Fresh Delight Whole-Fat True Milk
- Fresh Delight High-Quality True Milk
- Quaker COMPLETE Nutritious Pumpkin Chowder
- Quaker Chia Seed Chowder
- Quaker Chia Quinoa with Walnuts



- Fresh Delight Malt Milk
- Great Day Assorted Pork Stock Porridge
- Great Day Tomato Beef Stock Porridge
- Great Day Corn and Chicken Stock Porridge
- Quaker COMPLETE Fresh Sweet Corn Chowder
- Quaker Drip Essence of Ginseng
- Quaker Sugarless Drip Essence of Ginseng
- TDHB – The Finest Bird's Nest
- Quaker All Natural Five Wheat Carefully Selected Five Wheat Pine Nuts and Walnuts
- Quaker Delicious 3-in-1 Oatmeal Classic

Eatender Contest

Package Design Award:

Great Day Tomato Beef Stock Porridge



銀髮友善食品

Eatender

與你同在的好食光



Note: Only the selected products can enter the second special selection phase. The "Great Day Tomato Beef Stock Porridge" was selected by the judges for its outstanding packaging design and won the design award.

Fresh Food Trend



Great Day Tomato Beef Stock Porridge
Great Day Assorted Pork Stock Porridge





Taiwan Association for Food Science and Technology's Innovative Product Evaluation Award

Bronze Medal Award for Innovative Process Technology

Quaker Oat Drink with Nut & Chia Seeds



Excellence Prize Award for Innovative Process Technology

Quaker Oat Ya Oat Drink



Innovative Product Concept Excellence Award

Quaker Advanced Ganoderma Essence Drink



Taiwan Association for Lactic Acid Bacteria's Innovative Product Award Competition

Product Innovation Award

Fresh Delight Chia Oatmeal Strawberry Yogurt



Food Creation Award

Consumer Favorite Award, Top 10 New Products of the Year

Quaker Additive-Free Baby Porridge (Two Flavor Set)



Top 10 New Products of the Year

Quaker Oatmeal Chowder (Chicken Flavor with White Sauce)



Note: Only the top 10 new products of the year can enter the second special selection phase. "Quaker Additive-Free Baby Porridge (Two Flavor Set)" won the most votes for the "Most Popular Consumer Award."

Economic Performance

Standard Foods Group has upheld the corporate mission of “becoming the nutrition and health partner of the whole family” via sustainable and steady development and continued to pursue profitable growth with a sincere attitude.

Direct economic value generated and distributed by the organization

Item (Unit: NTD Thousand)		2020	2021	2022
The direct economic value generated	Operating income	14,371,117	13,622,615	13,197,224
	Non-business Income	33,581	23,670	34,154
Distributed economic value	Operating costs	9,488,579	9,013,092	9,425,876
	Employee salary and welfare	1,478,008	1,343,803	1,287,469
	Payment to investors	21,965	16,716	8,237
	Proceeds paid to government authorities	812,965	655,062	348,281
	Community investment	25,158	13,560	11,850
Retained economic value		2,578,023	2,604,052	2,149,665

Note: 1. Retained economic value = direct economic value generated – distributed economic value.

2. This form includes: Standard Foods + Standard Dairy.

Standard Foods' Condensed Consolidated Income Statement for the Past 3 Years ^{Note 1} (Currency: NTD thousand)

Year	Unit	2020	2021	2022
Operating income	NTD thousand	14,371,117	13,622,615	13,197,224
Operating cost	NTD thousand	8,858,259	8,318,179	8,490,286
Gross profit	NTD thousand	5,512,858	5,304,436	4,706,938
Operating expenses	NTD thousand	2,159,167	2,072,580	2,246,744
Operating profit	NTD thousand	3,353,691	3,231,856	2,460,194
Non-operating income and expense	NTD thousand	668,359	(123,754)	(901,413)
Net profit before income tax	NTD thousand	4,022,050	3,108,102	1,558,781
Income tax	NTD thousand	809,249	651,474	344,683
Current net profit	NTD thousand	3,212,801	2,456,628	1,214,098
Other comprehensive income (net after tax)	NTD thousand	200,873	167,124	(14,193)
Total comprehensive income	NTD thousand	3,413,674	2,623,752	1,199,905
Net profit attributable to the owners of the parent company	NTD thousand	3,212,801	2,456,628	1,214,098
Comprehensive income attributable to the owners of the parent company	NTD thousand	3,413,674	2,623,752	1,199,905
Earnings per share	NTD	3.54	2.70	1.34
Cash Dividend ^{Note 2}	NTD	2,287,723,978	1,738,670,223	1,180,465,572

Note 1: Entities in the consolidated financial statements include: Standard Foods and Standard Dairy.

2: According to the surplus year.



Tax Policy, Governance, and Risk Management

The company is committed to implementing tax compliance and meeting corporate social responsibilities. The goal is to formulate tax governance and transfer pricing policies to create corporate value, improve tax risk management, establish a sound tax management system and tax governance culture, and develop immediate and rapid processing procedures. The company has formulated the following tax governance policies to further enhance corporate value, fulfill the corporate social responsibility of the company, meet corporate citizenship obligations, and implement sustainable corporate development.

Tax Governance Related Organizations and Responsibilities

The relevant tax governance organizations and responsibilities are as follows:

Finance Supervisor



The chief financial officer is the company's highest decision-maker in establishing an effective tax risk management mechanism. The chief financial officer also approves the overall tax governance policy according to the overall operating strategy and business environment to ensure effective tax management mechanism operations.

Tax Management Unit



The tax management unit is the accounting department, which regularly reports tax-related management matters to the chief financial officer.

Tax Governance Policy, Control, and Risk Management

The company's tax governance is formulated according to transparency, openness, and compliance with laws and regulations. The tax policies and codes of conduct are as follows:

Legal Compliance

- Comply with each operating base's local tax laws and legislation spirit and the international taxation standards to calculate taxes correctly, declare and pay taxes within the statutory time limit, and fulfill tax obligations.
- The company's tax certificates are all appointed by local large-scale accounting firms, and the company provides annual financial information to Deloitte Taiwan for tax declaration.

Information Transparency

- Ensure the tax reporting information transparency for reports submitted to different countries, group master file reports, and transfer pricing reports according to regulations promulgated by tax authorities.
- Ensure a professional internal tax team with appropriate qualifications, experience, and external experts participate in the decision-making-related tax assessment.
- Regularly disclose tax information through public channels (such as official websites and annual reports) to inform stakeholders and ensure information transparency.
- Adopt legal and transparent tax incentive policies, and avoid using methods that violate the spirit of the law to get tax relief.

Commercial Substance

- The corporate structure and transactions are consistent with the commercial essence. No tax structure intended to avoid taxation is used, and no profits are transferred to low-tax areas to avoid taxation.
- Related party transactions must adhere to regular transactions, follow the transfer pricing norms of tax laws and regulations in each operating region, and fulfill the tax obligations in value-creation regions.
- Interact with tax authorities in an honest, honest, respectful, and fair manner; and actively raise major tax issues to help improve the tax environment and system based on the principles of mutual trust, information transparency, and legal compliance.

Communication

- Transactions between related companies shall comply with the transfer pricing principles announced by the Organization for Economic Co-operation and Development (OECD) and the relevant norms of the Base Erosion and Profit Shifting (BEPS) Action Plan.
- Establish mutual trust and open communication with tax authorities in various operating regions, provide industry practical perspectives and professional insights, and contribute to improving the tax environment and system.

Risk Management

Establish a strong tax risk control structure and organizational culture, consider the impact of the company's overall tax burden optimization, risk management and long-term value, and prudently assess tax risks and response measures.

Communication Policy with Stakeholders on Tax-Related Issues

The company's primary stakeholder is the government's tax authority. Tax declaration and payment operations are handled according to each country's applicable laws and regulations. If any applicable law is unclear during the daily operation process, we will contact the government agency window directly or through Deloitte Taiwan and request Appropriate treatment. If there is a tax audit operation, we will immediately prepare relevant materials and collaborate with the tax authorities to conduct the audit.

To demonstrate the transparency of the company's tax governance policy, we will also respond to tax information concerns raised by interested parties in the investor area of the company's official website, the annual report, and the shareholders' meeting for other stakeholders and investors.

A Quick Overview of the 2022 Tax Payment

Standard Foods strictly adheres to tax laws and regulations, and its tax governance policy includes honest tax declaration, assessment and response to tax risks, and maintaining open and honest communication and information transparency. The income tax expenses paid in the past three years are as follows:

Unit: NTD Million

Year	2020	2021	2022
Standard Foods	688.24	589.11	555.05
Standard Dairy	124.72	96.79	123.13

External Participation

International Initiatives Supported by Standard Foods

ESG



- ▶ The United Nations' 17 Sustainable Development Goals (SDGs) advocate integrating social, economic, and environmental sustainability indicators and global collaboration to achieve sustainability.
- ▶ The Global Compact focuses on organizational development and sustainable governance to advocate human rights, labor, environment, and anti-corruption.

Environmental Aspect



- ▶ Climate Change-related Financial Disclosure (TCFD) helps investors and decision makers to understand climate-related risks, opportunities, and financial impacts and assist organizations to overcome transformation challenges.
- ▶ Participating in the Carbon Disclosure Project (CDP) enables businesses to effectively measure and improve their carbon management systems.
- ▶ Incorporating ISO 20400 sustainable procurement into the procurement process can ensure that procurement behavior is consistent with organizational goals.

Social Aspect



- ▶ The International Labor Organization (ILO) works constantly to improve its colleagues' working and living conditions and protects their rights.
- ▶ The spirit and principles of human rights protection are promulgated by international human rights conventions such as the "Universal Declaration of Human Rights," the "United Nations Global Compact," and the "International Labour Conventions."

Governance Aspect



- ▶ The United Nations Convention against Corruption (UNCAC) has established a sound governance system for prevention and zero corruption.
- ▶ We also support the United Nations Principles for Responsible Investment (PRI) by helping investors to obtain ESG-oriented information and incorporate it into investment considerations.




Public Association Qualification

Public associations and advocacy organizations with important participation impacts

Item	Organization Name	Strategic Significance	Role or Job Position
1	Taiwan Food Industry Foundation	Combine the momentum of food industry supply chains such as food manufacturing, raw material supply, distribution, and catering to jointly promote Taiwan's food industry's safe, healthy, and management development.	Managing Director
2	Food Industry Research and Development Institute	Technology and R&D related to food and biological industries to drive industrial development.	Managing Director
3	Taiwan Regional Association of Dairy Processors	Plan to improve and promote Taiwan's dairy industry to support the government's efforts to develop dairy farming lay the groundwork for my country's dairy industry, and prosper the rural economy.	Supervisor
4	Taiwan Quality Food (TQF) Association	Combine the food manufacturing industry, raw material supply industry, distribution and retail industry, consumer groups, and academic and research groups to collaborate to improve food safety and quality, consumer rights, and food industry development.	Council Members
5	Dairy Association of Taiwan	Dairy farmers, dairy processing plants, experts, and scholars collaborate with government policies and industry needs to advance Taiwan's dairy industry.	Supervisor
6	National Animal Industry Dairy Price Evaluation Association	Hold regular meetings to review milk prices. This platform is used by both the plant and the farmer to review the range of changes in the basic milk price and consider milk price adjustments.	Committee Members
7	Zhongli Industrial Zone Manufacturers Association	An organization that promotes common affairs and welfare measures in the region encourages emotional exchanges, assists and consolidates unity, and jointly seeks the region's development.	Council Members
8	ILSI Taiwan	Bring industry, government, and academic resources together to research nutrition, food safety, toxicology, risk assessment, and the environment. Disseminate relevant scientific information and coordinate international efforts to improve public nutrition and health while ensuring food and environmental safety.	Members
9	Health Food Society of Taiwan	Collaborate with experts and scholars from all fields to commit to the basics of applied research on the safety, toxicology, and health effects of health food. Promote the development of high-quality health food and its functional research.	Members
10	Taiwan Functional Food Industry Association	Plan for the promotion of health and nutrition food industry. Coordinate inter-industry relations, enhance common welfare, and promote economic development.	Managing Director
11	Taiwan Nutrition Society	Cultivate professional skills in preventive healthcare and nutrition care, and apply cutting-edge new knowledge and technology to improve the citizens' dietary nutrition and protect their health.	Members
12	Taiwan Association for Food Science and Technology	Share experience in food academic research, technology development, and business management with domestic and international food professionals and members.	Members

Item	Organization Name	Strategic Significance	Role or Job Position
13	Taiwan Association for Food Protection	Obtain the latest globally synchronized food safety information and advanced food safety-related science and technology to improve the level of food manufacturing and supply methods applicable to international food safety and effective food safety preventive measures, ensure food safety for citizens, and assist in understanding international food safety regulations for the food industry.	Members
14	Importers & Exporters Association of Taipei	Identify market and industry trends, gather business intelligence, foster consensus within the sector, act as a liaison between the government and the trade industry, propose various policy ideas, uphold members' rights and interests, and actively support the industry as it looks for new business opportunities on the world market.	Members
15	Taiwan Vegetable Oil Manufacturers Association	Coordinate inter-industry relations, enhance common interests, plan industrial improvement and promotion, and promote economic development.	Members
16	Taiwan Health Care Association (Central Office)	Promote the healthy upgrading and development of Taiwan's healthcare industry, combine Taiwan's industrial power to jointly promote the sound development of the healthcare industry on both sides of the Taiwan Strait, and promote international cooperation.	Members
17	Taiwan Occupational Safety and Health Management System (TOSHMS) North District Promotion Association	Improve the enterprise's safety and health technology and management experience of relevant personnel to implement the enterprise's safety and health management promotion.	Members
18	Taoyuan City Industrial Association	Coordinate the relationship between various industries in Taoyuan City to enhance the industry's common interests, and plan industrial improvement and promotion to promote economic development.	Members
19	Taiwan Association for Traditional and Complementary Medicine	Encourage advancing academic research on traditional and alternative medicine, continuing education on talent cultivation, and promoting the balanced development of Taiwan's traditional Chinese medicine.	Members
20	Taiwan Society of Regulatory Affairs for Medical Products	Engage in pharmaceutical policy and regulation research, create a platform for pharmaceutical and health-related product management regulation exchange, achieve international standards, and increase the value of innovation.	Members
21	Agricultural Chemical Society of Taiwan	Enhance agricultural chemistry's contribution to our nation and promote academic research.	Members
22	Confectionery, Biscuit, and Floury Food Industry Association	Strengthen cooperation, exchanges, and connections among peers to create business opportunities.	Members
23	Taiwan Canners Association	Coordinate peer relationships, enhance common interests, and plan for improving and promoting the canned food industry, economic development, and provision of relevant laws and regulations.	Level-1 Members
24	Taiwan Industry Association	Coordinate peer relationships, enhance common interests, and plan for improving and promoting the beverage industry, economic development, and provision of relevant laws and regulations.	Level-A Members
25	Taiwan Food Industry Development Association	Improve the understanding of food-related laws and regulations. Any questions or suggestions can also be clarified and inquired through this association.	General Members



Chapter 2

Corporate Governance

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Governance Structure

Policy Commitment

The company is committed to achieving sustainable development and continues to show concern for economic governance, human rights and humanities, and environmental protection in the direction of ESG development. We have developed the "Sustainable Development Practices" according to the sustainable common good concept and have publicly committed to responsible business practices in all operations:

"United Nations Guiding Principles (UNGPs) on Business and Human Rights"

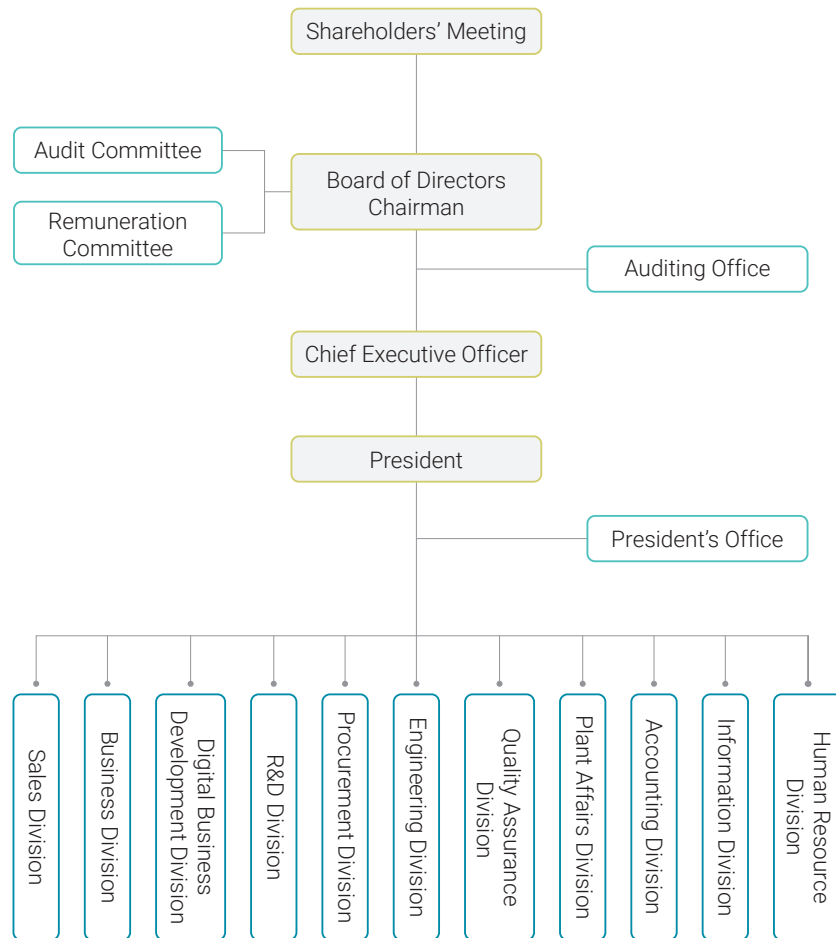
- ▶ "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"
- ▶ "Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies Listed Companies"
- ▶ "Corporate Social Responsibility Best-Practice Principles for TWSE or TPEX Listed Companies"
- ▶ "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies"
- ▶ "Ethics Regulations for Procurement Personnel"

The preceding guidelines/regulations are reviewed and approved by the board of directors and then implemented by the sustainability team announcement. They apply to the entire group and are expressed to the internal and external stakeholders through emails, relevant meetings, the official website or intranet, contract provisions, etc.

Furthermore, our guidelines/policies adhere to the relevant due diligence and precautionary principles, particularly human rights commitments. We adhere to the UN "Guiding Principles on Business and Human Rights" and other human rights initiatives, emphasizing economic performance development more. The goal is to respect human rights both inside and outside the company.

We have reasonably integrated the company's internal control system to implement the sustainable policy commitment, formulated the relevant content into internal documents such as supplier standards or internal audit management methods, and incorporated them into its operating policies and procedures. The sustainability team is the highest policy commitment supervision and implementation level, and the audit department regularly audits it.

▼ Standard Foods Organization Framework



For more information about each department's corporate governance structure and business management, please refer to the company's "2022 Standard Foods Co., Ltd. Annual Report."

Composition of the Board of Directors

The board of directors of Standard Foods is the highest governance unit of the company. It has formulated a "Corporate Governance Code of Practice," which provides the relevant regulations for shareholder rights, board functions, stakeholder rights, information transparency, etc. A corporate governance task force has also been established to promote the company's governance matters, safeguard shareholder rights, and strengthen the board's functions. The company has purchased the "Director, Supervisor, and Key Staff Liability Insurance" every year to reduce and spread the risks of major damages to the company and shareholders caused by mistakes or negligence by the directors and key staff. Standard Foods' board of directors currently has eight directors, and four independent directors, accounting for 50% of the seats. The board of directors members were re-elected in June 2022, and the term of office lasts from June 2022 to June 2025.

The company values its board of directors' diverse industrial experience, professional background, and ability. It has continued to include the perspectives of people of different genders, ages, and disadvantaged groups. The board of directors has one female and one director aged 41-50. The company is expected to continue to encourage the board of directors to nominate younger and more gender-diverse members, encourage the board of directors to consider diversity and reduce the enterprise's overall operational risk.

All operations of the board of directors are performed according to the relevant regulations such as the "Company Act," the "Securities and Exchange Act," Standard Foods' "Articles of Incorporation," the "Rules and Procedures for Board of Directors' Meetings," and the shareholders' meeting resolutions. In 2022, Standard Foods' board of directors held a total of eight board meetings. They were held at least once every two months, and all directors' average annual attendance rate reached 93%. The board meetings review the company's operation plan, business performance, ESG development strategy, major issues stipulated by regulations or competent authorities, and other key major events (such as major whistleblower complaints, negative impacts, public opinion, etc.). They will continue to track and supervise the actual handling progress and status in such matters. In 2022, no key major events must be communicated with the board of directors.



▼ Members of the Standard Foods' Board of Directors

Job Title	Name	Gender	Age	Board Meetings Attendance Rate	Hold other director positions (yes/no)
Chairman	Te-Feng Tsao	Male	71 or above	8	Yes
Director	Chien-Sheng Hsuan	Male	71 or above	7	Yes
Director	Te-Hua Tsao	Female	71 or above	7	Yes
Director	Arthur Tsao	Male	age 41–50	8	Yes
Independent Director	Chung-Pen Chang	Male	71 or above	8	Yes
Independent Director	Chung-Chie Chou	Male	age 61–70	8	Yes
Independent Director	Fong-Nien Chiang	Male	age 61–70	6	Yes
Independent Director	Yun-Chung Wang (took office on 2022/6/16)	Male	71 or above	4	Yes

Board Member Nomination & Selection

Standard Foods' directors (including independent directors) are elected via the candidate nomination system, and shareholders are selected from a list of candidates. Standard Foods' board of directors established the "Corporate Governance Code of Practice" in 2016 to strengthen corporate governance and promote the sound development of the composition and structure of the board. Paragraph 3, Article 20 of the Code provided that the shareholders shall select board candidates from a list of candidates, and an appropriate diversity policy must be formulated according to the Company's operations, operation types, and development needs including, but not limited to, the standards under the following two major aspects:

Basic conditions and values

gender, age, nationality, culture, etc.

Professional knowledge and skills

professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, industrial experience, etc.

Conflict of Interest Recusal

Standard Foods' chairman of the highest governance unit is Mr. Te-Feng Tsao. Mr. Te-Feng Tsao does not concurrently hold other senior management positions. All members of the company's board of directors are nominated/selected, and the board of directors has formulated the "Procedures for the Board of Directors" according to the "Rules and Procedures for Board of Directors' Meetings" to standardize the conflicts of interest prevention principle for directors. The company's directors currently have a conflict of interest risk as they also serve on other boards. To prevent and mitigate conflicts of interest the company has adopted a sound principle to prevent conflicts of interest and required members of the board of directors to fulfill their moral obligations as managers and faithfully perform business and duties with a high degree of self-discipline and prudence. Meanwhile, the company's rules also provided that directors or juristic person with conflicts of interest with the meeting agenda who has a stake in a matter under discussion shall explain the stake during the meeting, shall not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as a proxy on behalf of another director.

Training for Board of Directors

Members of the Standard Foods board of directors are committed to continuously improving industry expertise and enriching corporate governance experience to enhance and unite the group of the company's highest governance unit in sustainable development Intellect to stay abreast of global business management trends and improve corporate governance and risk response capabilities. Standard Foods has arranged advanced training courses for the board of directors regularly. The courses cover economic, environmental, and social issues to enhance board members' governance knowledge and trend insights. The company also delivers stock exchange announcements, relevant industry news, or ESG issue information to the independent directors to help them keep abreast of company-related information. Furthermore, based on the needs and feedback of each director member, we will continue to strengthen information transmission and training plans to ensure adequate professional leadership and supervision functions. In 2022, the board of directors received 55 hours of training, averaging 7 hours per person.

Board Member Refresher Courses in 2022

	Course Title	Course Hours
Environmental Category	Taishin 2030 Sustainable Net Zero Summit Forum Transform to Net Zero	3
	Sustainable Development Roadmap Industry Promotion Conference	2
	The 29th TCCS Council Meeting and CEO Lecture – Sustainable Energy	2
Economics/ Governance Category	Circular Economy and Sustainable Development for Enterprises	9
	Base Erosion And Profit Shifting (BEPS 2.0)	9
	Financial Statements and the Implications of ESG Strategic Investments	6
Science and Technology Innovation	New Digital Transformation Concepts	3
	AI Concepts and Digital Transformation	6
	"SAP NOW Taiwan Sustainable Smart Enterprise Cocreation" Forum	3
Risk Management Category	How the Board of Directors Supervises ESG Risks and Creates Sustainable Enterprise Competitiveness	3
	Legal Risks and Responses of Corporate Directors – Corporate Investment and Financing	3
	Insider Trading Illegality and Case Analysis	6

Board Performance Evaluation

Standard Foods has formulated the "Board of Directors Performance Evaluation Measures" to regularly implements self-evaluation for the company's board of directors and functional committees (including the audit committee and remuneration committee) every year through individual director self-performance evaluation (using questionnaires) to implement corporate governance, enhance the functions of the board of directors, establish performance goals to enhance the efficiency of the board of directors. The board of directors performance evaluation indicators cover five major aspects: "the degree of participation in the company's operations," "improving the decision-making quality of the board of directors," "composition and structure of the board of directors," "selection and continuous education of the board of directors," and "internal control." The Remuneration Committee also reviews and recommends the relevant salary distribution standards and exact amounts based on the evaluation results. The 2022 self-evaluation of the board of directors, functional committees, and board members went off without a hitch. The results were also submitted and approved by the board of directors in March 2023.

Remuneration Policy for Directors and Managers

The remuneration policies, systems, standards, and structures of directors and senior managers (above the director level, including the chairman, general manager, and director) are determined and reviewed by the Remuneration Committee. The Remuneration Committee includes independent directors to provide external perspectives and opinions, and the committee meets at least twice a year to review and ensure salary competitiveness and rationality.

The annual remuneration of Standard Foods' directors includes director remuneration, salary, and bonus (the latter two only cover part-time employees). The remuneration of senior managers includes salary, bonus, severance pay, etc., which are regularly disclosed in the company's annual report. (Please refer to "2022 Annual Report" Page 18) The company's senior managers have no other major special benefits except the preceding regulations. The retirement benefit system is the same as ordinary employees and is handled according to the laws and regulations.

Illicit Profit Bonus Award Policy

Standard Foods has formulated the "Code of Ethical Conduct" to improve the company's and all employees' behavioral quality, professional ethics, and professional ability. Any illegitimate benefits obtained by violating the code shall be recovered and returned to the person or company, and the violator shall be punished accordingly. Punitive actions include withholding performance bonuses, year-end bonuses and benefits, dismissal, demotion, and/or other legal actions. The goal is to ensure that all employees, including managers, fulfill their management and supervision responsibilities and strictly abide by the code of ethics to strengthen the sustainable growth and development of the company.



Functional Committees

Standard Foods has established multiple functional committees, such as the Audit Committee and the Remuneration Committee, under the board of directors to effectively implement operational risk impact management and the procedures for identifying and supervising the company's impact on the economy, environment, and people. Each functional committee conducts due diligence via standard business communication channels, internal meetings, various questionnaires/opinion surveys, document signing, and the existing complaint mechanism and collects stakeholders' major positive and negative risk impacts on the company's operations. After the events or suggestions are fed back, the committees are responsible for developing, approving, and updating strategies and policies related to various impacts. The board of directors also oversees the functional committees' impact management procedures and results. It also reviews the effectiveness of the procedures at least once a year during the results reporting meeting.

Audit Committee

Standard Foods' "Audit Committee" aims to assist the board of directors in supervising the quality and integrity of the company's accounting, auditing, financial reporting, and financial control processes. The review items include Financial statements, auditing and accounting policies and procedures, internal control systems, major asset or derivative transactions, major capital loans and endorsement guarantees, raising or issuing securities, compliance with laws and regulations, if managers and directors have related transactions and possible conflicts of interest, employee complaint reports, fraud investigation reports, company risk management, appointment, dismissal or remuneration of CPAs, and appointment and dismissal of financial, accounting, or internal audit supervisors.

The Audit Committee is composed of four independent directors. The purpose of the Audit Committee is to assist the Board of Directors in supervising the quality and integrity of the company's accounting, auditing, financial reporting, and financial control processes. Regular meetings shall be held at least once a quarter, and six meetings were held in 2022. (Please refer to the company's annual reports for the meeting status and attendance rate of the committee)

Standard Foods' Audit Committee Members

Name	Job Title	Gender	Tenure
Chung-Pen Chang	Independent Director	Male	111/6/16-114/6/15
Chung-Chie Chou	Independent Director	Male	111/6/16-114/6/15
Fong-Nien Chiang	Independent Director	Male	111/6/16-114/6/15
Yun-Chung Wang	Independent Director	Male	111/6/16-114/6/15

Remuneration Committee

Strengthen the board's remuneration management function and improve corporate governance, assist the board of directors in implementing and evaluating the company's overall remuneration and welfare policies as well as the remuneration of directors and senior managers, and ensure that the company's remuneration arrangements comply with relevant laws and regulations are sufficient to attract outstanding talents. Standard Foods has established a Remuneration Committee and the "Remuneration Committee Charter."

The Remuneration Committee evaluates and reviews the remuneration of the senior management team and the employee remuneration allocation ratio. The committee also approves the "Proportion of the Total Remuneration of Directors, General Managers, and Deputy General Managers to the After-tax Net Profit of Individual or Individual Financial Reports" table. Please refer to the Company's "2022 Annual Report" for details. The committee assesses and reviews the rationality of the individual management team's salary and rewards based on their abilities, contribution to the company, and performance. It effectively controls the risks of talent loss. In 2022, the Remuneration Committee met twice in total, and the average attendance rate of the committee members was 100%.

Members of Standard Foods' Remuneration Committee

Name	Job Title	Gender	Tenure
Chung-Pen Chang	Independent Director	Male	111/6/16-114/6/15
Chung-Chie Chou	Independent Director	Male	111/6/16-114/6/15
Yun-Chung Wang	Independent Director	Male	111/6/16-114/6/15

▼ Main Responsibilities of Standard Foods' Remuneration Committee

- ▶ Formulate and regularly review the policies, systems, standards, and structure for performance evaluation and the remunerations of the directors and managers.
- ▶ Evaluate and determine the remunerations for the directors and managers.
- ▶ Review of employee remuneration plans with incentive reward plans or share-based compensation.
- ▶ Proposals for amendments to the organization's regulations.
- ▶ Other cases delegated by the board of directors.

Ethical Management

Anti-Corruption & Anti-Bribery Policy

"Integrity" is the key foundation to the company's sustainable operation. Standard Foods' board of directors revised the "Code of Ethical Conduct" in 2020, which stipulates that directors, managers, and all employees must follow the ethical code of conduct when conducting business. In 2020, the board of directors revised and approved the "Code of Integrity Management," which prohibits directors, managers, and all employees from directly or indirectly providing, promising, requesting, or accepting any improper benefits; or engaging in dishonest acts such as breach of integrity, illegality, breach of fiduciary obligations, or corruption.

To promote the ethical code of conduct and the principle of honest management, the "Employee Work Rules" prohibits employees from accepting bribes, unreasonable hospitality, improper benefits during business executions, or engaging in illicit self-profiting behaviors. Colleagues from the Human Resources Department shall strengthen the publicity by explaining the "Employee Work Rules" to new employees when they report to work. The "Code of Ethical Conduct" is published on the Standard Foods Group's official website so that all employees are fully aware of the company's Code of Ethical Conduct and honest operation principles and are 100% aware of the company's anti-corruption policies. In 2022, we conducted corruption-related assessments for 100% of our operating bases. The evaluation results showed low corruption risks, and no incidents occurred during the year.

▼ Communication and training on anti-corruption policies and procedures

Subjects	Communication Status		Training Status	
	No. of People (or Company) Communicated	Percentage Communicated	No. of People (or Company) Trained	Percentage Trained
Governance Unit:	8	100%	8	100%
Working Staff	771	100%	771	100%
Employee	399	100%	399	100%
Business Partner	299	100%	-	-

Legal Compliance

Complying with legal requirements and operating legally and compliantly is the most basic responsibility of an enterprise, and it is also the key to sustainable operation. Standard Foods has established full-time legal personnel to ensure that the operation activities comply with the laws and regulations of the local government, pay close attention to the formulation of laws and regulations that may affect the company and the latest amendments, and implement them according to the "Food Compliance Management Method." The goal is to ensure that the practical operations of each unit meet the relevant requirements and specifications.

A "major" event is defined by the company as one that may cause considerable damage to the sales, operating performance, and goodwill of the company for the year. All major events must be publicly disclosed in the sustainability report to comply with the company's open and transparency principle and the balanced reporting required by the GRI Standards. In 2022, the company received no sanction or punishment due to major law or regulation violations. Please refer to the company's 2022 annual report for details on the company's 2022 sanctions.



Legal Compliance Training

We also provide case-by-case legal services and legal compliance counseling for colleagues in various departments according to practical needs. We also provide various departments with timely law and regulation-related assistance and consulting services. We will collaborate with colleagues from various departments to provide practical solutions, compliance plans, and detailed guidance. In addition, we organize unscheduled education and training on various law and regulation topics, prepare handouts on legal issues, and publicize relevant information. The goal is to ensure that relevant colleagues can understand and master the latest regulations, review and update its practical operations to avoid misuse and violations due to ignorance of laws, and strengthen the colleagues' legal compliance and moral awareness to implement the most basic corporate social responsibilities.

Standard Foods' legal compliance-related education and training in the past three years

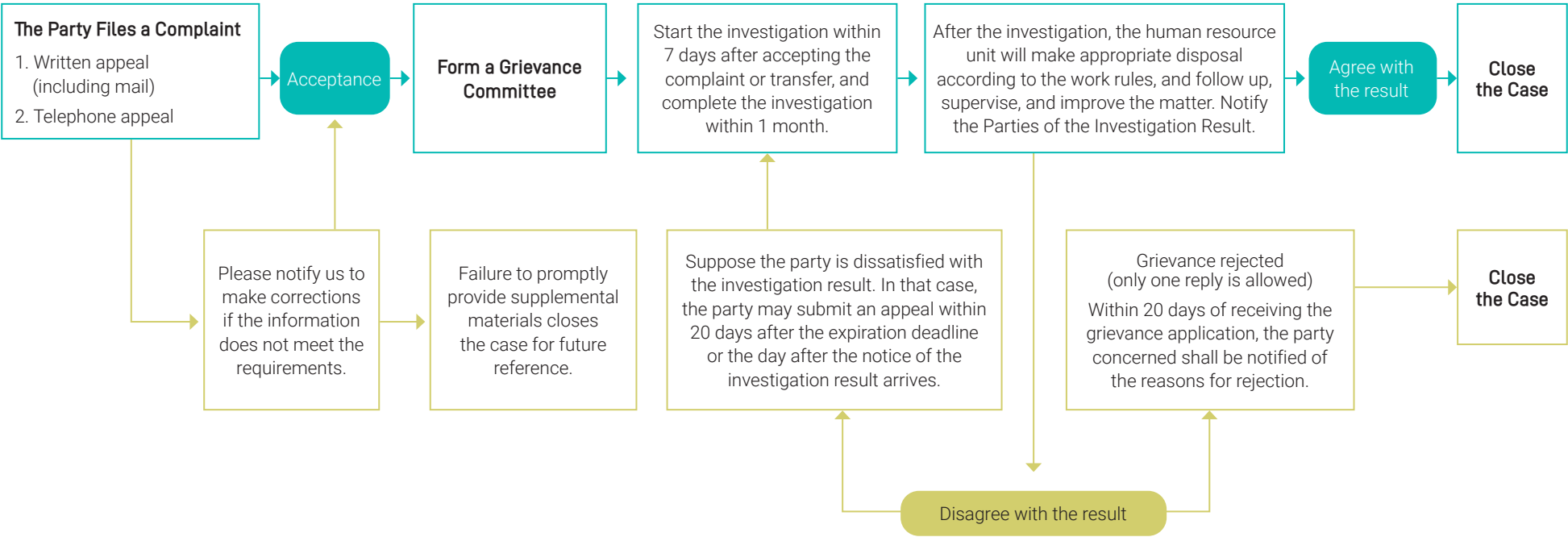
Year	Train Course	Course Purpose and Benefits	Training Subjects
2020	Intellectual Property Rights and Commodity Management	Discuss the company's products and intellectual property strategies to increase the overall value and strengthen competitiveness by introducing intellectual property concepts and case studies.	Marketing and Business Colleagues
	Instruction on Food Claims Regulations	Describe the procedures to be followed and the labeling principles concerning product labeling and claims.	Marketing and Quality Assurance Colleagues
	Employee Health and Safe Education and Training	Food practitioners need basic health and safety training regarding good working habits, regulations, and audit requirements.	All Colleagues of the three Plants
	Food Safety Control System HACCP Key Control Points	Learn the principle and operation of the HACCP food safety control system.	All Colleagues of the three Plants
	Allergen Types and Control	Understand allergens and effectively control them.	All Colleagues of the three Plants
2021	Introduce the Concept of Patents and Protection Application to the Plants	Counseling colleagues in relevant units on patent search and protection applications to improve patent protection efficiency.	Plant R&D Colleagues
	Product Labeling Communication and Legal Publicity Courses	Describe the procedures to be followed and the labeling principles concerning product labeling and claims.	Quality Assurance and R&D Colleagues
	Employee Health and Safe Education and Training	Food practitioners need basic health and safety training regarding good working habits, regulations, and audit requirements.	All Colleagues of the three Plants
	Food Safety Control System HACCP Key Control Points	Learn the principle and operation of the HACCP food safety control system.	All Colleagues of the three Plants
	Allergen Types and Control	Understand allergens and effectively control them.	All Colleagues of the three Plants
2022	Internal Control and Risk Management	As science and technology advance, the social environment changes, the economic situation changes, and the risks businesses face become increasingly diverse. However, risks are often the key to creating opportunities. We must learn how to actively face risks through internal control systems, and promote the enterprise's sustainable values. It is an integral part of corporate governance.	All Employees
	Internal control and risk management (cross-border distribution and confidentiality agreement risk management)	The project educates colleagues in relevant units on cross-border distribution and confidentiality contract risks and provides contract structure guidance to improve the contract hedging mechanism.	Marketing and Procurement Colleagues
	Layout Review Process and Regulation Publicity (two Sessions)	Explain the Internal Page Review Process and Introduce the Page Marking Regulations	Marketing, R&D, and Procurement
	Employee Health and Safe Education and Training	Food practitioners need basic health and safety training regarding good working habits, regulations, and audit requirements.	All Colleagues of the three Plants
	Food Safety Control System HACCP Key Control Points	Learn the principle and operation of the HACCP food safety control system.	All Colleagues of the three Plants
	Allergen Types and Control	Understand allergens and effectively control them.	All Colleagues of the three Plants

Complaint & Recommendation Channel

Integrity and responsible business conduct are the basis for sustainable enterprise operation. Therefore, we have established various complaint reporting and suggestion channels to encourage interested parties to address dishonesty, immoral behavior, or any business activities that impact the environment, economy, society, and human rights; and encourage people to file reports, appeals, or provide relevant suggestions.

We also encourage the reporting of any illegal acts to fulfill the principle of integrity management. Employees can report to independent directors, managers, audit supervisors, or other appropriate supervisors in writing, by phone, email, or in person. All reported matters will be completely confidential and verified by independent channels to protect the employee who filed the report. In 2022, Standard Foods received 0 complaints and 0 whistleblowing cases.

▼ Reports and appeals acceptance process



Everyone who has any opinion could find the contact informations from STAKHOLDERS page.
(<https://www.sfworldwide.com/sustainability-stakeholders.html>)



Risk Management

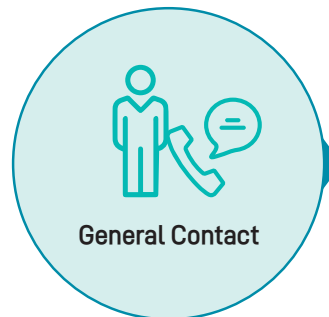
The risk management of the Standard Foods Group covers governance, environment, and society. Various responsible units in the organization execute the risk identification, measurement, supervision, and control management mechanisms. From 2020, the management implementation has been further systematized and structurally integrated to promote an appropriate risk management-oriented business model. Standard Foods has a risk response team mechanism, and each responsible unit promotes various business risk management to effectively control risks.

Crisis Management Team

Five crisis-handling teams are established to handle various crises, including food safety, information security, plant safety, employee management, and legal response. Team members light the crisis signals when a crisis occurs and execute their crisis management responsibilities.



- Highest Decision Maker
- Appoint the corresponding spokespersons for "various stakeholders."
- Jointly verify the members list with the general contact
- Designated internal unit data provision and cross-departmental communication window



- Assist the commander-in-chief in decision-making
- Collect and consolidate the reports of each unit to facilitate judgment
- Contact an external team for assistance

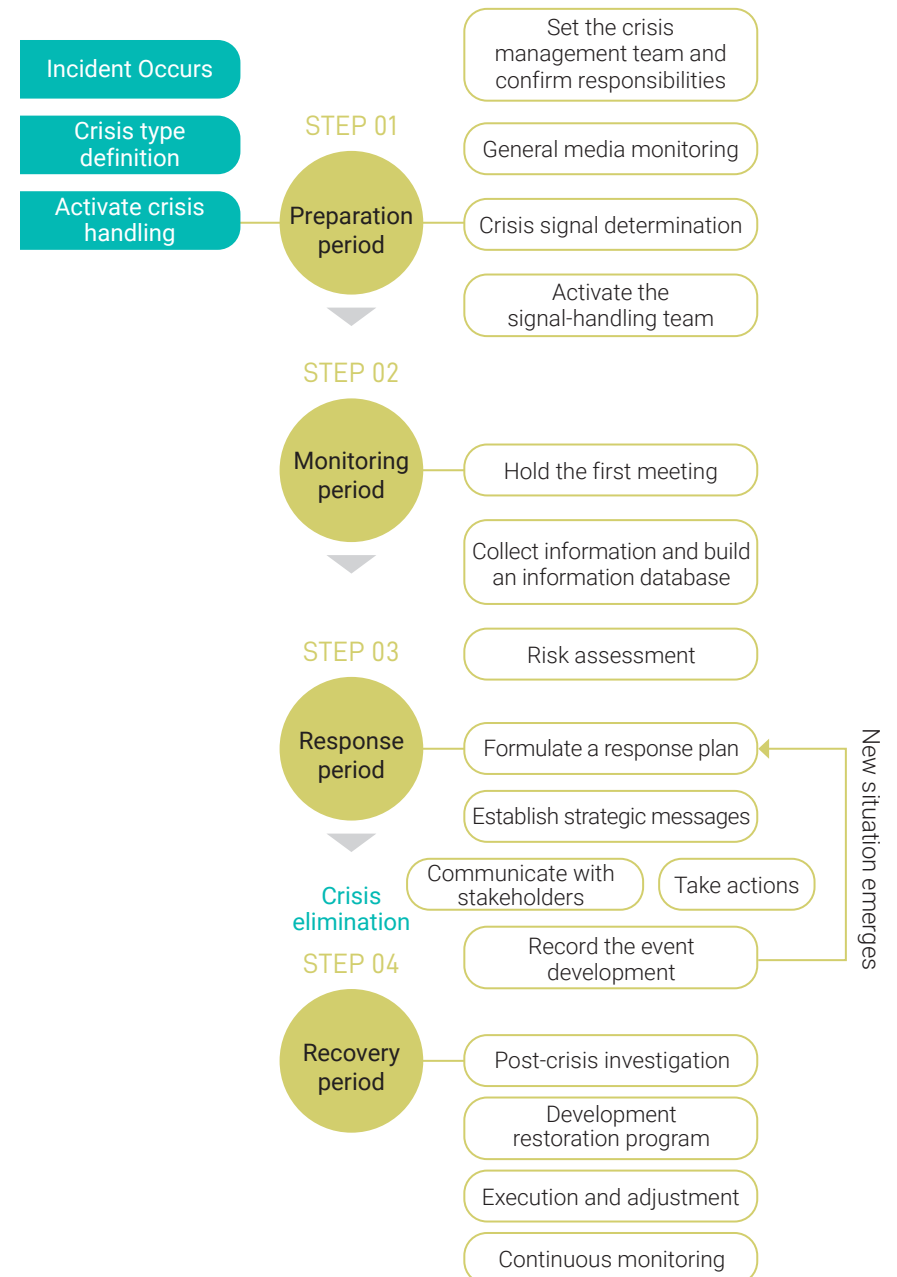
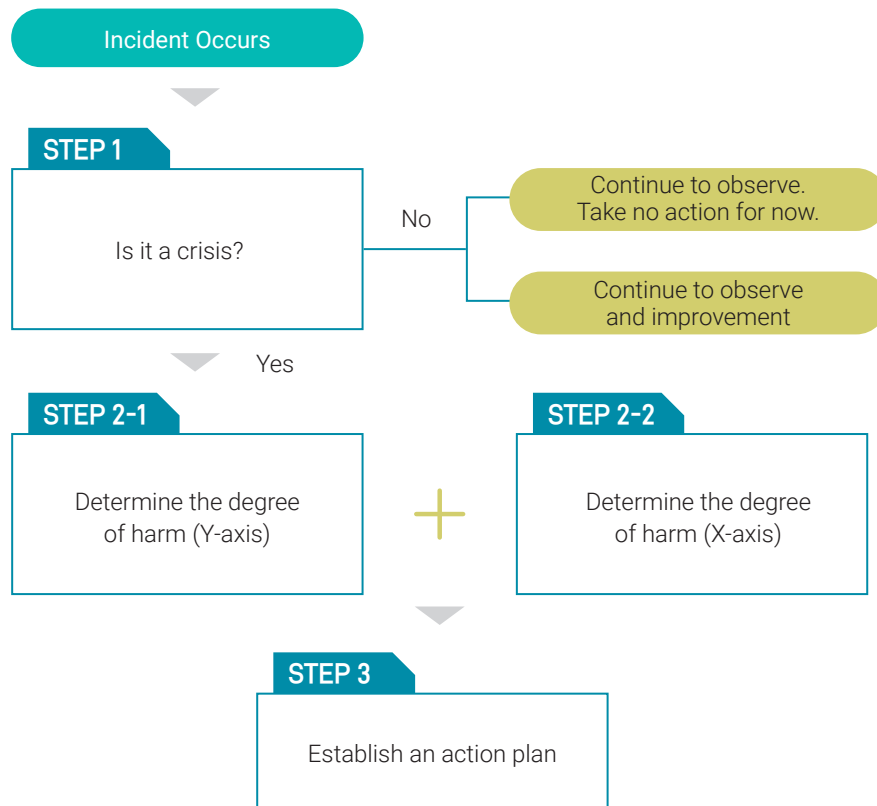


- Provide comprehensive and updated information to the general contact
- Convene a meeting at any time to assist in decision-making
- Mobilize the affiliated units, carry out emergency response, and report the results according to the decision of the meeting.

Crisis / Risk Incident Judgment Process

Crisis (risk) refers to sudden or catastrophic accidents or events that occur suddenly or may occur and may endanger the image, interests, and survival of the company or its employees. These events generally cause extensive media reports, public attention, and the spread of public opinion. It may interfere with the organization's work, damage the brand image, or stigmatize the organization. Standard Foods established a crisis-level assessment mechanism in 2019 to optimize the team's response speed and precision.

When an incident occurs, each crisis team shall determine the crisis level on the XY axis via the internal crisis management system to further determine the correct action plan.





Standard Foods Risk Impact and Coping Strategies and Actions

Risk Type	Risk Cause Description	Coping Strategies and Actions
Strategic and Operational Risks	<ol style="list-style-type: none"> 1. Workforce shortage due to declining birth rate and aging population, leading to business risks 2. Operational risks from raw material shortages or rising costs caused by epidemics and wars 3. The consumption power is weakened due to inflation or poor economic conditions, and the strategy must be redesigned. 4. Channel consolidation and deepening competition with each other, channel price matching, and self-brand development lead to product operation risks 	<ol style="list-style-type: none"> 1. Develop the younger generation's talent pool in advance, use multiple channels to recruit high-quality talents, and focus on cultivating key potential talents to cope with the company's development. 2. Raw materials consolidation, strategic procurement of key raw materials, continuous cost optimization, and capacity assurance 3. Visit key customers regularly, grasp market trends through surveys and social media, and respond immediately. Increase the success rate of new products, and strengthen CRM to improve consumer experience and conversion rate. 4. Continue to build brand power, and strive for the best product exposure through joint promotions, cross-category sales, and diverse collaboration with key customers. Cultivate EC and commercial markets, increase EC diversion and conversion rate.
Market Risk	<ol style="list-style-type: none"> 1. Poor product sales caused by new products launched by competitors 2. Risk of losing customers due to poor product design 	<ol style="list-style-type: none"> 1. Find functions overlooked by competitors and accelerate the development of new products to meet the needs of more consumers. 2. Strengthen the multi-faceted testing in the product development stage to reduce possible bad problems.
Financial Risks	<ol style="list-style-type: none"> 1. Interest rate risk arising from changes in interest rate policy 2. The company is a multinational enterprise or the exchange rate risk arising from transactions with foreign companies. 3. Default and price risks arising from financial transactions 4. Customer Credit Risks 5. Liquidity Risks 	<ol style="list-style-type: none"> 1. Respond to changes in interest rates, evaluate various financing or deposit methods, and forecast interest rate trends to save capital costs or generate capital income. 2. Since exchange rate fluctuations are uncontrollable factors, buying at low prices reduces the exchange rate fluctuation risks according to the demand for foreign currency funds and the international economic status. 3. Ensure the safety of capital transactions, confirm transaction content and related information with financial institutions, and assign dedicated personnel to monitor investment price risks and evaluate relevant response plans. 4. Conduct credit risk management analysis on customers and evaluate customer credit quality. 5. Continuously monitor the company's cash flow requirements and forecasts to ensure it has enough funds to meet its operating needs.
Regulatory Risks	<ol style="list-style-type: none"> 1. The government formulated or revised the relevant laws and regulations for food import, production operations, labeling and declaration, and business management. 2. Trade Secrets Act Compliance and Leakage Risk 	<ol style="list-style-type: none"> 1. The Quality Assurance Department monitors, checks, and responds to announcements and revisions of the food-industry-related laws and regulations and annually inspects the food-related laws and regulations. 2. The legal department collaborates with outside firms to focus on specific legal issues and ensure proper handling.
Climate Change Risks	<ol style="list-style-type: none"> 1. Regulatory and reputational risks posed by government mandates and international initiatives to limit carbon emissions 2. Respond to carbon emission reduction and waste reduction regulations, limit the manufacturers' supply source or out-of-stock risks (engineering procurement) 3. Rising raw material prices due to climate change 4. Cross-border sea and air transportation increased shipping costs due to international regulations. 	<ol style="list-style-type: none"> 1. Replace energy- and water-saving equipment in the office area to promote carbon emission reduction. 2. Develop a second source or urge manufacturers to improve legal requirement compliance and disperse procurement risks. 3. Import raw materials that meet the specifications from multiple regions to reduce cost 4. Consolidate products on the same shipping route to save costs

Risk Type	Risk Cause Description	Coping Strategies and Actions
Supply chain management risk	<ol style="list-style-type: none"> 1. Supply chain management risks caused by the rising human rights and environmental protection awareness 2. A major accident occurred at the raw material supplier's site, resulting in a shortage of production raw materials. 3. Risks associated with supply chain violations of relevant government regulations 	<ol style="list-style-type: none"> 1. Observe new/existing suppliers to manage and control environment-related risks and performances via regular on-site audits and interviews. 2. Do not rely on a single supplier to diversify risks and enhance the supply chain management flexibility. 3. Suppliers should select legally registered food operators and should not cooperate with unidentified or disqualified operators 4. Regularly track food-related laws and regulations, and notify suppliers of the relevant supply chain changes to confirm compliance or respond. 5. If a supplier violates the relevant laws and regulations, immediately deploy personnel to initiate risk investigation and assessment, and decide whether to continue cooperating with the supplier. 6. The Engineering Procurement Department shall inspect the new and old suppliers for human rights-related risks yearly. 7. The Engineering Procurement Department shall inspect the new and old suppliers for environment-related risks yearly. 8. If a supplier violates the relevant laws and decrees, immediately deploy personnel to initiate risk investigation and assessment, and decide whether to continue cooperating with the supplier.
Occupational Safety Risks	<ol style="list-style-type: none"> 1. Accidents caused by employee machinery operations 2. The hardware equipment in the company building or plant area poses a safety risk. 	<ol style="list-style-type: none"> 1. Include occupational safety promotion in the training courses before recruits take office. 2. Post warning signs on the production line and regularly check its safety status. 3. Regularly check whether the company's hardware equipment (buildings, electrical appliances, etc.) is in good condition.
Information Security and Personal Information Risks	<ol style="list-style-type: none"> 1. Information Security Policy Formulation 2. Establish a Personal Data Confidentiality System 3. Confidential Document (Including Physical Document) Leakage Risks 4. Internal and External System Security Assessment and Protection 5. Software Assessment and Risk Control 6. Network Access Control 7. Privileged Account Management 	<ol style="list-style-type: none"> 1. The Information Security Department regularly conducts system vulnerability scanning and website penetration testing and repairs weaknesses within one month after producing the report. 2. Implement Confidentiality Level Labeling and Classification 3. The computers used by each company employee are evaluated and purchased by the Transportation Department through the system. 4. Employees' equipment is installed with protection software such as anti-virus, data loss protection, and network access control. 5. Appoint a professional consulting company to make suggestions and assist in improving the company's information security system. 6. Formulate policies related to information security governance and personal information protection. 7. Privileged Account Classification and Control 8. Network Visibility and Security Access Control
Food Safety Risks	<p>The quality of raw materials is not strictly controlled, or the production process is polluted by harmful substances, leading to food poisoning and seriously affecting the company's reputation.</p>	<ol style="list-style-type: none"> 1. New supplier selection will first confirm that their qualifications and business items meet the legal requirements and then evaluate the quality of the products they supply and the production operations and quality control system to determine whether they are qualified to supply sources for Standard Foods. 2. Execute annual supplier evaluation, assess supplier audit and delivery status, and replace manufacturers not meeting the requirements. The goal is to ensure that the suppliers and supplied products meet the company's food safety and quality requirements. 3. Implement HACCP for the three plants to check potential raw materials and manufacturing processes related hazards and corresponding control measures. Set up important control points to ensure effective food safety control. 4. Inspections are executed from raw materials entering the plant, semi-finished products, to finished products to ensure all production stages comply with regulations and quality requirements.



Information Security and Personal Information Risks

Standard Foods has internally implemented information security-related management measures according to ISO 27001 specifications and structure to improve information security management. The information security promotion team reviews each unit's information security governance policies and supervises information security management operations. The goal is to establish a comprehensive information security protection mechanism to increase employee information security awareness, assess information security risks regularly, and report to the CEO through management, planning, supervision, and promotion of the professional information security unit.

The company's Information Security Promotion Committee is in charge of coordinating, managing, and supervising the information security operations. The main scope covers the relevant information services provided by the company's information department and relevant departments. The company implements regular vulnerability scanning and protection system performance checks; performs other related information security tests; and provides relevant information security publicity, education, and training courses. The goal is to create a safe and sound information security environment and ensure the information security of the company's various services through information department operations and information security policy implementations. The company reviews information security policies regularly to ensure information security practice performances and reflects the most recent developments in government laws, technology, and business. In 2022, two information security attacks occurred and were successfully blocked. Please refer to the information security incident tracking report for details.

Ensure that the company's information security incident notification, classification, grading, processing, statistics, and tracking operations are institutionalized, systematic, and comply with the information security incident management regulations. When an information security incident occurs, promptly report and deal with the incident, and reply in the shortest time to ensure the normal operation of various businesses. The information security maintenance operation and response team must quickly grasp the information security warning notification and intelligence events by collaborating with external information security experts to enhance and accelerate detection and response mechanisms.

Information Security Management Measures

Hackers have targeted enterprises in recent years, and the security of network information communication and products has been repeatedly jeopardized. Enterprises and government agencies are becoming more concerned about information security. The focus of enterprise management has shifted to controlling and reducing risks and disaster losses. During the epidemic, Standard Foods introduced endpoint protection to allow most Standard Foods employees to work remotely/at home and expand the boundary of information security protection from within the company to any place that can access the Internet. The goal is to include these mobile devices as part of the protection to ensure the safety of employees using network services; avoid accessing high-risk domains such as malicious, ransomware, phishing, and data leakage; and implement consistent security management principles. These efforts have protected the company's internal confidential information from leakage.

In terms of management, an information security committee was formed to continuously strengthen and improve the information security management mechanism, countermeasures, and emergency response capabilities in the event of an information security incident. In terms of technology, we have gradually constructed a complete information security infrastructure such as privileged account management (CyberArk) and data leakage prevention (DLP) after introducing corresponding new technology-type information security architecture protection. Regarding cognitive training, we have improved the information security awareness for all employees through social drills and security education and training. The goal is to assist Standard Foods colleagues in improving their information security capabilities and establish an information security protection network for the entire enterprise.

Information Security Training

The Information Security Department regularly holds information security education and training courses for Standard Foods employees in response to recent social engineering security incidents. The course contents include a review of social engineering incidents, types of social engineering, analysis of social engineering techniques, and common threats posed by phishing emails. The goal is to teach employees how to prevent social engineering attacks. Various information security education and training courses are organized in addition to basic information security-related training for recruits to ensure that information security concepts can be integrated into daily operations and gradually improve all employees' information security awareness. Questionnaire tests were provided after training courses to increase the Standard Foods employees' awareness of social engineering security precautions and improve the company's overall information security level.

Information Security Exercise

Internal email social engineering drills are also implemented to strengthen the concept of information security for all Standard Foods employees. The goal is to strengthen colleagues' security awareness and vigilance by simulating phishing emails from hackers and testing employees' information security risk awareness through information security publicity, education, and training. The goal is to increase email users' vigilance, prevent users from browsing spam and malicious emails, prevent computer and network security and personal information leakage incidents, and reduce the information security risks and the company operation impacts. In 2022, Standard Foods conducted social engineering drills to increase employees' phishing email awareness. The goal is to reduce the employees' social engineering letter click rate to < 15%. The implementation result in 2022 was 12.86%.

2022 Social Engineering Exercise Status

Item	Number of People Tested	Trigger Number	Trigger Rate
Total Trigger Rate and Number of People	871	474	54.42
View Rate	871	402	46.15
Click Rate	871	112	12.86
File Open Rate	871	98	11.25

A thorough review by an impartial and objective third-party organization is still required to protect company and personal information as well as internal and external communication systems to avoid losses caused by human factors such as leakage, theft, destruction, or natural disasters and strength and breadth of all systems and information security of Standard Foods. Standard Foods has entrusted an information security consulting company to perform vulnerability scanning, comprehensively assess the weaknesses of the information system and the overall information security risk level, and provide Standard Foods with clearer weakness correction suggestions through the third-party unit scanning report. We also conducted a re-scan to ensure that all major weaknesses were completely corrected, and we completed 2 vulnerability scans in 2022.

In addition to internal vulnerability scanning, third-party professional units are commissioned annually to conduct network and system penetration testing to reduce human or natural factors' impacts on the company's operations. The goal is to understand and evaluate the organization's network environment and system security status, verify the security level and current information security protection performance, and use it as a loophole reinforcement, improvement method, and system security strengthening tool. Two penetration tests were completed in 2022.





Chapter 3

Food Safety

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Management Policy

Linked SDGs



Major Topics

Correspond to GRI Indicators

Policy or Commitment

Indicators and Goals

Effectiveness Tracking Mechanism

2022 Actions and Measures

Standard Foods' Management Status for the 2022 Major Topic "Food Safety and Health Management"

Food Safety and Health Management

GRI 416-1
GRI 416-2

- Quality control to ensure that every step from a place of origin to the final product complies with laws and quality requirements
- Robust quality management system to ensure compliance with international advanced quality systems
- Strengthen inspection and analysis to prevent food safety crisis

Short-term goals

- Establish a food safety risk and drill mechanism.
- Climate change leads to unstable supply, and the demand for raw material emergency inspection has increased. Therefore, the company has developed inspection methods and third-party inspection unit resources.
- Strengthen the audit of upstream raw materials and meet the annual target of auditors set based on supplier grade.

Medium-term goal

- Continue to maintain and update the quality management system, stay current with international verification standards, and pass the verification audit 100% of the time.
- Complete the laboratory accreditation assessment and move towards more credible laboratory testing capabilities.

Long-term goals

- Increase the number of products with product-type cleanliness certification, and follow the fewer natural additive trend for products.
- Continue to obtain health food labels and special nutrition certification.
- Obtain laboratory certification to boost the credibility of test results so that all consumers can eat confidently.

- | | |
|---------------------------------|----------------------------------|
| ■ Annual Management Review | ■ Government Audit/Audit Results |
| ■ Customer Complaint Monitoring | ■ External Audit Results |
| ■ Internal Audit | ■ Proficiency Test results |

- 100% of the products meet the requirements of health and safety regulations, and no products have been recalled throughout the year.
- No product-related health, safety, or services regulation violations throughout the year.
- Establish food safety incident response procedures for appropriate anomaly handling, recurrence prevention, and recall operations.
- The inspection fee for the high-standard inspection method for 2022 was NT\$196,694 thousand.
- A total of 3,893 people participated in 108 food safety education training courses.
- Passed 41 ability tests to ensure inspection result credibility
- In 2022, we developed 4 inspection methods to keep pace with the times and passed 41 ability tests to ensure inspection result credibility.
- 34 products have obtained the health food certification mark.

Food Safety Management

Standard Foods strives to cultivate a good food safety and quality culture. We emphasize that uncompromising food safety and quality is deeply rooted in the awareness of all employees through weekday publicity of food safety information, regular plant-wide education and training, continuous improvement projects, various quality discussion meetings, food safety drills, and the reward system for reporting abnormalities. Fulfill the concept that everyone is responsible for food safety and quality to showcase the company's one-team cooperation spirit. To implement food quality and safety management, fulfill corporate responsibility for food safety, and continuously improve food safety and quality performance requirements, the following food quality and safety policies serve as the foundation for the company's compliance and efforts:



We practice routine self-management by exceeding national standards and strive to meet various certification specifications in producing consumer-trustworthy products. The company has formulated food safety manuals, HACCP activity procedures, and other management methods according to ISO 22000, SQF, and other management standards. We also complied with "Act Governing Food Safety and Sanitation" to implement food hygiene, safety, and quality management operations, including all employees, workplaces, facility sanitation management, and quality assurance systems. We have established health and safety management procedures for each production line. 100% of the company's products are manufactured according to the preceding management system standards, and we have followed the health and safety checklist regularly to complete all environmental sanitation, workplace, personnel cleaning, and equipment inspection. The three plants of Standard Foods have obtained the ISO

22000 Food Safety Management System Certification. The oil production line of the Dayuan Plant and the entire Zhongli Plant and Hukou Plant have also passed the highest SQF verification. As a result, 100% of the products are manufactured in plants that have met internationally recognized food safety management system standards and are produced under good food hygiene safety and quality management.





Standard Foods' vision is to become the most trustworthy food company in the country. We are responsible for improving quality control, managing from the source, and implementing product inspection procedures throughout the supply chain. Of course, we routinely implement self-management that exceeds national standards. Our goal is to obtain various certification specifications trusted by consumers. The following are the quality achievements of Standard Foods' main plants in 2022:

Dayuan Plant

Passed the ISO 22000, SQF (oil production line), organic products and clean label verification.

Zhongli Plant

Passed the ISO 22000, SQF, TQF, and clean label verification.

Hukou Plant

Passed the ISO 22000, SQF, TQF, organic products, and clean label verification.

Food Safety Incident Response Mechanism

Standard Foods has established full-time staff responsible for monitoring media-related food safety information and public opinion trends. If there is any relevant information that may affect the company, the team will focus on the relevance of the issue to the company, such as legal aspects, hazard, product group, product sensitivity, product type, scope of influence, source of information, media status, government trends, and customer service information. Such factors are used to judge the severity of food safety crises. The incidents are divided into three levels according to severity: green light, yellow light, and red light. A crisis response team will be established according to the crisis light level.

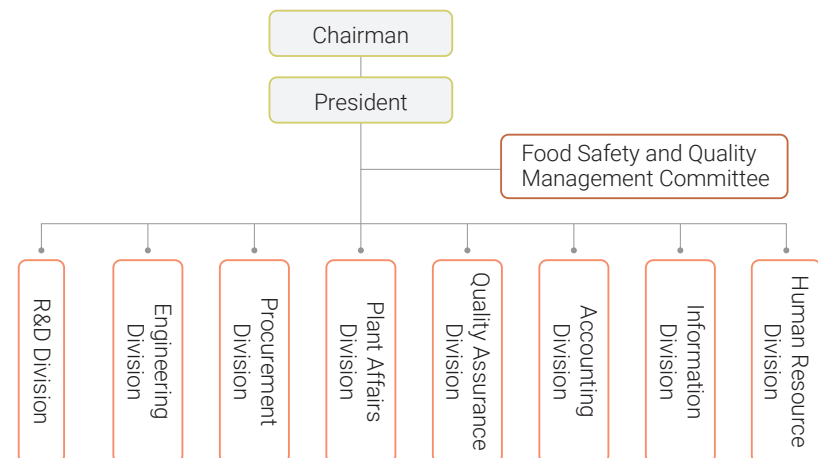
There are crisis management contingency procedures that cover the crisis preparation period, monitoring period, response period, and recovery period. When a crisis occurs, a list of interested parties, corresponding departments, and an address book of internal and external contacts can be initiated quickly. The appropriate division of labor and mobilization and the necessary communication channels can also be established separately.

Food Safety Responsible Unit

Standard Foods has established a "Food Safety and Quality Management Committee" under the general manager to maintain a sound food safety and quality system and demonstrate the company's emphasis and determination on food safety and quality. It is responsible for ensuring that 100% of the plant area and the food produced are subject to comprehensive food hygiene and safety assessment and management and safeguarding consumers' rights and interests regarding food safety. The executive director of the Food Safety and Quality Committee is the top executive of the quality assurance unit and is responsible for promulgating food quality and safety policies, approving annual food quality and safety goals, reporting food quality and safety performance to top managers, and holding annual management review meetings. The committee also oversees the performance of the food safety and quality management system, ensures sufficient resources, tracks the goal achievement rate, and identifies areas that can be further optimized.

To implement the food safety control system, each plant has established a "HACCP Team" to assess potential hazards during manufacturing, identify critical control points, and ensure that the products produced meet the food safety and quality standards. Members of the HACCP team have received professional courses in food hygiene management in addition to their majors, such as identifying compliance with food regulations, hygiene management, formulation and review of HACCP plans, and food inspection. The team members collaborate to ensure that the food safety quality of Standard Foods is always maintained at a high level.

Food Safety Team Organizational Structure



Worry-free Production Process

Standard Foods strictly controls and records every process and parameter in each product's manufacturing process to optimize the raw materials' effects in the best possible environment. We strictly control the incoming materials before they enter the plant; and inspect the chemical, physical, and biological aspects of semi-finished products at each stage via hazard analysis in the process design structure to ensure the overall product meets the control standards. In the final product stage, comprehensive quality inspection, such as X-ray inspection, curved surface inspection, and metal inspection, are performed based on the product's characteristics. Products that do not meet the specifications are screened (rejected), isolated, and scrapped to avoid non-compliance. The finished product is offered to the consumers. This is the absolute perfect quality insisted on by Standard Foods throughout its production processes.

Standard Foods also highly values training plant process personnel and has invested significantly in yearly training costs. Employees must attend regular training courses to continuously improve their skills and professionalism and obtain process-related certificates. Guarantee to provide consumers with safe and delicious "foods" with peace of mind by constantly strengthening the professional quality of "employees."

Standard Foods tasters must judge the product's condition based on the slightest flavor changes. Any flavor change during manufacturing cannot escape the judges' mouths and noses. Not only are the finished products evaluated, but so are the raw materials used in production. Raw materials are evaluated based on their characteristics before entry, and only those verified to have no abnormal flavor can enter Standard Foods' plants.

The quality assurance department has reviewed each batch of products produced. It employs highly trained ultra-sensitive senses to ensure customers receive the best quality products according to the final level inspection. The goal is to ensure that every grain and drop of each product is of the highest quality for the consumers.

Operation Site Inspection

In addition to implementing high-standard quality control measures for raw materials and finished products, the company also monitors and controls the production line environment, operators, and various utensils. The goal is to ensure food safety and quality to the greatest extent for the consumers.

Flow Design

To effectively maintain the cleanliness and sanitary in the food plants and prevent external pollution sources, the plants' moving lines are designed to prevent pollution from general areas with low cleanliness requirements from entering the production areas with high cleanliness standards. Therefore, the movement flow of personnel and motorized equipment, the flow direction of air, the flow direction of drainage, and the transportation route of raw materials are designed to move from the high-level clean area to the low-level clean area in one direction or shelter buffer areas are provided at the entrance. Cleaning operations are also implemented to maintain clean and hygienic conditions in each area.

Production Line Environmental

The production line environment is kept clean and tidy, and each appliance has its storage and positioning area. Before the production operation starts, pre-production cleaning and inspection are conducted, and the production operation cannot proceed until the production line is confirmed to meet the standard requirements. In addition, different control standards are set up for the production line and equipment according to the requirements of different hygiene levels, and the vectors and microorganisms in the environment are regularly monitored. If the control standard is exceeded, the design is reviewed again to see if there is room for further improvement to continuously optimize the manufacturing environment's cleanliness.

Field Operators

All employees who come into contact with food on the production line must ensure that there are no relevant infectious diseases according to regulations, and health checks must be performed on employees at least once a year to ensure food safety and employee health. Before entering the cleaning operation area, on-site operators must wear hair nets, masks, overalls, and shoe covers according to regulations and thoroughly clean and disinfect their hands. According to the glove management policy, employees must wear designated gloves for areas with high hygienic requirements after cleaning and disinfecting their hands. The Quality Assurance Unit must smear microorganisms on personnel's hands for culture regularly to ensure that the hygienic state of the personnel's hands after cleaning and disinfection meets the control standards.

Machinery and Appliances

If the purchase and installation of various machinery and appliances in contact with food may have an impact on food safety and quality, it must be discussed and evaluated by a professional quality assurance unit to ensure that the materials, designs, and expected operating methods of the machinery and appliances do not jeopardize food safety and quality. The products must undergo appropriate cleaning and disinfection operations according to their properties before production. They include wiping and disinfecting with disinfectant alcohol, cleaning with detergent and water, and confirming the cleanliness of the surface and no detergent residue after cleaning. Then adjust the machine according to the parameter setting of the production specification, and start the production operation after confirming the normal operation.



Investment in Food Safety Equipment

Standard Foods spares no effort to maintain food safety and has invested in high-standard precision instruments that are rare in domestic food plants. They include high-performance liquid chromatography (HPLC), inductively coupled plasma mass spectrometer (ICP-MS), gas chromatography-tandem mass spectrometer instrument (GC-MSMS), and liquid chromatography-tandem mass spectrometer (LC-MSMS). In addition to routine maintenance and calibration of precision equipment, the laboratory is outfitted with automatic temperature and humidity control and monitoring devices to ensure the instruments' accuracy and stability. The technicians also receive regular professional training to ensure inspection quality and adhere to the laboratory quality management regulations promulgated by the Food and Drug Administration, MOHW, when performing various analysis operations. Standard Foods also regularly confirms that the test values meet the recognized standards and compares the test results with industry laboratories. In 2022, the company participated in 41 ability tests, and the results were 100% satisfactory.

Standard Foods high specification equipment list

Name	Location	Description
Microwave Sample Pretreatment_Digestive System	Dayuan Plant	Microwave digestion equipment extracts minerals and potential heavy metals from food. This equipment is mainly used in the extraction of metal ions in food. The extraction procedure involves adding a potent acid solution and the appropriate amount of sample to a sealed reaction bottle that microwaves can easily penetrate. The sample solution's temperature rises, and the pressure builds up quickly when the microwave is continuously irradiated. The sample is completely broken down and dissolved, and the metal ions within it are also dissolved in acidic solutions.
Autoclave	Dayuan Plant	The autoclave is mainly used to sterilize items such as culture medium, consumables, utensils, and waste required for food microbiological testing. The principle is to create saturated steam from water at high pressure and temperature, releasing significant heat energy to kill microorganisms and penetrates pathogenic bacteria.
Gas Chromatograph-Flame Ionization Detector (GC-FID)	Dayuan Plant	A gas chromatograph is an instrument used to analyze volatile compounds in a sample. The instrument consists of 3 parts: Inlet, column (stationary phase), and Flame Ionization Detector (FID). The sample is vaporized into a gaseous compound at a high temperature at the injection port and then transported to the column driven by the mobile phase (helium). Compounds are adsorbed by the fillers in the column, slowing the rate through the column. Since each type of compound interacts differently with the stationary and mobile phases, each compound arrives at the end of the column at different times to achieve separation. As the compounds exit the end of the column, they are passed into a flame ionization detector. During the combustion process, the sample is ionized, and the electronic signal can be detected by utilizing the conductive properties of positive and negative ions. The device analyzes the composition of trans fat, saturated fat, and fatty acid in food.
Fluorescence Spectrophotometer	Dayuan Plant	A fluorescence spectrophotometer is an instrument that emits light energy of a longer wavelength (fluorescence) after detecting the target absorbs light energy of a specific wavelength (UV). The fluorescence intensity emitted by a substance is linearly proportional to its concentration. The equipment is mainly used to analyze vitamin B ₂ in food.
High-Performance Liquid Chromatography (HPLC)	Dayuan Plant	High-performance liquid chromatography (HPLC) is a chromatographic device in which the mobile phase is liquid. The chromatographic system includes a solid or stationary phase and a mobile phase, which have different polarities and non-polar strengths. Due to their polarity, the sample molecules have different affinities with the two phases. Those with high affinity to the stationary phase are prone to retention, and those with high affinity to the mobile phase are easy to flow with the mobile phase, thus achieving the purpose of separation. HPLC can analyze ginsenosides, vitamin A&E in food, glucose, fructose, sucrose, maltose, lactose, lutein, glucosamine, preservatives, aflatoxin, and other targets.

Name	Location	Description
Gas Chromatograph – Tandem Mass Spectrometer (GCMSMS)	Dayuan Plant	<p>Gas chromatography-tandem mass spectrometer mainly consists of 5 parts: injection port, gas chromatography system, ion source, mass analyzer, and detector. The sample to be tested is first vaporized into a gaseous state at a high temperature and is separated in the gas chromatography system via different physical and chemical forces.</p> <p>The separated substances are converted into charged ions, and these charged ions are separated via the electric field (or magnetic field) in the mass analyzer. After the detector detects these ions, the mass-to-charge ratio and the spectrum of relative intensities are called a mass spectrum. This equipment is mainly used to analyze potential hazards in food, such as polycyclic aromatic hydrocarbons (PAHs), glycidyl fatty acid esters (GEs), monochloropropanediol esters, residual solvents, and pesticide residues. The instrument's detection limit can be accurate to the part per billion (ppb) level.</p>
Liquid Chromatography-Tandem Mass Spectrometry (LCMSMS)	Dayuan Plant	<p>A liquid chromatography-tandem mass spectrometer consists of 6 parts: a high-pressure infusion device, sampling system, liquid chromatography system, ion source, mass analyzer, and detector. The principle is to use a high-pressure pump to generate power and make the liquid mobile phase flow. During this process, the mobile phase will drive the analyte through the stationary phase in the liquid chromatography system. Due to the difference between different analytes and the stationary phase, the force between them is different, so there will be different residence times in the chromatography system to achieve the purpose of separation. The separated substances are then converted into charged ions, and these charged ions are separated via the electric field in the mass analyzer. After the detector detects these ions, the mass-to-charge ratio and the spectrum of relative intensities are called a mass spectrum. This equipment analyzes trace harmful substances and nutrients in foods such as plasticizers, multiple mycotoxins, melamine, acrylamide, pesticide residues, and vitamin D3. The instrument can be accurate to the part per billion (ppb) level.</p>
Inductively Coupled Plasma Mass Spectrometer	Dayuan Plant	<p>The principle of the inductively coupled plasma mass spectrometer is to atomize the sample solution to be tested into an aerosol and transport the aerosol containing the metal element to be tested into the plasma through the carrier gas. The principle of the inductively coupled plasma mass spectrometer is to atomize the sample solution to be tested into an aerosol and transport the aerosol containing the metal element to be tested into the plasma through the carrier gas. Under the action of the high-temperature plasma, the aerosol passes through the solvent Evaporation, decomposition, atomization/ionization, and other reactions form the metal elements to be tested into monovalent positive ions and finally analyze the ions with specific mass-to-charge ratios (m/z) by the mass analyzer, and then use the detection system to execute detection. This equipment is mainly used to analyze the content of heavy metals in food, such as arsenic, lead, mercury, cadmium, and other heavy metals. The instrument can be accurate to the part per billion (ppb) level. In addition, this equipment can be further used to analyze inorganic arsenic in food with a high-performance liquid chromatography (HPLC) system.</p>
Inductively Coupled Plasma Optical Emission Spectrometer	Dayuan Plant	<p>An inductively coupled plasma optical emission spectrometer can analyze many elements simultaneously, such as calcium, magnesium, sodium, potassium, and other minerals in food nutrition labels. The principle is to atomize the sample solution to be tested into an aerosol and transport the aerosol containing the element to be measured to the plasma via the carrier gas. Under high-temperature plasma, the aerosol sample is ionized, and the ions emit light with different characteristic wavelengths. The detection system is then used to measure the wavelengths. The instrument's detection limit can be accurate to one part per million (ppm) level.</p>
Rapid Analyzer for Raw Milk Total Bacterial Count	Zhongli Plant	<p>Continuous Epifluorescence Microscopy and Flow Cytometry are used to measure the number of bacteria in raw milk. The number of bacteria in raw milk can be qualitatively and quantitatively determined in real-time. The entire test can be completed within 10 minutes.</p>
Automatic Raw Milk Cell Analyzer	Zhongli Plant	<p>The flow cytometry analysis method can quickly perform raw milk hygiene testing and directly test individual independent bacterial counts and somatic cells. The individual bacterial count (IBC) results can be measured within 9.5 minutes, and the somatic cell count (SCC) can be measured within 1.5 minutes.</p>
MilkoScan FT1 – Versatile Fast Dairy Composition Analyzer	Zhongli Plant	<p>The Fourier Transform Infrared Spectroscopy (FTIR) detection has a special flow path design, which is convenient and simple to operate. Applicable to quality control testing of raw materials, manufacturing processes, and semi-finished and finished products. The types of samples that can be executed include raw milk, fresh milk, flavored milk, yogurt, nutritional formula milk, and plant milk. The entire test time can be finished within 30 seconds.</p>



Inspection Process

Standard Foods has established standard inspection procedures, maintained the accuracy and comparability of the result, and effectively controlled the quality of the company's products. The company also complies with international food management systems and food laws. The company has a management system for quality control and inspection data. For each raw material entering the plant, personnel must log it into the system to create an inspection work order. The system then generates the items and specifications that must be inspected according to the inspection plan stipulated by individual raw materials. The inspectors carry out the inspection work according to the inspection items instructed by the system to ensure that the inspection operations are carried out according to the established items and frequency. After the inspection and the results are registered, the system will automatically compare the specifications and standards. If there is any discrepancy with the specifications, an alarm will automatically pop up, allowing personnel to confirm and process the results as soon as possible. An anomaly handling procedure will be adopted if there are any disqualifications after all inspections have been completed, and an anomaly notice shall be issued directly on the system to facilitate further investigation and tracking. The goal is to ensure that all raw materials have undergone proper acceptance procedures and that all abnormalities are confirmed and handled.

Standard Foods also keeps improving its capacity for inspection and developing inspection techniques to better understand product quality and respond to various emerging risks. The test method was developed according to the Codex Alimentarius Commission (Codex) and the US Food and Drug Administration guidelines. It also complies with the strict requirements of the Food and Drug Administration's food chemical testing method validation specifications (i.e. the requirement that the coefficient of variation [CV,%] for the test repeatability must be less than 10% for analytes with a concentration above 1 ppm). The goal is to check the inspection methods via high standards to ensure credible inspection values. The company has continued to spare no effort in inspecting raw materials, manufacturing processes, and finished products. It spent NT\$196,694 thousand on inspection expenses in 2022, accounting for 1.24% of all turnover (see details).

Inspection



Hazard analysis:

Identify hazard risks, critical control points (CCPs), and effective control measures that should be implemented individually according to the product manufacturing process.

Assess the risk level:

Assess the likelihood and impact of its occurrence based on the hazard risk to interactively display the degree of risk significance.

Inspection plan:

Plan the product's test items, sampling plan, inspection method, compliance standards, etc., for major hazard risks

During Inspection



Sampling and labeling:

The sample information is properly marked, including the system number, sampling date, time, batch, personnel, and other related identifications, and the sample's appearance is also briefly described to confirm whether there is any observable abnormality. Sampling is carried out according to the sampling ratio and sampling method of the sampling plan.

Execution inspection:

Execute relevant inspections according to the inspection plan and make technical records of the inspection process (including original data)

After Inspection



Record and sample retention:

All control operations related to the manufacturing process and quality inspection must be recorded and kept for future reference. The inspection report must be retained for at least five years, and the sampling must be kept until the marked effective date.

Note: The inspection expenses to turnover ratio is calculated as inspection expenses/operating income before write-off.

Inspection Items

The quality assurance team uses the most cutting-edge testing apparatus and adheres to the FDA's or other recognized international testing protocols. The inspection procedures carried out by our food safety laboratory, the accuracy of the inspection procedures, and the inspection instruments are completely in compliance with the law.

Standard Foods Internal Inspection Items List

Location	Self-managed Inspection Items	Item Quantity
Dayuan Plant	Physical methods such as density, residual oxygen, vacuum, etc.	Total 42 items
	Chemical methods include moisture, protein, fat, saponin, vitamins, minerals, plasticizers, heavy metals, pesticide residues, phosphatide in grains, benzene in edible oil, acrylamide in grains, etc.	Total 123 items
	Microbiological testing methods include total bacterial count, Enterobacteriaceae, Salmonella, Listeria, etc.	Total 22 items
Zhongli Plant	Physical methods include particle size, moisture, temperature, specific gravity, total solids, alcohol test, freezing point, inclusions, and flavor.	Total 9 items
	Chemical methods such as animal drug residues, sugar content, acidity, fat, pH value, bacterial activity, ATP smear test, fat-free solids, protein smear test, milk protein, hardness, residual chlorine, raw milk somatic cells, and aflatoxin.	Total 14 items
	Microbiological testing methods include Listeria, Salmonella, Staphylococcus aureus, Enterobacteriaceae, mold/yeast, total bacterial count, lactic acid bacteria, hyperthermic spores, coliform bacteria, and microbiological examination.	Total 10 items
Hukou Plant	Physical and chemical methods include sugar content, viscosity, solids, pH, WPNI, acidity, and colloidal degree.	Total 7 items
	Microbiological testing methods include total bacterial count, Enterobacteriaceae, coliforms, Escherichia coli, mold/yeast, Listeria, Salmonella, Staphylococcus aureus, lactic acid bacteria, and heat-resistant spores.	Total 10 items

Standard Foods' plants have voluntarily established laboratories before regulation requirements. We will continue to optimize the inspection content and lab capabilities according to the law and surpass the regulations' requirements in

light of the ongoing introduction of new products and the pertinent governmental regulations and requirements. The objective is to keep improving and ensure consumer health and food safety. We regularly participate in proficiency tests held by third-party certification laboratories and FAPAS to ensure the correctness and quality of inspection data:

Location	Inspection Items	Item Quantity
Dayuan Plant	Fapas (12): 3 plasticizers in oil, 6 heavy metals in rice, and 3 oil inspection items (AV, POV, oil color).	Total 21 items
	SuperLab (6): Dairy products – Salmonella, Staphylococcus aureus, Enterobacteriaceae in food, molds, and yeasts, Listeria monocytogenes in dairy products	
	Food Institute (3): Infant milk powder – total bacterial count, enterobacteria, and Escherichia coli.	
Zhongli Plant	SuperLab (7): Salmonella, Enterobacteriaceae, total lactic acid bacteria count, Staphylococcus aureus, mold and yeast count, and Listeria monocytogenes in dairy products.	Total 10 items
	Food Institute (3): Total bacterial count, coliform group, Escherichia coli.	
Hukou Plant	SuperLab (7): Dairy products – Salmonella, Enterobacteriaceae, molds and yeasts, Listeria monocytogenes in dairy products, total lactic acid bacteria, and Staphylococcus aureus.	Total 10 items
	Food Institute (3): Total bacterial count, coliform group, and Escherichia coli.	

Standard Foods External Inspection Items List

Location	Inspection Items	Item Quantity
Dayuan Plant	Multiple pesticide residues, polar pesticide residues, livestock pesticide residues, animal drug residues, water quality inspection, packaging material and dissolution test, plasticizers, heavy metals, bisphenol A, melamine, monochloropropylene glycol, glycidyl esters, mycotoxins, Aflatoxin M1, artificial colors, preservatives, sweeteners, antioxidants, maleic acid, sulfur dioxide, nutrients, non-nutrients, minerals, benzopyrene, PAH4, total polar substances, copper chlorophyll, dioxin, polychlorinated biphenyls, hygienic indicator bacteria, pathogenic bacteria, etc.	Total 377 items
Zhongli Plant	Multiple pesticide residues, animal drug residues, dioxin, benzopyrene, plasticizers, heavy metals, etc.	Total 76 items
Hukou Plant	Multiple pesticide residues, animal drug residues, dioxin, benzopyrene, plasticizers, heavy metals, etc.	Total 81 items



Food Safety Training

Many food safety issues have erupted in recent years both at home and abroad, which not only have a negative impact on the public but also have certain damage to the food industry's goodwill and directly lead to the deepening of public distrust of food safety issues. In light of such internal and external challenges, we must uphold food safety operating principles and recognize the importance of food hygiene and safety in the management system. That is why the company provides rich and diverse internal and external training courses for internal supervisors and employees. The courses cover food hygiene and safety, hazard analysis, food traceability, food protection, food laws, and other related issues to improve food safety management performance and reduce hazards during product manufacturing.

In 2022, 3,893 company employees participated in food safety education and training, with 108 sessions and 3,974 course hours. In the future, Standard Foods will continue providing more external food safety training courses to internal personnel to help them grasp food safety knowledge related to food safety regulations, international trends, and major food safety incidents in real-time to strengthen their food safety protection awareness. In 2022, the Standard Foods Group has retained various professionals related to food safety and hygiene, and the relevant professional certification items are summarized as follows:

Item	Professional Certifications	Dayuan	Zhongli	Hukou
1	Food Technician	▲	▲	▲
2	Intermediate Food Quality Assurance Engineer	▲		
3	Junior Food Quality Assurance Engineer	▲	▲	
4	Control Quality Technician (CQT)	▲	▲	
5	Junior Healthcare Food Engineer	▲	▲	
6	FSSC 22000 Lead Food Safety Control System Auditor	▲		
7	SQF Practitioner	▲	▲	▲
8	Preventive Controls Qualified Individual (PCQI)	▲	▲	
9	Nutritionist	▲	▲	
10	Class-B Inspection and Analysis Technician	▲	▲	
11	Class-C Inspection and Analysis Technician	▲	▲	
12	Class-B Chemical Technician	▲		
13	Class-C Chemical Technician	▲		

Item	Professional Certifications	Dayuan	Zhongli	Hukou
14	Class-C Chemical Industry Technician	▲		
15	Canned Food Quality Control Personnel			▲
16	Sealed Product Quality Control Personnel			▲
17	Class-B Wastewater Treatment Technician	▲	▲	
18	Class-C Tap Water Laboratory Personnel	▲		
19	Junior Microbiology Laboratory Quality Manager	▲		
20	Specific Chemistry Operation Supervisor	▲	▲	
21	Class-C Chinese Food Technician	▲		
22	Class-C Baking Technician	▲	▲	
23	Class-C Chinese Rice Food Processing Technician	▲		
24	Class-C Chinese Pasta Processing Technician		▲	
25	Vector Control Operation Spray Applicator	▲	▲	▲

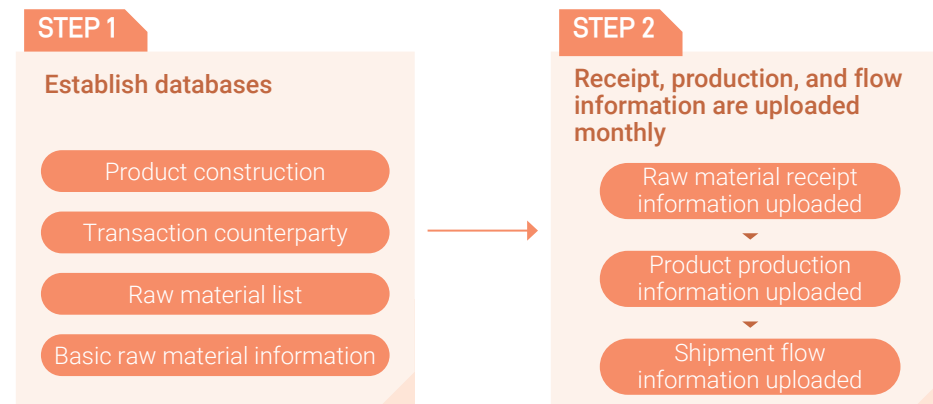
Food Traceability Management

Standard Foods products had established a traceability system to grasp the source of raw materials and the flow of products before the Ministry of Health and Welfare required the food industry to establish a traceability system. Fully upload relevant production information according to the law to the "Food Traceability and Tracking Management Information System (Mandatory Tracking)." We can pledge to the consumers that 100% of Standard Foods' products are traceable and can be tracked. Trace the source of product supply and track the sales flow of finished products through marking methods for all aspects of the raw material supply process. The entire process includes establishing the system and management measures; further refining product management and perfecting production, supply, and marketing records; and recording the production history. The main information items for raw material traceability include:

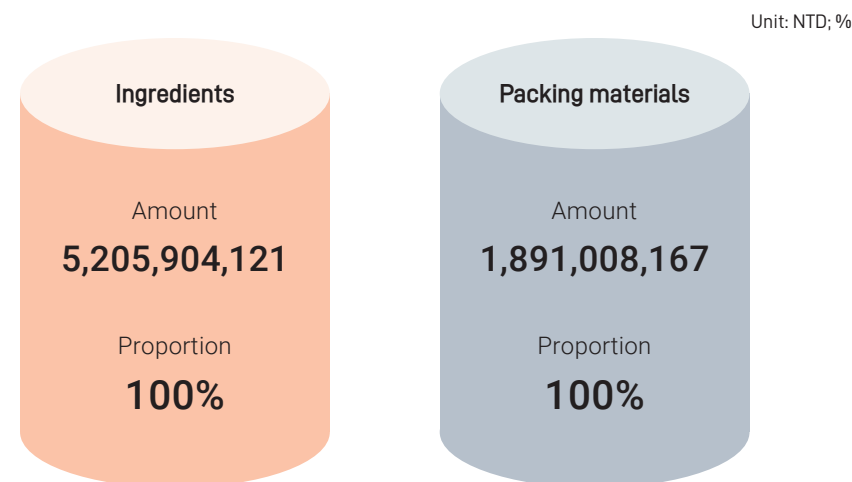


Note: Include the name, total weight, or total capacity of raw materials and products in stock, the name, total weight, or total capacity of raw materials and products scrapped (including after the effective date), treatment measures, causes of occurrence and the source and flow direction of other effective serial products to track down management information or records.

Source traceability login process



Standard Foods' traceable raw material procurement amount and proportion in 2022



Note: The ratio is the traceable purchase amount of this type of raw material/the total purchase amount of this type of raw material.



Source Management

Standard Foods firmly believes that good quality must start from the source. High-quality raw materials can produce high-quality products. We only select new legal and well-reputed suppliers regarding raw material suppliers after confirming that their raw materials and quality management system comply with laws and regulations and that they can meet the company's quality specifications before becoming qualified suppliers. We will continue to evaluate supplier qualification and performance annually, considering factors such as audit, delivery performance, service, and price to determine the grades of suppliers.

For key raw materials such as oats, Quaker has selected oats from Australia because its local agriculture is mature, its legal system is sound, and the source of crop growth has good management, including the environment in which oats grow, planting operations, and pest control. These are the conditions to produce good food raw materials. Each batch of Standard Foods' raw oat materials must undergo multiple inspections for pesticides, heavy metals, and flavor evaluation. The quality of oats is rigorously tested before being used to produce products such as Quaker Instant Whole Oats and Standard Foods Oat Drink to offer consumers safe and healthy options.

Fresh Delight's "Fresh Milk" is selected by local dairy farmers in Taiwan to create a suitable pasture environment through dairy farmers, where exclusive rations are carefully prepared according to the different conditions of the cows to take care of each cow. Fresh Delight and the dairy farmer inspect the milking machine regularly to ensure the cows' health and the raw milk's freshness and quality. This ensures that the cows are not over-milked, and the physiological balance of the cows is maintained. Before entering the plant, raw milk must pass through multiple strict inspections to ensure that it meets the national standard (CNS3055) as well as strict self-inspection standards such as acidity, alcohol test, milk protein, raw milk somatic cells, hydrogen peroxide, and animal drug residues. A total of 17 items and more than 74 kinds of inspections, including the total number of bacteria, are conducted to ensure that the quality of raw milk meets the standards before it enters the plant's vats and the manufacturing process to produce high-quality products.

Food Safety Monitoring Plan

The Ministry of Health and Welfare started developing and implementing food safety regulations in stages in 2016 to ensure that the industry implements various food safety management systems for first-level quality control. Monitoring plan. 25 categories of food operators, including manufacturers, processors, distributors, sales, and importers, are required to implement the plan. [Food Businesses that Must Establish a Food Traceability System]

We are committed to providing hygienic and safe food products. Standard Foods has implemented monitoring plans according to regulatory progress and passed all external audits. The monitoring plan management system has been popularized for all product categories throughout our plants since 2018. The risk assessment and hazard analysis control spirit are fulfilled concerning each product's source, import, manufacture, and storage characteristics throughout the various important control segments to perform the management responsibilities and provide the safest products to consumers.

Product Labeling

Standard Foods Group prioritizes consumer needs, leverages its core competencies to create product value, and communicates with consumers openly and honestly. We adhere to responsible marketing, have established strict regulations from product labeling to post-sales service, and always strive to protect consumer rights. Product labeling and marketing concepts are examples of product information that customers can obtain firsthand. Regarding packaging labeling, we adhere to the method of information transparency and non-exaggeration, and we label the ingredients used using national regulations as the minimum standard. During the reporting period, the total times of recalled products was 0 times, the total weight of recalled products was 0 metric tons, and there were 0 violations of product and service information and labeling regulations. There were 2 marketing and communication regulation-related violations. They violated Paragraph 1, Article 28 of the Act Governing Food Safety and Sanitation and Paragraph 1, Article 14 of the Health Food Control Act, which have been improved and paid for.

Furthermore, Standard Foods' Quality Assurance Division has established the Food Safety Management Department – Labeling and Regulations Team, which actively responds to relevant regulatory changes in addition to packaging labeling and advertising review work:

- **Immediately pay attention to the food safety and sanitation management law and its related regulations:** "Scope and Limits of Food Additives Usage and Specification Standards" (gas)/"Packaged Food Nutrition Labeling Compliance Matters"/"Usage Limits and Labeling Regulations for Food Raw Material Aloe Vera"/"Food Safety Monitoring Plan Guidelines Formulated by Food Manufacturers"/"Regulations on Labeling of Packaged Honey and Syrup Products"/"Guidelines for the Management of Melamine Detected in Food"/"Hygienic Standards for Contaminants and Toxins in Food"/"Inspection Methods for Pesticide Residues in Food – Multiple Residue Analysis Method (5)," "Registration Application Dates for Types, Scales, and Implementation of food business operators," "Labeling for Specific Disease Formula Foods"/"Labeling for Health Food"/"Guidelines for Determining the Expiration Date of Commercially Available Packaged Foods."
- **If there are new amendments, such regulations must be identified. Adopt the corresponding measures to ensure compliance** and provide consumers with correct and complete product purchasing information.
- **Host internal-related education and training:** Every year, the company organizes education and training on internal labeling, advertising-related laws and regulations, product-related food regulations updates, and illegal advertising cases to continuously improve the marketing personnel and inspectors' business execution capabilities.

The group has established a packaging label review process, which combines marketing, R&D units, and the group's Food Safety Management Department to jointly review packaging labeling and advertising trademarks, brand names, nutrition labels, environmental protection recycling labels, manufacturing origin, and certification marks. The goal is to give consumers a correct understanding of the products and avoid misunderstanding.

▼ Standard Foods product/ad label review process





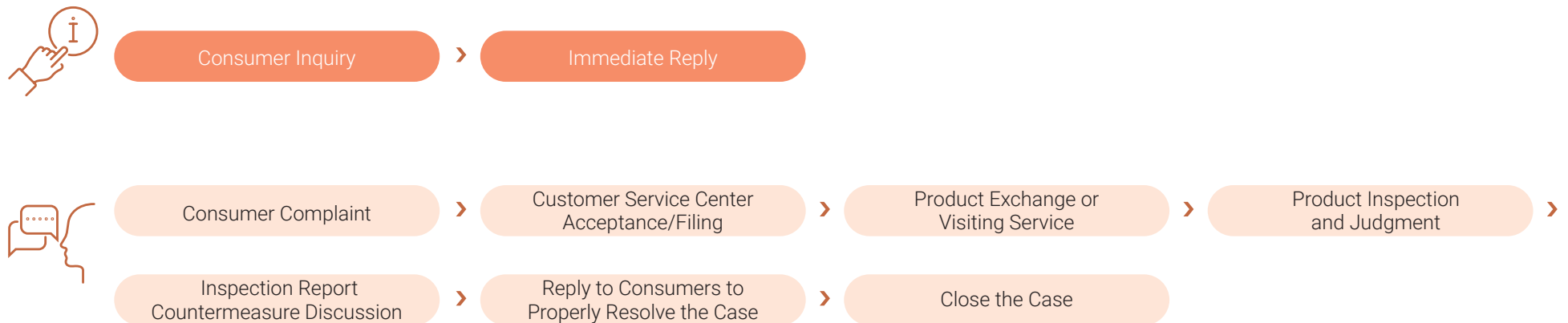
Consumer Product Consultation and services

Standard Foods listens to the voices of consumers through multiple service channels, such as an 0800 customer service hotline, a customer service mailbox, a Standard Foods Health Go customer service, a Line online instant customer service, and a Facebook fan group to provide customers with professional nutrition consultation and product-related services.

The company regularly trains dedicated nutritionists and customer service staff. Everyone who contacts customers must have professionalism, sincerity, patience, and communication skills to properly resolve the relevant problems consumers raise on products, nutrition consultations, channels, and gift activities.

"Serving consumers sincerely" is the unchanging principle of Standard Foods. Standard Foods believes that consumer support and product trust are the values that demonstrate the value of a company or brand. Standard Foods has conducted at least 100 focus group conversations annually and collects research reports on consumer purchasing behavior every month to better understand the consumers' true needs and thoughts. The 0800 customer service hotline established by Standard Foods answers hundreds of inquiries from consumers daily in the hopes of resolving the consumers' doubts at first instance, letting consumers feel the sincere and caring services, and truly understanding the consumers' expectations.

◀ Consumer Service Workflow



Consumer Satisfaction Rate

Standard Foods adheres to the corporate mission of "Nutrition and Health Partner for the Whole Family" and is dedicated to good nutrition. Our goal is to improve Taiwanese consumers' nutrition and health through food. We will continue to pursue excellence in food to help more Taiwanese consumers live happily for "every moment of life!" Every year, we have conducted brand preference surveys to better understand consumers' brand preferences, hear their voices and suggestions, and continue to improve services. Our products have also won external brand awards for five consecutive years

Standard Foods regards consumer feedback as an important basis for improving customer relationship development. We strive to learn about customer needs through various channels and collaborate with internal departments to improve. Responding to consumer opinions and important customers' responses, they are immediately reported to relevant units for follow-up processing. At the beginning of each month, we will remind the responsible unit to track the important responses from the previous month. We also track product response and improvement each quarter and analyze appropriate improvement plans for important products annually to establish a comprehensive customer demand response process.

Consumer Personal Data and Rights Protection

Standard Foods complies with the relevant provisions provided by the Consumer Personal Data Protection Act to protect customers' data and related rights and interests and has allocated considerable resources to formulate and implement the personal data file security maintenance plan. We also hold personal data protection-related education and training courses to promote law awareness, formulate privacy policies and legal provisions, and publish them on Standard Foods' official website/ e-store. Standard Foods will continue to implement personal data file security maintenance plans to implement personal data protection for customers.

Standard Foods customer service status from 2021 to 2022

2021		2022	
Number of responses	31,869	Number of responses	32,762
Response rate	100%	Response rate	100%



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Chapter 4

Supply Chain Management

Management Policy

Linked SDGs



Major Topics

Correspond to GRI Indicators

Policy or Commitment

Indicators and Goals

Effectiveness Tracking Mechanism

2022 Actions and Measures

Standard Foods' Management Status for the 2022 Major Topic "Supply Chain Management"

Supply Chain Management

GRI 308-1
GRI 414-1

Establish a solid relationship with suppliers, practice responsible production, and create a sustainable supply chain.

Short-term goals

- Develop secondary suppliers and increase supply chain flexibility in response to climate change and international wars.
- In 2023, the number of suppliers audited increased to 89, which is 1.89 times that of 2022
- Add sustainability-related clauses to the supplier contract

Medium-term goal

- Add ESG standards to supplier audits
- Hold a supplier conference to communicate sustainable goals

Long-term goals

- Work with suppliers to create a sustainable supply chain

Conduct annual supplier audits

- Conduct social risk and human rights impact assessments for 91% of raw material suppliers.
- Inventory supplier supply stability and develop multiple suppliers

Management Policy

Linked SDGs

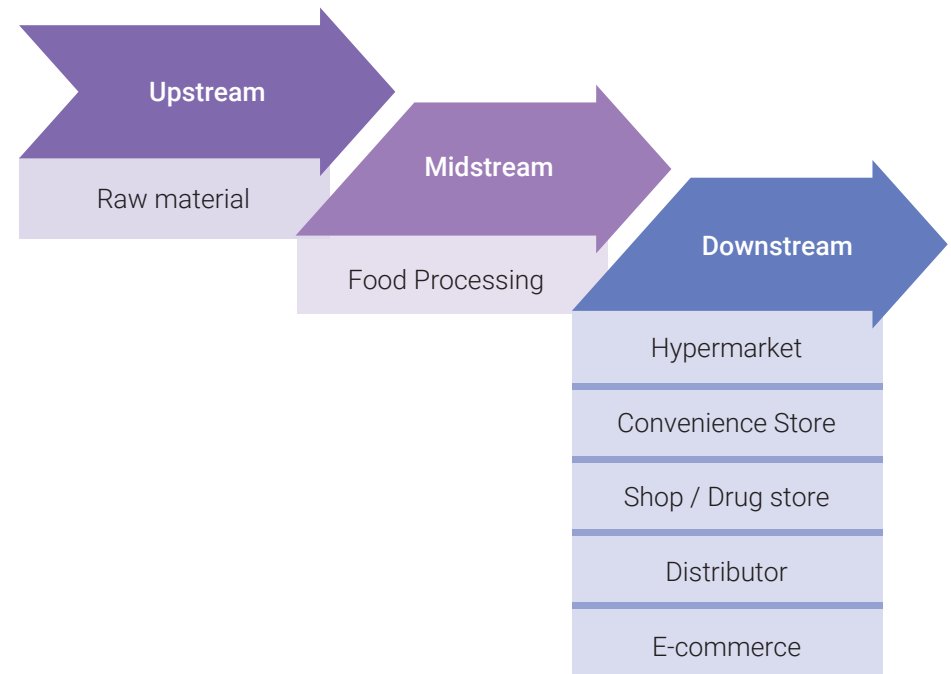


Standard Foods' Management Status for the 2022 Major Topic "Procurement Practices and Management"	
Major Topics	Procurement Practices and Management
Correspond to GRI Indicators	GRI 204-1
Policy or Commitment	Maintain the raw material supply stability via a diverse procurement strategy to ensure products are in stock and enable consumers to obtain nutritious and healthy products.
Indicators and Goals	<p>Short-term goals</p> <ul style="list-style-type: none"> ➤ Develop raw material sources from different origins; increase supply flexibility and stability; and allow on-time, in-full (OTIF) to reach 80% ➤ Promptly propose supply risk countermeasures and adjust procurement strategies according to the industry and procurement status analysis. <p>Medium-term goal</p> <ul style="list-style-type: none"> ➤ Develop alternative sources for bulk raw material supplies. <p>Long-term goals</p> <ul style="list-style-type: none"> ➤ Develop raw material procurement strategies according to external impacts.
Effectiveness Tracking Mechanism	Regularly review the raw material supply stability each month
2022 Actions and Measures	<ul style="list-style-type: none"> ➤ Encourage raw material circulation optimization projects to increase plant safety stock, particularly raw materials from war-torn areas, to place orders and conduct purchases in advance to prevent out-of-stock risks due to uncontrollable factors. ➤ To support local economic development, the proportion of local procurement is 67.15%. ➤ Reduced the carbon footprint of operations and products, and the green procurement ratio is 93.49%.

Sustainable Value Chain

Quality is the soul of a product and the life of an enterprise. Standard Foods has long focused on supply chain management and is committed to increasing the transparency and traceability of the food supply chain. The goal is to implement advanced and comprehensive quality inspection technology; collect and analyze relevant supply chain process data; implement comprehensive quality management, information transparency, and connectivity; and improve overall supply chain quality and efficiency. During the reporting period, there were no significant changes in the scale, structure, or ownership of the Standard Foods organization.

Industrial Value Chain of Standard Foods Company





Supply Chain Management Policy

Standard Foods has always adhered to the food safety and environmental sustainability principle. This principle is implemented in "supply chain management," which identifies raw materials that are beneficial to the human body and environmentally friendly from the source and subject them to strict process control to reduce waste and maximize utilization in manufacturing. Conduct quality inspection for every item before the food items leave the plant and are delivered to consumers to ensure safety and hygiene standards and protect the health of the citizens. We also collaborate with various qualified suppliers to take responsibility and contribute to environmental sustainability.

For important raw materials, Standard Foods' quality assurance and procurement colleagues will observe the external environment of the supply farmland to understand the surrounding conditions and ensure the water source is pure, and then observe whether the quality of the farmland and the planting method meet the standards. Finally, they will inspect the processing status and the plant environment to ensure they are up to standard. Only when all internal and external items are qualified can a supplier become a Standard Foods supply partner. Standard Foods has adopted management from the source as essential to ensure food safety and quality.

Standard Foods has formulated the "Supplier Management Procedures" for raw material suppliers and the "Contractor Management Measures" for contractors to strengthen the sustainable management of the supply chain. The goal is to enable the assessment team to conduct annual written or on-site supplier and contractor inspections and unscheduled audits based on these standards. The company shall select the manufacturers to be audited according to the quality evaluation results of the previous year. The quality control and purchasing units form an audit team and conduct on-site audits using the supplier audit management method. If the audit process showed serious pollution risks in the manufacturer's production operations or incomplete tracking or traceability information, the supplier must follow the company's regulations and reply within 14 days after the audit to propose corrective and improvement measures for the deficiencies.

Raw Material Management

Professionals in the quality assurance department must strictly check each batch of raw materials before entering the plant, and it can only be accepted if it meets the specifications and standards. The inspection scope includes physical indicators (appearance, smell, density, etc.) and chemical indicators (pesticide, heavy metal, important functional substance, etc.). The qualified raw materials (ingredients) are then stored in the warehouse. All raw materials must pass the company's internal professional inspection and go through an external third impartial unit for inspection when necessary to ensure that Standard Foods approve each batch of incoming raw materials and is safe and sound.

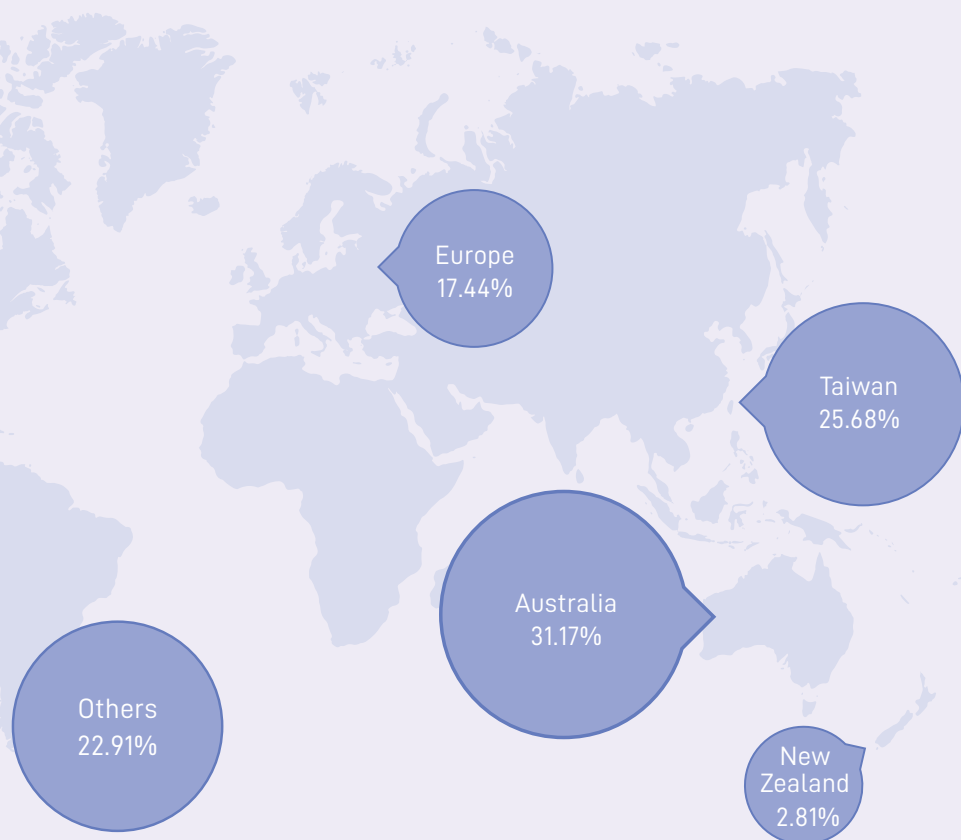
All raw materials must be stored at a specific temperature to maintain the quality and freshness of raw materials, and the expiration date is strictly controlled. Standard Foods' specially designed food raw material warehouses are to be divided into normal temperature warehouses (room temperature), air-conditioned warehouses (below 30°C), refrigerated warehouses (0–7°C), and frozen warehouses (–18°C and –45°C). These important raw materials are cared for in the most suitable preservation environment to prevent deterioration.

▼ Description of Standard Foods Raw Material Management Items and Measures

Ingredients

Standard Foods' main products are oatmeal, oil, supplements, and dairy products. Except for raw milk from Taiwan, most raw materials are from Oceania (New Zealand or Australia), America, and Europe. The quality of all raw materials must comply with regulations and TFDA standards. Price is not the only concern for selecting a supplier. Even if a supplier's price is low, the qualified supplier may be excluded if the quality of the raw material is unstable. Only the suppliers who can help to provide consumers with high-quality and stable products can become our long-term cooperative partners.

The proportion of origin for the raw materials consumed in 2022



Note: The source of data is the raw material composition data of Standard Foods' Dayuan, Zhongli, and Hukou plants in 2022, and the total weight of raw materials consumed in 2022 was 74,211 metric tons.

Packing Materials

The main packaging materials Standard Foods uses are glass, iron, aluminum cans, plastics, carmetric tons, etc., according to the material. The packaging materials are selected based on the following four indicators:

Quality and safety



All packaging materials that come into contact with food must meet the "Hygienic Standards for Food Utensils, Containers, and Packaging" specifications to ensure that the packaging materials that come into direct contact with food are safe and sound.

Environmental protection and recycling



All product packaging is marked with the Environmental Protection Agency's national recycling logo to remind consumers that the resources can be recycled after use. Standard Foods uses cartons made of environmentally friendly recycled pulp to fulfill its sustainable environmental protection concept, carefully selects suppliers who pass product inspections, and is committed to reducing the amount of product packaging consumables to slow the rapid reduction of trees due to human overexploitation.

Garbage reduction



Before gift box products are put on the market, their packaging is reviewed according to the Environmental Protection Agency's "Restricting Excessive Packaging of Products" regulations to avoid excessive waste.

Green ecology



With growing awareness of green consumption, Forest Stewardship Council (FSC) certified packaging materials accounted for 40.30% of the paper packaging materials used for Standard Foods and Standard Dairy products. Among them, the True Milk series has adopted 100% FSC-certified packaging.

Supplier Risk Assessment

For important raw materials, Standard Foods' quality assurance and procurement colleagues will observe the external environment of the supply farmland to understand the surrounding conditions and ensure the water source is pure, and then observe whether the quality of the farmland and the planting method meet the standards. Finally, they will inspect the processing status and the plant environment to ensure they are up to standard. Only when all internal and external items are qualified can a supplier become a Standard Foods supply partner. Standard Foods has adopted management from the source as essential to ensure food safety and quality.

The willingness and commitment to continuous improvement are required to become a raw material and ingredient supplier of Standard Foods. Standard Foods will continue to encourage and require suppliers to pass relevant quality system verification, such as ISO 22000, SQF (food safety quality standard), BRC (British Retail Consortium's global food safety standard), FSSC 22000, and IFS. Decent and excellent suppliers are selected to ensure the quality of raw materials and ingredients through a systematic and continuous evaluation mechanism so we may produce safe food products for the citizens. In 2022, the organization and suppliers of the supply chain maintained stable cooperation without major changes.

- ▶ Obtained legal food plant registration certificate and company business license. (Foreign suppliers must be food manufacturing companies established in compliance with the local laws and regulations of the host country)
- ▶ The supplier's quality system or products comply with GMP, HACCP, ISO 22000, SQF, and other quality verifiers.

In 2022, a total of 219 Standard Foods' suppliers (193 raw material suppliers and 26 ingredient suppliers) have implemented the HACCP management system or have obtained higher-level international certification such as ISO 22000 or other GSFI-approved food safety management system certification.

Environmental Risks



21.65 % of primary raw material suppliers passed ISO 14001

Standard Foods has continued to require "main raw material suppliers" to obtain ISO 14001 environmental management system certification to reduce environmental risk impacts. In 2022, we conducted environmental risk impact assessments for 9 primary raw material suppliers. Two suppliers have passed the ISO 14001 environmental management system verification, accounting for about 21.65%. The remaining seven suppliers have not passed the verification. After evaluation, we confirmed that all major raw material suppliers have no significant actual or potential negative impact on the environment.

Social Risks



To avoid social risks related to human rights violations in the supply chain, Standard Foods has conducted social risk and human rights impact assessments for 273 of its raw material suppliers in 2022 (91%) based on their annual supplier evaluation grades, media reports, brand value, and audit performance. The goal is to ensure their labor rights, safety, and health standards can meet the company's bottom line requirements and the company can adopt effective measures to prevent negative events.

Governance Risks



100% of Standard Foods' suppliers must pass the initial qualification review, sample test, on-site supplier audit, and annual evaluation. Every qualified supplier needs to pass these inspections. For example, suppliers must have company registration, business registration, plant registration, and other legal registration certificates. Before the purchase is finalized, the relevant departments, such as R&D, must approve the samples. Before purchase, a complete raw material composition specification and data must be provided for analysis and comparison. Raw materials imported abroad must have a license and cannot alter the packaging or replace the label. Pass the on-site audit and become qualified. After evaluation and approval by the supervisors of relevant units, only those who meet the standards can be accepted as qualified suppliers.

Supply Chain Assessment and Audit

Supplier Evaluation

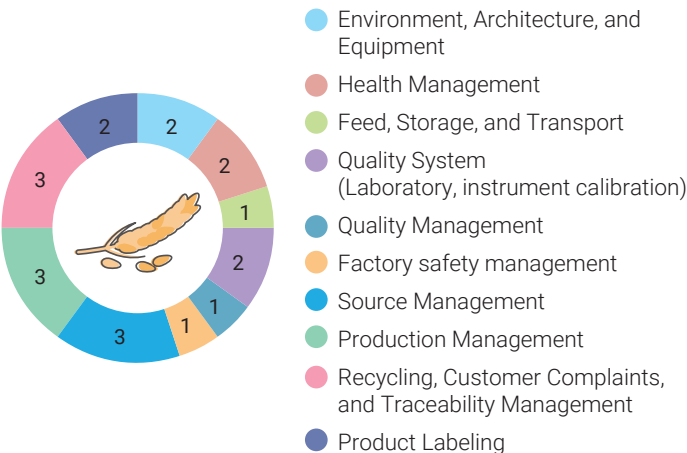
Standard Foods visits and communicates with suppliers and contractors to understand the status of our partners' implementation of laws and regulations and ensure or remind them to comply with the various laws and regulations. In addition, the company also regularly evaluates suppliers and contractors. After the evaluation, the suppliers are divided into excellent, good, acceptable, or observation grades. After the contractor is evaluated, the results are divided into A (no risk), B (low risk), C (medium risk), and D (high risk) grades. Those who are rated with observation and D grades are disqualified manufacturers. Counseling or stricter management will be provided to such manufacturers depending on the situation, and alternative suppliers will be found.

We weighed the degree of significance of the operational impacts to adjust the proportion of supplier evaluation items. In 2022, the company's supplier evaluation items and proportions included: 60% quality assurance, 15% reasonable price, 15% stable delivery time, and 10% service and technical improvement. Standard Foods' supplier evaluation results as follows:

Supplier Audit

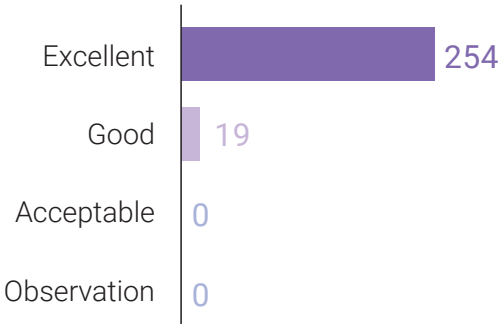
Each year, Standard Foods will determine the supplier audit plan for the next year based on the supplier evaluation results to ensure that all supplier partners can meet the relevant food safety and quality requirements. COVID-19 still posed a challenge in 2022. Therefore, the company still prioritized auditing high-risk suppliers and conducted unscheduled audit arrangements for new suppliers or suppliers with major anomalies to ensure smooth communication. There is a consensus on the importance of maintaining safety and quality, resulting in a cooperative relationship based on mutual trust and benefit.

▼ **Supplier audit items** (the weight will have different ratios depending on the type of trader or manufacturer, and the table below is only for manufacturers)



▼ Standard Foods' 2022 Supplier Evaluation Results

Posed suppliers: 273



▼ Standard Foods Supplier Audit Implementation in 2022

On-site Audit	Number of expected on-site audit	47
	Number of on-site audit	69
	Number of disqualified suppliers	5
	Number of qualified suppliers	64
	Percentage ^(Note)	25.27%

Note: The percentage of audit calculation refers to the percentage of suppliers who have made purchases this year and have been audited



Sustainable Procurement

In our important operating bases (including the operating boundaries mentioned in this report), we also try to use local procurement to reduce carbon emissions in long-distance transportation and support local business development. In 2022, the proportion of local procurement in total expenditure was about 68.31%. In the future, Standard Foods will continue to maintain this level, further evaluate the feasibility of expanding the proportion of local procurement, and set specific goals.

▼ The proportion of Standard Foods' Local Procurement in the Past 3 Years

Unit: NTD

Year	2020	2021	2022
Local Procurement Amount	7,342,067,744	6,395,050,371	7,370,025,929
Total Procurement Amount	9,706,423,602	8,828,526,284	10,976,060,344
Local Purchase Amount Ratio	75.64%	72.44%	67.15%

Note: The location of local procurement is defined as Taiwan.

Standard Foods has continued to promote environmental protection policies in recent years. All units are encouraged to use environmentally friendly green products and promote energy-saving and waste-reduction projects. The company has promoted green procurement policies, purchased energy-saving equipment (such as inverters, high-efficiency IE3 motors, LED lights, air-conditioners, and UPS uninterruptible power systems), and products with environmental protection labels, energy-saving labels, water-saving labels, etc.

▼ Proportion of Standard Foods' Green Procurement in the Past 3 Years

Unit: NTD

Year	2020	2021	2022
Green Procurement Amount	68,206,892	83,477,355	81,547,227
Total Procurement Amount	74,254,214	109,548,018	87,222,488
Green Procurement Amount Ratio	92%	76%	93.49%

Note: Green procurement is defined as products with domestic and foreign environmental protection labels; or energy-saving, water-saving, green building material label products; carbon footprint, carbon reduction label products; or products with FSC, PEFC sustainable forestry, Taiwan timber labels, and other certifications.





Chapter 5

Environmental Protection

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Management Policy

Linked SDGs



Major Topics	<p>Standard Foods' Management Status for the 2022 Major Topic "Energy and Greenhouse Gas Management"</p> <p>Energy and Greenhouse Gas Management</p> <p>GRI 302-1, GRI 302-3, GRI 302-4, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5</p> <p>Continue to optimize energy efficiency, introduce greenhouse gas inventory, and achieve carbon reduction targets every year.</p> <p>Short-term goals</p> <ul style="list-style-type: none"> ➤ In 2023, we will introduce the ISO 14064-1 greenhouse gas inventory for 4 group facilities and complete the third-party verification in November 2023. ➤ In 2024, we will complete the group-wide greenhouse gas emission inventory and verification. ➤ We plan to assist 7 business offices in completing the ISO 14064-1 greenhouse gas inventory and verification in 2024. ➤ Introduce the CDP Carbon Disclosure Project. ➤ The energy management policy states that all employees must participate in energy conservation and carbon reduction. ➤ Actively promote energy conservation and strengthen energy self-management. <p>Medium-term goal</p> <ul style="list-style-type: none"> ➤ Total carbon emissions will drop by 3% in 2025 (based on 2022, unit: metric tons/NT\$ 10,000 of revenue) ➤ The plant's energy efficiency is improving, and the use of renewable energy will reach the goal of 3%-4% of the power consumption of the third plant by 2025. ➤ Introduce a comprehensive TPM system in the plant, which is expected to reduce energy consumption by 1%-2% and carbon reduction benefits by 5%. ➤ In 2025-2026, we will assist subsidiaries in inheriting and completing the ISO 14064-1 greenhouse gas inventory and setting the group's long-term carbon reduction goals. ➤ Purchasing energy-saving products to improve energy efficiency. <p>Long-term goals</p> <ul style="list-style-type: none"> ➤ Reduce carbon emissions by 5% in 2027 (based on 2022, unit: metric tons/NT\$ 10,000 of revenue) ➤ Use green building materials, expand greening around the plant, adopt gravity transportation to reduce power consumption, and plan efficient public equipment. ➤ Adopt the SBTi Science-Based Carbon Reduction Targets initiative to advance carbon reduction intensity scientifically.
Indicators and Goals	<ul style="list-style-type: none"> ■ Pass the annual renewal verification ■ Crash hour record ■ Energy budget and out-of-pocket control
	<ul style="list-style-type: none"> ➤ Introduce the ISO 14064-1 greenhouse gas inventory for 4 group sites and the third-party verification will be completed in November 2023. ➤ Starting from December 26, 2022, the lights in the office area were turned off for one hour at noon every day according to the energy saving and carbon reduction policy. ➤ In 2022, the company introduced multiple energy and carbon reduction schemes, reducing emissions by 360 metric tons of CO₂e. ➤ Replaced the old and new ice machines in the Hukou plant's cold storage to comply with the regulations on the R22 refrigerant ban. ➤ Executed the refinery production rationalization project, which is expected to save 54 thousand kWh of electricity/year.
Effectiveness Tracking Mechanism	
2022 Actions and Measures	



Standard Foods' Management Status for the Major "Climate Change Response" Topic in 2022	
Major Topics	Response to Climate Change
Correspond to GRI Indicators	GRI 201-2
Policy or Commitment	Effectively respond to the impact of climate change on Standard Foods' operations via the climate-related financial disclosure (TCFD) framework, strengthen climate adaptation capabilities, and improve organizational resilience.
Indicators and Goals	<p>Short-term goals</p> <ul style="list-style-type: none"> ➤ Incorporate environmental protection requirements into supplier review conditions and pursue sustainable development for the overall supply chain. ➤ Establish a remote backup system to reduce the impact of natural disasters on the company's information system. ➤ Strengthen equipment maintenance to maintain high-efficiency operations. Cooling towers are replenished with soft water to reduce the scaling of heat dissipation materials and maintain efficient heat transfer.
	<p>Medium-term goal</p> <ul style="list-style-type: none"> ➤ Increase the purchase and use of low-carbon energy equipment. ➤ In 2023, the Dayuan plant is expected to conduct a solar panel installation evaluation. ➤ Solar panels are expected to be installed by 2025 with a 500KW energy storage system to stabilize renewable energy generation. Renewable energy will account for 3% of total electricity consumption.
Effectiveness Tracking Mechanism	<p>Long-term goals</p> <ul style="list-style-type: none"> ➤ Continue to study and discuss climate change risks and handling methods to enhance the company's resilience.
	<ul style="list-style-type: none"> ■ Monthly Executive Meeting ■ Environmental Sustainability Committee Meeting ■ Total No. of Supplier Audit
2022 Actions and Measures	
<ul style="list-style-type: none"> ➤ Cooperate with external consultants to introduce greenhouse gas inventory and mentoring programs. ➤ Diversify products to spread raw material risks. Five new cereal products with 23 specifications were launched in 2022. ➤ The construction cost is 3.3 million to build a remote backup system, and the annual maintenance cost is about 500,000. 	



Standard Foods' Management Status for the 2022 Major Topic "Product Lifecycle Management"	
Major Topics	Product Lifecycle Management
Correspond to GRI Indicators	Custom Topics
Policy or Commitment	Ensure that the packaging material is safe for product quality, increase the proportion of environmentally friendly and recyclable packaging materials, reduce the weight of plastic and packaging materials, and actively promote the company's sustainable development.
Indicators and Goals	<p>Short-term goals</p> <ul style="list-style-type: none"> ➤ Continue to develop R&D and innovation of new products and services, invest R&D funds, and increase marketing efforts for new products and packaging materials. ➤ Launch the environmental protection packaging material project that covers 3 sub-projects: lightweight packaging materials, green packaging materials, and recycling and reuse of packaging materials. ➤ Fully promote the packaging material lightweight plan, and set the weight reduction by 7%–24% according to the product material.
	<p>Medium-term goal</p> <ul style="list-style-type: none"> ➤ Fully promote the green packaging material plan, and strive to simplify materials. ➤ R&D of New Style/Sustainable Packaging ➤ Equipment Upgrade And Replacement
Effectiveness Tracking Mechanism	<p>Long-term goals</p> <ul style="list-style-type: none"> ➤ Fully promote the recycling and reuse of packaging materials. ➤ Continue to innovate, develop, and conduct clinical trials of various new products. ➤ Continue to upgrade and improve existing products' formulas and packaging to offer consumers more effective and convenient products.
	<p>R&D meeting</p> <ul style="list-style-type: none"> ■ Regular follow-up on related projects in R&D meetings. ■ Health Food Certification ■ Award Honors
2022 Actions and Measures	
<ul style="list-style-type: none"> ➤ Complete the pre-assessment of lightweight packaging materials. ➤ The first batch of lightweight products passed the test. ➤ Reduce the printing color of packaging materials to reduce price fluctuation impacts. ➤ Introduced the True Milk paper straw project to reduce about 13 metric tons of plastic annually ➤ Standard Foods' R&D budget for 2022 was NT\$88 million. ➤ Developed more lightweight packaging for concentrated drinks (2 new products, a total of 5 specifications) to reduce transportation carbon emissions caused by weight. ➤ Work closely with packaging material suppliers to regularly obtain the latest development trends in the packaging material market. 	

The Task Force on Climate-Related Financial Disclosures

Disasters caused by climate change have become frequent in recent years. Standard Foods has adopted the climate-related financial disclosure recommendations drafted by the climate-related financial disclosure (TCFD) working group formed by the International Financial Stability Board (FSB) in 2015 to prepare for climate disasters and avoid financial losses. The goal is to voluntarily disclose the company's coping policies and preventive actions when climate-related risks strike and appropriately disclose the financial impact caused by them. Our company strives to become climate resilient by identifying opportunities to increase profits and improve performance following proper climate adaptation and disaster recovery in response to ensuing climate disasters.

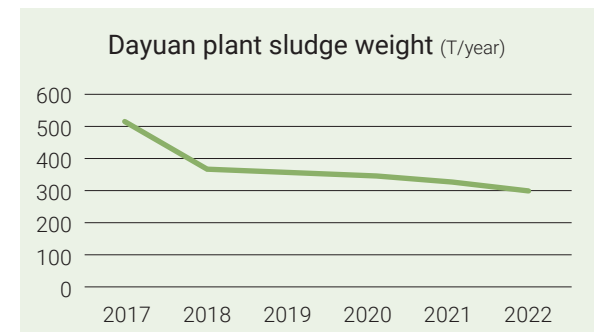
Four core elements of TCFD

Core Elements of Climate-Related Financial Disclosures

Core Element	Action Plan
Governance	<ul style="list-style-type: none"> ▶ The Sustainability Team at Standard Foods and the environmental sustainability team convening-related departments hold unscheduled discussions on the potential impact of various issues on the organization's internal and external aspects, such as identifying and assessing climate change risks and responding to climate impacts. After identifying climate-related impacts, the teams will meet with senior executives to discuss risks and opportunities, propose improvement suggestions and measures to adjust and mitigate climate-related financial risks and identify corresponding climate-related financial opportunities. ▶ Every year, the sustainability team reports annual ESG performance to the board of directors, and the board of directors confirms short, medium, and long-term goals, including climate change-related issues.
Strategy	<p>The company has taken the potential impact of climate change into the overall operation consideration to estimate the probability of risk occurrence and the degree of impact; formulate a risk response and mitigation plan; and identify entity and transformation risks and opportunities based on business type, risk strategy, and financial planning status. The goal is to conduct scenario simulation (entity risk: RCP 2.6, RCP 8.5, transition risk: NDCs, domestic regulations) for possible future climate financial impact, plan prospective and positive climate actions, and formulate risk response and mitigation measures. We have also developed crisis management mechanisms, such as actively promoting green energy and environmental protection policies, transforming supply chains to low-carbon manufacturing, expanding the use of renewable energy, and developing innovative carbon-reduction technologies, among other things, to comprehensively reduce the carbon footprint of corporate operations, product production, and sales. In response to the global climate change and the greenhouse effect on the environment, the company has formulated energy-saving and carbon-reduction measures, promoted energy-saving management in offices and public areas, reduced waste, implemented green procurement, purchased products with energy-saving and environmental protection labels, and truly fulfilled energy-saving and carbon-reduction according to government regulations.</p> <p>Please refer to "The Financial Impact of Climate-related Risks and Opportunities" for the company's main short-, medium-, and long-term risks and opportunities.</p>
Risk Management	<p>To identify and assess significant impacts or risks to operations, the Sustainability Team has regularly assessed climate change risks to understand specific potential financial impacts and established sound climate management procedures for policy formulation and goals. The efforts include identification, assessment, management, recovery, adjustment and other steps, and continuous monitoring. Please refer to "Climate-related Risk Identification, Assessment, and Management Flowchart" for details on the process.</p>
Indicators and Targets	<p>The company has used indicators to manage risks and opportunities related to climate change, reduce the impact of risks caused by climate change, and achieve carbon reduction and energy-saving goals:</p>



Core Element	Action Plan
Indicators and Targets	<p>► Energy saving and carbon reduction policies:</p> <ul style="list-style-type: none">■ The short-term plan is to introduce the ISO 14064-1 greenhouse gas inventory for 4 group facilities in 2023 and complete the third-party verification by November 2023.■ The medium-term plan is to assist 7 business offices in completing the ISO 14064-1 greenhouse gas inventory and verification in 2024 and assist subsidiaries in completing the ISO 14064-1 greenhouse gas inventory by 2025. Total carbon emissions will drop by 3% in 2025 (based on 2022, unit: metric tons/NT\$ 10,000 of revenue)■ The long-term plan goal is to reduce carbon emissions by 5% in 2027 (based on 2022, unit: metric tons/NT\$ 10,000 of revenue) The main measures are as follows:<ul style="list-style-type: none">○ To continue to promote energy-saving, carbon reduction, and environmental protection policies, the Zhongli Plant, the Hukou Plant, and the Dayuan Plant switched to high-clean natural gas boilers in 2016, 2017, and 2018, respectively. The Taiwan Standard Foods Group has reduced the fuel oil energy intensity (heavy oil) to 0 since 2019 to fulfill the industry's responsibility for environmental protection.○ Electricity consumption: Environmentally friendly labeled lighting equipment and air conditioning and lighting are turned off in meeting rooms where no one is meeting. Only necessary lighting is turned on during the lunch breaks in the office and public areas. It is estimated that the annual office electricity consumption will be reduced by 1% (per capita electricity consumption/NT\$10,000 of revenue) each year in the future.○ The plants have formulated air pollution prevention and control procedures, water pollution prevention and control management procedures, industrial waste management methods, toxic chemical substance operation control, noise control operation standards, water dispenser management operation procedures, etc., according to the ISO 14001 operation specification to execute operation control and report the implementation results online.○ In addition to conducting environmental management inspections, we have implemented a comprehensive TPM system to guide responsible units in comprehensive independent maintenance of various pollution prevention and control equipment, operation monitoring, and continuous improvement plans for the plants to maximize the overall efficiency of various pollution prevention and control equipment. <p>► Water resource management:</p> <ul style="list-style-type: none">■ Promote water conservation, control the water output of public toilet sinks, replace outdated equipment, and prioritize using faucets and toilets with “water-saving labels.” Water consumption is expected to decrease by 1% per year in the future (per capita water consumption/NT\$10,000 of revenue).■ The nourishing drink production line of Dayuan Plant has added a bottle-washing water recycling system, which is expected to recycle 250 metric tons of water per year (1.67% in savings). <p>► Waste management:</p> <ul style="list-style-type: none">■ The office promotes waste reduction policies, official documents, paper usage, and double-sided printing or reverse-side reuse as much as possible. The paper brand used for photocopying has the pulp green label, which is expected to reduce domestic waste (metric tons/NT\$10,000 of revenue) by 1% annually.■ The plant complies with the ISO 14001 environmental management system to reclassify and reduce waste, and the goal is to reduce waste in the plant area (metric tons/NT\$10,000 of revenue) by 1%–3%.■ Dayuan Plant has continued to update and manage sludge high-pressure flotation and drying equipment and introduced a comprehensive TPM system to guide responsible units to engage in comprehensive and independent maintenance of various pollution prevention and control equipment to maximize the comprehensive efficiency of various pollution prevention and control equipment. In 2017, The amounts of sludge for 2017 and 2022 were 510 metric tons and 298 metric tons, respectively. It decreased by 42%, and the 5-year monitoring statistics are shown in the table below. <p>► Greenhouse gas: The greenhouse gas emissions in 2022 were: scope 1 emissions 11,520 metric tons of CO₂e, scope 2 emissions 16,213 metric tons of CO₂e, and scope 3 emissions are 3,993 metric tons of CO₂e, for a total of 31,726 metric tons of CO₂e The company regularly detects and manages scope 1, scope 2, and scope 3 (category 1 to category 6) greenhouse gas emissions. The goal is establishing and planning energy-saving strategies and actions and advocating international greenhouse gas and global warming issues.</p>

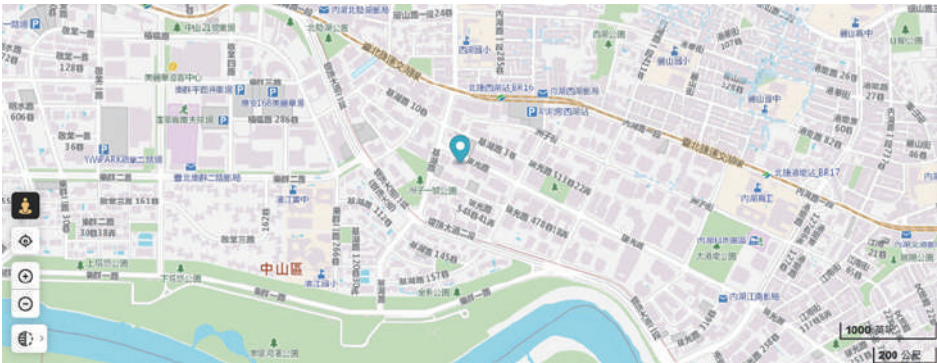


Identify and Assess Climate Risks

Physical Scenario

The Environmental Sustainability Team has evaluated the impact of climate disasters that may occur at 2.4°C to 4.4°C based on the RCP climate scenario selected by the company and then simulated climate scenario as RCP2.6–RCP8.5 based on the “Taiwan Climate Change Estimation Information and Adaptation Knowledge Platform” (<https://tccip.ncdr.nat.gov.tw/>), the “3D Hazard Potential Map” (<https://dmap.ncdr.nat.gov.tw/1109/map/>), and other public climate model/chart websites. It is estimated that the average and maximum daily rainfall increase at the end of the century did not exceed the disaster-causing standard of the “3D Disaster Potential Map”: 650 mm of rainfall in 24 hours. Therefore, the company has no immediate flood risk. But there are still typhoons and other natural disasters that may cause line stoppage, transportation difficulties, supply chain interruption, and personnel absenteeism.

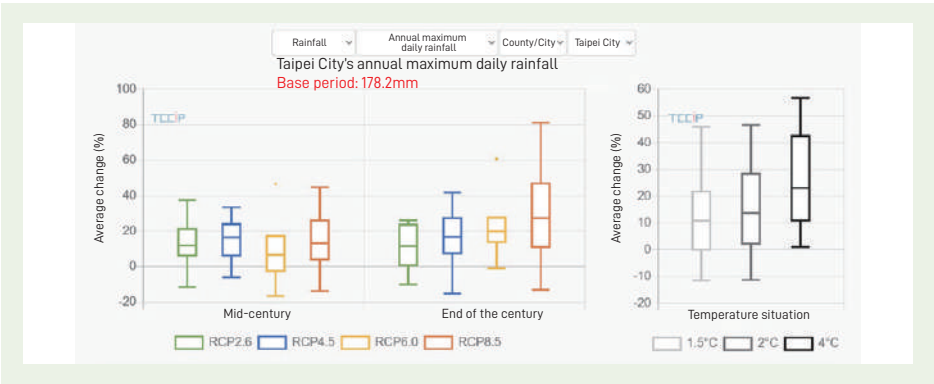
Standard Foods' daily maximum rainfall inundation potential chart



(Source: 3D hazard potential chart)

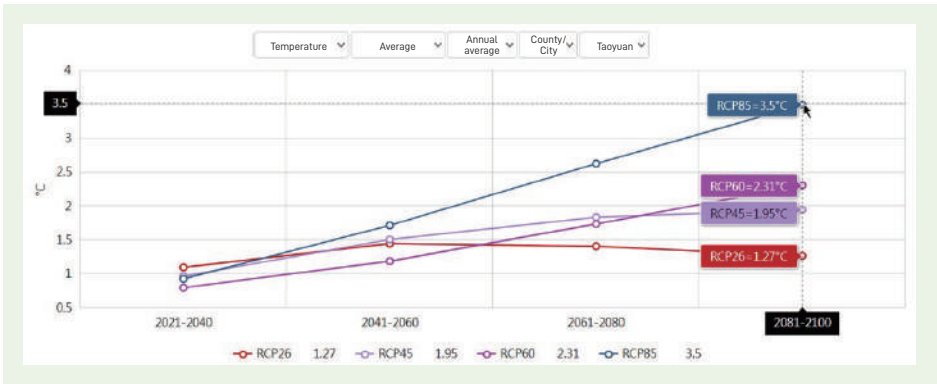
Although the counties and cities where the office is located may not experience a 2°C temperature rise before 2060 in various scenarios, the temperature rise may still affect the increase in air-conditioning and electricity costs, the shortening of the life of instruments and equipment, the write-off and early scrapping of existing assets, rising infrastructure costs, and the possibility of production cuts for some commodities.

Standard Foods' maximum daily rainfall forecast



(Source: the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform)

Standard Foods' annual average temperature change estimation



(Source: the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform)



Transformation Scenario

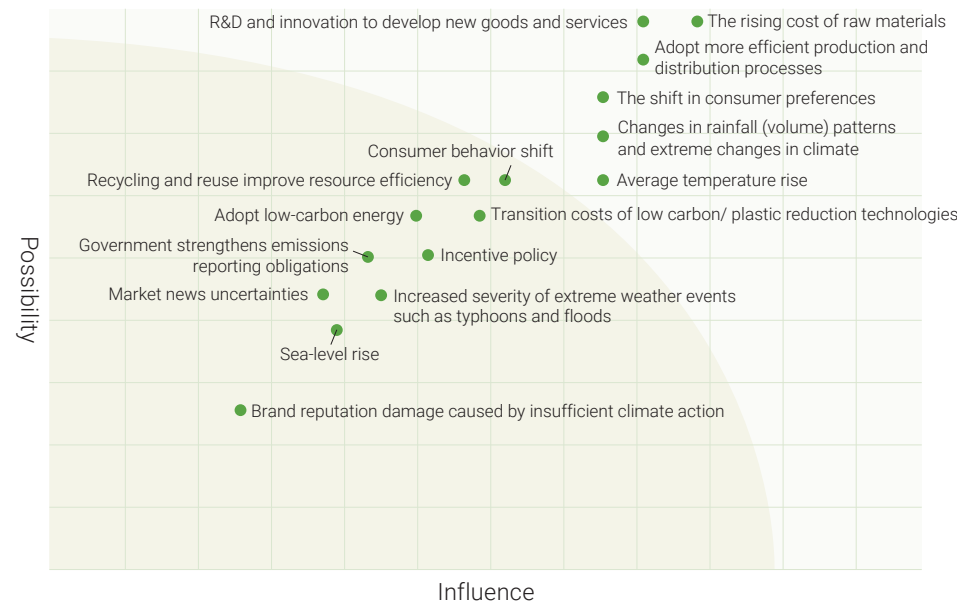
Standard Foods estimates the financial impact of future electricity costs according to the Nationally Determined Contributions (NDCs) of the Paris Agreement and relevant domestic laws and regulations (such as the "Greenhouse Gas Reduction and Management Act" and the "Renewable Energy Development Regulations"). Under the goal of reducing greenhouse gas emissions by 50% of BAU by 2030, if the proportion of renewable energy in Taiwan increases from 5.6% in 2019 to 40% by 2030, as planned by the national energy policy, the unit price of Taipower's electricity is expected to rise from 2.63 yuan/kWh in 2019 to 3.88 yuan/kWh in 2030 due to the high cost of renewable energy in Taiwan, and the cost of purchased electricity for Standard Foods will increase.

If the electricity purchased in 2022 was 31,853 kilowatt-hours and the electricity bill of the entire group was NT\$82,441,375, the announced electricity tariff will increase by 11% in 2023, and the estimated annual increase of 2% in the future. The energy cost may increase to NT\$104,169,148 in 2030. Based on the scenario analysis results, the company will continue implementing various energy-saving measures in response to the potential impact of purchased electricity on electricity consumption.

Financial Implications Of Climate-Related Risks And Opportunities

Standard Foods conducts risk assessments for projects with climate risks and opportunities, analyzes and ranks them based on the degree of impact and occurrence opportunities, identifies and analyzes medium and high-risk projects, and then formulates appropriate response measures to improve Standard Foods' toughness in responding to climate change risks and opportunities.

Climate-related risks and opportunities matrix



List of climate-related risks and opportunities

Climate risk items	Climate opportunity items
1. Higher price on greenhouse gas emissions	1. Adopt more efficient production and distribution processes
2. Government strengthens emissions reporting obligations	2. Recycling and reuse improve resource efficiency
3. Increased/changed requirements and regulatory standards for existing products and services	3. Adopt low-carbon energy
4. Low-carbon/plastic-reducing products appear to replace existing products and services.	4. Incentive policy
5. Transition costs of low carbon/plastic reduction technologies	5. R&D and innovation to develop new goods and services
6. Consumer behavior shift	6. The shift in consumer preferences
7. Market news uncertainties	
8. The rising cost of raw materials	
9. Increasing concerns and negative feedback from stakeholders	
10. Brand reputation damage caused by insufficient climate action	
11. Increased severity of extreme weather events such as typhoons and floods	
12. Changes in rainfall (volume) patterns and extreme changes in climate	
13. Average temperature rise	
14. Sea-level rise	

Remark: Items 1-10 are transformation risks, and items 11-14 are entity risks.

After reviewing the risks, the company has analyzed the impact of climate change on the company's financial status as well as the annual adjustment and response actions. The disclosures for "Climate-Related Risks and Financial Impacts" and "Climate-Related Opportunities and Financial Impacts" are as follows:

▼ Climate-related risks and financial impacts

Type	Climate-related risks	Impact period	Risk content description	Potential financial impacts	Adaptation and response actions
Transformation risks	Policies and regulations				
	Laws and standards for energy-efficient products	Long-term	➤ According to the Renewable Energy Development Act terms that went into effect in 2021, electricity users with a contracted capacity of 5,000 kilowatts (kW) or higher must prepare 10% of their green electricity within five years.	➤ Energy costs increase. Based on the figures in 2022, the total cost will increase by about \$31.8M, accounting for about 0.36% of sales revenue (including the head office, each base, and the three plants).	Each plant implements energy-saving and carbon-reduction measures such as equipment replacement, renewal, or process improvement. A total of 360 metric tons of CO ₂ e were reduced in 2022. For more detailed energy saving and carbon reduction measures of Standard Foods in the current year, please refer to “Chapter 5 Environmental Protection_Standard Foods Green Value Chain_Energy Saving and Carbon Reduction.”
	Local regulations	Medium-term	➤ Taiwan’s “Climate Change Response Act”	➤ Carbon reduction costs increase	
	Technology				
	Costs for transiting to low-carbon technologies	Medium-term	➤ Possibility of R&D failure. Take vegan product development, for example. Soybean protein is easily affected by mineral ions in the SNP system, resulting in reduced stability. Further research on the ion balance system is needed to improve product stability. The development time is twice that of general dairy products.	➤ R&D cost increase. ➤ Investment in R&D related equipment: NT\$340,000 ➤ Cost of developing new packaging materials: It is estimated that the purchase cost of packaging materials will increase by NT\$7.73 million annually.	➤ The company conducted a paper straw evaluation and testing in 2021-2022 and successfully introduced product applications in 2022. ➤ Successfully developed vegan products. The vegan SNP formula has fewer animal raw materials, such as milk protein, reducing carbon emissions.
	Market				
Market demand changes	Short-term	➤ Competitors have implemented plastic reduction measures in product packaging design due to changes in market demand.	➤ Poor merchandise sales and reduced profits.	Invest in R&D funds and increase marketing efforts for new products and packaging materials so consumers are more willing to accept Standard Foods’ products.	
Physical risks	Immediacy				
	Extreme weather events such as typhoons and floods	Short-term	➤ May cause machinery, personnel, plant, or other equipment losses. ➤ Staff attendance is affected. ➤ Disruption of transportation and loss of goods.	➤ Prepare insurance premium budget every year; the commercial fire insurance premium in 2022 was NT\$14,889,733. ➤ Production capacity affected. ➤ Loss of machinery, plant, and personnel. ➤ For typhoon holidays provided, the daily salary of all colleagues is NT\$2,299,000.	➤ Build a remote backup system to reduce the impact of natural disasters on the company’s information system. The construction cost was NT\$3.3 million, and the annual maintenance cost was about NT\$500,000.



Type	Climate-related risks	Impact period	Risk content description	Potential financial impacts	Adaptation and response actions
Physical risks	Long-term				
	Changes in rainfall (volume) patterns	Medium-term	<ul style="list-style-type: none"> ➤ The drought in Australia affects the supply and price of imported dairy products. So it is necessary to increase safety stocks and find other production areas. 	<ul style="list-style-type: none"> ➤ Affect the quality of raw materials, resulting in increased operating costs (such as the cost of a single urgent item). The cost of urgent items for individual inspection is 1.5 times that of ordinary items, and the cost of urgent items costs twice as much. ➤ In response to the unstable supply of dairy products and the increase in quotations in specific regions, Standard Foods responded by placing orders and procuring goods in advance, which increased the cost of raw materials by about NT\$17,000–NT\$18,000 per ton. 	See "Chapter 5. Environmental Protection_Water Resource Management" for details.
	Average annual temperature rise	Long-term	<ul style="list-style-type: none"> ➤ Affect the operation of cooling equipment ➤ Reduced raw material supply (e.g. oats) ➤ Increase the energy consumption of logistics air conditioners. 	<ul style="list-style-type: none"> ➤ Electricity Bill Increase ➤ The cost of raw material production reduction has risen, and it is estimated that the average increase per unit of specific raw materials will be 5%–6% in the next 5 years). ➤ Increased shipping costs. 	<ul style="list-style-type: none"> ➤ Strengthen equipment maintenance to maintain high-efficiency operations. Cooling towers are replenished with soft water to reduce the scaling of heat dissipation materials and maintain efficient heat transfer. ➤ Strengthen close partnerships with existing suppliers, find alternative sources to stabilize the supply chain, control operating costs within a certain range, and reduce procurement risks.

▼ Climate-related opportunities and financial impacts

Type	Climate-related opportunities	Potential financial impacts	Response actions
Resource efficiency	<ul style="list-style-type: none"> ➤ Paper and waste recycle and reuse ➤ Reduce water consumption ➤ Circular economy ➤ Green building plant 	<ul style="list-style-type: none"> ➤ Reduce electricity consumption and carbon emissions ➤ Reduce water consumption costs ➤ Subsidies for purchasing energy-efficient appliances 	The office actively promotes energy-saving and carbon-reduction measures. See "Chapter 5 Environmental Protection_Standard Foods Green Value Chain_Energy Saving and Carbon Reduction."
Energy source	<ul style="list-style-type: none"> ➤ Low-carbon energy use 	<ul style="list-style-type: none"> ➤ Use multiple energy sources to strengthen the energy supply resilience 	<ul style="list-style-type: none"> ➤ The Dayuan plant is expected to conduct evaluations for erecting solar panel installations in 2023, and it is expected to build a new second plant in Hukou. It is expected to install 212KW of solar panels and a 500KW energy storage system by 2025 to stabilize the power generation of renewable energy, and renewable power will exceed the overall electricity consumption ratio by 3%.
Product and service	<ul style="list-style-type: none"> ➤ R&D and innovation to develop new products and services. 	<ul style="list-style-type: none"> ➤ Provide changeable and diverse services and products to meet market demand and enhance the company's reputation and popularity. 	<ul style="list-style-type: none"> ➤ Launched new extended cereal products (5 new products with 23 specifications), such as all-natural wheat-free, chia multi-grain grains, Gu Gu Le, and wheat grain crisps to offer more cereal flake options. ➤ Developed more lightweight packaging for concentrated drinks (2 new products, a total of 5 specifications) to reduce transportation carbon emissions caused by weight. For packaging materials, paper packaging materials and iron cans can be recycled and reused.
Resilience	<ul style="list-style-type: none"> ➤ Integrate climate change risks and handling methods to improve the company's resilience. 	<ul style="list-style-type: none"> ➤ Strengthen corporate resilience, reduce losses caused by climate change, and decrease customer losses. 	<ul style="list-style-type: none"> ➤ Continue to respond to the impact of climate change on Standard Foods' operations via the climate-related financial disclosure (TCFD) framework, strengthen climate adaptation capabilities, and improve organizational resilience.

Standard Foods’ green value chain

Standard Foods attaches great importance to the possible climate change risks on society and the environment. The company has started from the value chain and from the inside to the outside to inspect its operating activities and propose various measures and to propose three carbon reduction strategies: green manufacturing," "green products," and "green operation." The goal is to reduce the negative impacts of Standard Foods on the environment during the entire value chain process and use innovative thinking and abundant resources to strengthen the positive impact on the environment.

Standard Foods promotes energy saving and carbon reduction measures in all stages of operation activities to achieve sustainable operation. We have continued refining and improving energy consumption throughout the manufacturing process. The goal is to execute energy conservation and reduction in daily operations and enhance colleagues' carbon reduction awareness to improve energy efficiency. Several low-carbon vegetarian products have also been introduced, and Standard Foods' green product line has been gradually expanded by reducing packaging materials and utilizing environmentally friendly materials. In the future, Standard Foods will continue to improve its low-carbon actions; actively communicate with external partners such as suppliers, customers, and consumers; and work together to protect environmental sustainability.

Standard Foods Low Carbon Strategy



- Energy Conservation Equipment
- Low Carbon Process
- Waste Reduction



- Plant Food
- Packing Material Reduction
- Environmentally Friendly Packaging Material



- Paper Reduction
- Environmental Participation

Energy Management

The energy used by Standard Foods is mainly purchased electricity (accounting for 33.7% of the total energy used), and the total energy consumption in 2022 was 339,882 (GJ).

Standard Foods internal energy usage status (unit: gigajoules [GJ])

Energy Type		2022
Non-renewable Energy	Purchased Electricity	114,697
	Diesel	4,781
	Natural Gas	219,236
	Gasoline	1,134
	Liquefied Petroleum Gas	34
Total Energy Consumption (GJ)		339,882 (GJ)
Group Turnover (NT\$10,000)		1,586,727
Energy Intensity		0.21 GJ/NT\$10,000 of revenue

- Note: 1. Except for the natural gas heating value unit, which refers to the average number provided by the supplier, the source of the other conversion factors is the Greenhouse Gas Emission Factor Management Table Version 6.0.4 announced by the Environmental Protection Agency.
2. Calculation formula for energy intensity: energy consumption/total annual revenue (unit: NT\$10,000).
3. The Group's turnover is the turnover before the write-off.
4. The utilization rate of renewable energy is 0%.



Greenhouse Gas Emissions

We introduced the Greenhouse Gas Inventory Protocol (GHG Protocol) methodology in 2023. The goal is to conduct a greenhouse gas inventory in 2022 using the group's consolidated financial report as the boundary and entrust a qualified third-party inspection agency SGS to conduct the scope 1, scope 2, and scope 3 greenhouse gas emissions verification. We expect to obtain ISO 14064-1 in November 2023: 2018 Greenhouse Gas Verification Statement. In 2022, the company's greenhouse gas emissions were as follows: Scope 1 emissions were 11,520 metric tons; Scope 2 emissions were 16,213 metric tons; and Scope 3 emissions were 3,993.4 metric tons, totaling 31,726.4 metric tons.

✓ Greenhouse gas emissions and emissions volume by Standard Foods in the past 3 years (unit: metric tons CO₂e).

Total Emissions		2022	
Scope 1	Diesel, Natural Gas, Gasoline, LPG	11,520.0	
Scope 2	Purchased electricity, purchased steam, etc.	16,213.0	
Scope 3	Upstream	Employee Commuting	292.0
		Fuel and energy-related activities (excluding Scope 1 or Scope 2)	2,869.6
		Waste generated (disposal) during operations	79.4
		Waste generated (transported) during operations	706.0
		Waste (wastewater) generated during operations	46.4
Total greenhouse gas emissions (metric tons)		31,726.4	
Group Turnover (NT\$10,000)		1,586,727	
Greenhouse gas emission intensity (excluding scope 3)		0.0174 metric tons/ NT\$10,000 of revenue	
Greenhouse gas emission intensity (including scope 3)		0.0199 metric tons/ NT\$10,000 of revenue	

- Note: 1. The source of the other conversion factors is the Greenhouse Gas Emission Factor Management Table Version 6.0.4, announced by the Environmental Protection Agency.
2. The operational control method is to integrate the amount of greenhouse gases.
3. The Global Warming Potential (GWP) of various greenhouse gases is estimated using the IPCC Sixth Assessment Report.
4. The carbon emission coefficient from electricity in 2020 was 0.502 kg CO₂e/kWh, the carbon emission coefficient in 2021 was 0.509 kg CO₂e/kWh, and the carbon emission coefficient from electricity in 2022 has not yet been announced. So the carbon emission coefficient of electricity in 2021 was calculated as 0.509 kg CO₂e/degree.
5. Carbon emission intensity calculation formula: total greenhouse gas emissions (metric tons of CO₂e)/turnover (unit: NT\$10,000).
6. The base year for greenhouse gas emissions is 2022. The reason for choosing this year as the base year is that 2022 passed the greenhouse gas inventory verification for the first time. The greenhouse gas carbon emissions in 2022 were 32,132 metric tons of CO₂e.
7. The Group's turnover is the turnover before the write-off.

Energy conservation and carbon reduction

The company introduced multiple energy and carbon reduction schemes 2022 to reduce emissions by 360 metric tons of CO₂e. We will introduce a comprehensive TPM system in the plant to guide the responsible units in comprehensive self-maintenance, operation monitoring, and continuous improvement plans for various production and public equipment. The goal is to maximize the overall efficiency of various production equipment and public equipment, and we expect to cut energy consumption by 1%-2% and carbon emissions by 5%.

✓ Short-, Medium-, and Long-term Goals for Standard Foods Greenhouse Gas Emissions Inventory

Y2023 Targets (Short-term)

Introduce the ISO 14064-1 greenhouse gas inventory for 4 sites of the group, and complete the third-party verification in November 2023:

- Establish a promotion group
- ISO 14064 counseling
- Carbon emission inventory for the group's four sites
- Write emission inventories and reports
- Execute internal verification in each plant area
- External verification and obtaining a verification statement

Implement proposal improvement projects and conduct carbon emission control for carbon emission hotspots to effectively reduce carbon emissions.

Y2025 Targets (Medium- & Long-term)

Assist 7 business offices to complete the ISO 14064-1 greenhouse gas inventory verification in 2024.

- 7 business offices will be included in the verification scope in 2024
- Assist them in establishing group organization
- Counseled by the 4 plant directors according to the ISO 14064-1 specification
- Perform internal verification
- External verification and obtaining verification statement

2025-2026 Inherit and assist subsidiaries to complete the ISO 14064-1 greenhouse gas inventory, and set the group's long-term carbon reduction goals.

- Assist in application counseling and experience sharing
- Assist in the establishment of a promotion group and execute individual investigation and verification procedures

▼ Energy saving and carbon reduction measures in 2022 for Standard Foods' plants in Taiwan

Field	Item	Description and Results
Office	Power Saving Measures	Starting December 26, 2022, the lights in the office area will be turned off for one hour at noon every day.
Dayuan Plant	Refinery Winterization Process	Execute one refinery production rationalization project, which is expected to save 54 thousand kilowatt-hours of electricity per year, reduce carbon emissions by 28 metric tons, and reduce the electricity-saving target by 0.4% annually.
	Power Saving Measures	Continue to promote energy conservation and carbon reduction measures, improve energy management intensity, and set an average electricity saving rate of 1.4%.
	Solar Power Project	The engineering department evaluates the plant to build a solar panel power generation system and gradually increases the utilization rate of green electricity. In 2025, the utilization rate of renewable energy will reach 3%-4% of the power consumption for the three plants.
	Obtained a subsidy from the Bureau of Energy to build a recycling water system.	Received a subsidy from the Bureau of Energy to build a recycling water system to reduce the workload of cleaning personnel.
	Green Building Planning for Plant 2	Use green building materials, expand greening around the plant, adopt gravity transportation to reduce power consumption, and plan efficient public equipment.

We also vigorously implement various energy-saving measures for our plants in mainland China. The goal is to implement Continuous Improvement Activities (CIT) for plants in China to optimize and improve the plant equipment and production processes, determine the most efficient use and management of energy use in Standard Foods' value chain, reduce the overall carbon footprint of operations, and achieve a more positive environmental impact.

▼ List of Energy Conservation Projects for Standard Foods' Plants in China

Plant	Project Item
Xiamen Plant	Photovoltaic power generation panels are installed on the roof of the oil package workshop to reduce electricity consumption and achieve green energy utilization.
Taicang Plant	1191KW photovoltaic panels were installed in 2022, generating 1.65 million kilowatt-hours of electricity, reducing electricity bills by about RMB¥1.5 million, and reducing power consumption by over 30%. 1. Replace the refining vacuum system 2. Replace the vacuum system circulation pump 3. Add the cooling water circulation pump of the refrigerator, modify the program, and add the automatic frequency conversion adjustment function 4. Increase the production capacity of the refining system (from 250 metric tons/day to 290 metric tons/day), and reduce the energy consumption for the public system 5. Increase the temperature setting for the dewaxing freezer (from 0°C to 4.5°C)
	Conserve natural gas energy, and the unit consumption of natural gas is reduced by 10%. 1. Replace the refining vacuum system 2. Reduce the oil inlet temperature of the desoaping centrifuge (from 88°C to 75°C) 3. Renovate the refined oil heat exchange plate
Inner Mongolia Plant	Optimizing the cooling water in the refinery to save 15,300 kw of electricity per year 1. From April to October 2020, PU781, PU782, and CT781 remained turned off to save 36kw/day of power. 2. from November to March, PU781 and CT781 are turned on to replace the freezer, and the PU782 circulation pump is turned off to save 15kw/day of power.



✓ Execution Performance of Standard Foods' Energy Conservation and Carbon Reduction Action Plan in 2022

Field	Action Plan	Reduce the type of energy consumed	Base year/ baseline	Reduce energy consumption (Joule)	Carbon emission reduction status (Metric tons CO ₂ e)
Dayuan Plant	Air compressor cooling water pump frequency switching control	Electricity	2021	23,580	12 metric tons
Dayuan Plant	The air compressor system energy-saving project adjusts the monthly air compressor ratio, and the power is below 6.8.	Electricity	2021	473,641	241 metric tons
Zhongli Plant	Ammonia system liquid ammonia condenser replacement (#1) efficiency improvement.	Electricity	2021	47,304	24.1 metric tons
Hukou Plant	3 Brine machine update, Cop energy efficiency improvement.	Electricity	2021	149,989	76 metric tons
Hukou Plant	Thirty lighting lamps on 1F of the T1 line were switched from spiral fluorescent lamps 75W to LED lamps 50W.	Electricity	2021	4,217	2.1 metric tons
Hukou Plant	The old water purification system is replaced, and energy-saving certified high-efficiency water pumps are adopted.	Electricity	2021	8,639	4.4 metric tons
Total				707,370	359.6 metric tons

Note: Calculation formula for reduction = electricity saving degree * annual electricity carbon emission equivalent coefficient 0.509/1000.

Air pollution control

Standard Foods' plants adhere to the strictest standards, conduct gas emission and monitoring with approved air pollution prevention and control equipment, and report the amount of air pollution emissions quarterly according to the relevant provisions of the Air Pollution Control Act. There were no excessive emission violations in 2022.

The company's emissions of qualified air pollutants have not increased significantly in the last 3 years. Sulfur emissions have all been reduced to zero due to the complete discontinuation of heavy oil boilers and the use of high-efficiency natural gas boilers.

Unit: metric tons

✓ Air pollutants emitted by Standard

Air pollution emissions	2020	2021	2022	Required emission standards
Nitrogen oxides (NOx) (Ton)	7.49	7.66	8.99	100ppm
Sulfur oxides (SOx) (Ton)	0	0	0	50ppm

Note: Including Dayuan Plant, Zhongli Plant, and Hukou Plant.

✓ List of waste gas emission management measures of Standard Foods' 3 plants in China

Plant	Project Item	Improvement results
Xiamen Plant	<ul style="list-style-type: none"> ➢ Close and seal all workshop windows ➢ Collect the exhaust air from all floors through the air duct ➢ Add a new fresh-air fan to form a convection environment in the workshop ➢ Add a water tower system for waste gas treatment 	Improve the workshop staff's working environment and ensure exhaust gas meets the emission standards.
Taichang Plant	<ul style="list-style-type: none"> ➢ Replace the refining vacuum system and reduce the oil inlet temperature of the desoaping centrifuge (from 88°C to 75°C) ➢ Renovate the heat exchange plate for refined oil ➢ Boiler renovation 	Reduce natural gas unit consumption by 10%. As the gas consumption is reduced, the boiler efficiency is improved, and the exhaust gas emission (nitrogen oxides) is reduced.
Inner Mongolia Plant	Purchased two 3T/h natural gas boilers to replace the original 15-ton coal-fired boiler.	<ol style="list-style-type: none"> 1. Achieve zero SO₂ emissions after replacement. 2. The first company in Dengkou County, Inner Mongolia, to use gas-fired energy-saving boilers. Although the unit price of steam has risen (from RMB¥162.6/T to RMB¥210/T), it has achieved green environmental protection, and the gas-fired boilers 3 fewer workers to operate.

Water Resource Management

The food processing industry is a highly water-intensive industry. High water resources must be used from raw materials to products, including the CIP dairy processing, the warming and sterilization process for nourishing drinks, the gelatinization and drying process of milk and wheat flour pastes, and the cleaning process for various production lines. Standard Foods' major plants are in Taiwan's Taoyuan, Hukou, and Miaoli areas. According to the "Aqueduct Water Risk Atlas" of the World Resources Institute, Taiwan is rated Low to Medium (1-2), and the water used by Standard Foods' major plants is mainly groundwater and recycled production water, which does not conflict with the people's livelihood water.

Dayuan plant applied for 2 deep water wells in its plant area. The plant is surrounded by No. 7-13 Chilun Dingpi, No. 7-14 Chilun Houpi, and No. 7-15 Chilizaixi Kanpi of the Water Conservancy Association. Therefore, the groundwater is abundant. The plant has been established for more than 30 years. It has experienced many droughts in Taoyuan, but the plant has never suffered from water shortage. Water was diverted for residential use near the plant before the drought according to the instructions of the competent authority.

The deep water wells applied for by the Hukou plant area are located in an area with abundant groundwater bodies. Since the establishment of the plant, there have been many droughts in Hukou, but there has been no water shortage.

In 2022, the overall groundwater utilization rate of the group's 3 plants was 62%, and a reasonable margin was reserved. During a drought, the Dayuan and Hukou plant can support the Zhongli plant with water trucks.

The company has formulated a comprehensive management method for water resources to properly manage its water use and meet the current regulations and water quality requirements. In the management measures, the relevant control procedures are stipulated for the water quality treatment process and the water quality treatment equipment maintenance. In addition, different control and monitoring standards are also set for the plant water inspection items, specifications, and sampling frequency.

The water purification plant sterilizes and filters all of the company's production water, and the water quality and specifications are handled according to the quality assurance water quality management method. The company has formulated relevant management measures to ensure the normal operation of the water purification equipment and the smooth supply of clean water required by the water

treatment plant and various plant areas. The content of the management measures mainly regulates the following aspects:

- Water purification equipment inspection method before the operation
- Water purification equipment operation method
- Daily inspection work when the water purification equipment is in normal operation

Standard Foods monitors water quality. In addition to the designated monitoring stations set up by the competent authorities, the plant also monitors groundwater annually according to drinking water quality and environmental protection regulations. A third-party impartial unit conducts sampling inspections, and all data comply with the inspection standards.

The plants conduct water quality sampling inspections at each workstation (underground water outlet, before manganese sand treatment, and after activated carbon) every day to detect changes in water quality. The inspection contents include water hardness, residual chlorine, pH, turbidity, color, and conductivity. Weekly microbiological culture is implemented to ensure the water quality can be used normally. Standard Foods Group's total water intake in 2022 was 662.54 thousand cubic meters, of which the total groundwater intake was 544.10 thousand cubic meters, the total tap water intake was 118.44 thousand cubic meters, and the total displacement was 449.74 thousand cubic meters. So the total water consumption was 212.80 thousand cubic meters.

Standard Foods' total groundwater intake in 2022 (unit: thousand cubic meters)

Groundwater use statistics			
Plant	Total water intake applied for	Actual water consumption in 2022	The utilization rate of approved water intake in 2022
Dayuan Plant	282.51	147.00	52%
Zhongli Plant	202.36	148.55	73%
Hukou Plant	388.80	248.55	64%
Total	873.67	544.10	62%



▼ Standard Foods' total tap water intake in 2022

(unit: thousand cubic meters)

Tap water use statistics	
Plant	Water intake in 2022
Taipei headquarters	1.52
Dayuan Plant	0.00
Zhongli Plant	116.87
Hukou Plant	0.05
Total	118.44

▼ Standard Foods' total water discharge in 2022

(unit: thousand cubic meters)

Total wastewater discharge	
Plant	Water discharge in 2022
Dayuan Plant	86.06
Zhongli Plant	153.41
Hukou Plant	208.75
Total	449.74

Note: 1. The preceding discharge water volume is based on the water meter record

2. The total water consumption of Standard Foods three plants in 2022 was 212.80 thousand cubic meters (total water intake – total discharge)

3. The Taipei headquarters is located in a commercial building, and the water discharge data of Standard Foods cannot be obtained separately.

Water Conservation Measures

In response to the drought and water shortage in recent years, Standard Foods has implemented various measures to mitigate the negative or financial impacts of climate change on Standard Foods' operations. Dayuan plant applied for 2 deep water wells in its plant area. The plant is surrounded by No. 7-13 Chilun Dingpi, No. 7-14 Chilun Houpi, and No. 7-15 Chilizaixi Kanpi of the Water Conservancy Association. Therefore, the groundwater is abundant. The plant has been established for more than 30 years. It has experienced many droughts in Taoyuan, but the plant has never suffered from water shortage. Water was diverted for residential use near the plant before the drought according to the instructions of the competent authority. The deep water wells applied for by the Hukou plant area are located in an area with abundant groundwater bodies. Since the establishment of the plant, there have been many droughts in Hukou, but there has been no water shortage. In 2022, the overall groundwater utilization rate of the group's 3 plants was 62%, and a reasonable margin was reserved. During a drought, the Dayuan and Hukou plant can support the Zhongli plant with water trucks.

▼ 2022 water conservation performance from the plants

Water conservation performance	Improvement contents	2022 performance
Dayuan Plant	Recycling and reuse system to limit the nourishing drinks' bottle washing water	Conserve 6,585 metric tons of water
Hukou Plant	Circulation and reuse of COMPLETE series products can vacuum sealing pump cooling water.	Conserve 10,071 metric tons of water
	The tank washing water from the can production line is automatically controlled and sterilized for recycling and reuse	Conserve 5,171 metric tons of water

Wastewater Treatment

Standard Foods Group has developed and implemented a comprehensive management method for water pollution prevention and control to make the prevention and control facilities as effective as possible. If there is a risk of water pollution due to sewage treatment facility failure or abnormality, the plant personnel will deal with the matter immediately according to the emergency response and notification procedures to prevent environmental pollution and law violations.

The Standard Foods Group has expanded its output and items each year, but its discharge values are still under effective control and far below the environmental protection standard. The wastewater volume is expected to increase annually due to production line expansions in the future. So Standard Foods Group's Dayuan plant has formulated a corresponding plan. The short- and medium-term plans are as follows:



Optimizing the process

Expanding the wastewater buffer tank and improving related equipment performance.



Introduction of new technology (advantageous strains)

Stably reduce the amount of sludge and treat wastewater.

With the increase in production capacity in recent years, the amount of wastewater treatment has also relatively increased, increasing the amount of discarded biological sludge. Under this trend, the biological moisture content can reach 85%. If the moisture content can be lowered, the weight and density of the sludge to be transported can also be directly reduced. Dryer tests were performed in 2022. After the test, the sludge moisture content was reduced to 44%, the average weight was reduced to 67%, and the average volume was reduced to approximately 40%, effectively improving the sludge storage environment's sanitation and space requirements. The vacuum pump cooling water improvement project for can sealing machines and the cleaning water improvement project for flushing and filling machines were completed in the same year. A total of 15,242 metric tons of water were saved compared to 2020.

Vacuum pump cooling water improvement project (recycling)

Description: The cooling water of the vacuum pump is recycled for the T1 line can seamer. It was originally used for one-time use but is modified to be recycled. The plate heat exchanger removes the heat of the vacuum pump cooling water so the pump's cooling water can be recycled and reused.

Before improvement

Mandatory water supply, Y2020 annual wastewater 1.22T/product T

After improvement

Self-priming cycle, Y2021 wastewater 0.19T/product T
Y2022 wastewater 0.206T/product T



Empty tank washing machine improvement project (washing water reuse)

Description: The T1 line empty tank cleaning machine's washing water is reused. It was originally designed for one-time use, and the wastewater after tank washing on 2F was modified to provide supplementary cooling water use for 1F sterilizer.

After improvement (1)

2F empty tank washing machine washing water is discharged to 1F

After improvement (2)

1F Sterilizer Cooling Water Recovery Pool
Y2020 annual water consumption 1.012T/ product T
Y2021 annual water consumption = 0.81T/ product T
Y2022 annual water consumption = 0.554T/ product T





Standard Foods' 2022 discharge water quality for each plant area

Discharge water quality of each plant area in 2022	COD chemical oxygen demand emission value (mg/L)	BOD biochemical oxygen demand emission value (mg/L)	SS suspended solid discharge (mg/L)	Regional Emission Standards
Dayuan Plant	17.4	6.0	8.1	Standards provided by the Water Pollution Control Act for discharging to surface water bodies COD=100mg/L BOD=30 mg/L SS=30 mg/L
Zhongli Plant	119.7	—	91.2	Management standards for sewage plants in industrial zones COD=480mg/L SS=320mg/L
Hukou Plant	27.2	—	8.3	Management standards for sewage plants in industrial zones COD=480mg/L SS=320mg/L

- Note: 1. The operating wastewater in each plant area is far below the area's discharge water standard after being treated by the wastewater treatment system.
2. The Zhongli and Hukou plants meet the discharge water standard after treating the wastewater in the industrial zone before discharge.
3. The water quality data in the preceding table are all analyzed by qualified inspection companies taking water samples from the plant area.



The company has also implemented various projects in China to ensure that the process wastewater not only meets local discharge standards but also reduces the amount of wastewater discharged, lower the environmental cost of operation. It is friendly to the plants' surrounding environment.

List of wastewater discharge management measures for the three standard foods plants in China

Plant	Project Item	Improvement results
Xiamen Plant	The washing water reduction research was implemented in 2020, and the amount of washing water added to the sunflower oil refining process was reduced from 4% to 3% without affecting the oil product index.	<ul style="list-style-type: none"> ➤ Reduce sewage discharge by about 1002 metric tons annually ➤ Save about 1000 metric tons of water annually
Taicang Plant	<ul style="list-style-type: none"> ➤ Reduce the amount of washing water for refining and washing water to recycle waste white clay and diluted saponins from 5% to 3.5%. ➤ Refine the surrounding trenches and add valves to achieve rain and sewage diversion. ➤ Improvement of cleaning water in refining workshop. 	The amount of wastewater has dropped by over 40%.
Inner Mongolia Plant	<ul style="list-style-type: none"> Reducing the sewage oil content in refining workshops ➤ Using acidic water to optimize the washing process in the refining section of the refinery reduces the oil content in the washing water and the amount of washing water required. ➤ Improve the oil-water separation effect of waste oil tanks in the refining and decolorization sections, realize oil-water separation through independent transformation, reduce sewage oil content, and reduce sewage treatment load. 	<ul style="list-style-type: none"> ➤ The sewage treatment load, medicine, and material consumption are reduced. ➤ The average discharge water COD discharge value is <= 350 (the standard is less than 500). ➤ Each section of the sewage treatment process is stable, the number of emergencies is reduced, and the operator labor intensity is lowered.

Material use

Standard Foods has designed products under the life cycle concept to reduce the environmental impact and achieve the waste reduction objective. The product packaging materials primarily include glass, plastic bottles, plastic bottle caps, iron and aluminum cans, laminated packaging materials, and paper packaging materials. Renewable materials include paper packaging materials. Since laminated packaging materials cannot be recycled in Taiwan, we will further consider replacing laminated materials using a single laminated packaging material to expand the proportion of renewable materials used per unit of product to 100%. The cartons of the company's main products are made of recycled and reused environmentally friendly pulp, each containing over 95% recycled paper.

▼ Standard Foods' low-carbon packaging implementation list

Existing Package	Low Carb Packing Statement	Explained in 2022
Plastic Bottle	Lightweight: reduce the use of packaging materials, logistics weight, and transportation carbon emissions.	Complete the following lightweight assessment items: 1. Refrigerated cereal drink PE_290mL plastic bottle. 2. Oil product 1L_PET plastic bottle 3. Healthcare products 60mL glass bottle
	Incoming increase-size cartons: reduce labor costs	The 290mL plastic bottle refrigerated cereal drink is changed from a small carton to a large carton for shipment into the plant.
Carton/Card	Lightweight oil cartons: Each carton reduces pulp consumption by 10g-120g	Complete the assessment and online test on 2022.10
	Yogurt 4-pack and 6-pack paper card thickness improvement: each card can reduce pulp by 2g-2.5g	
PVC plastic replacement	The inner pad material of the supplement aluminum cover is changed to TPE material.	Completed the acid product material replacement in 2022.
	Change the oil bottle sleeve label material to PET or not use it.	1. Completed the label below 1L without using bottle sleeves in 2022.03. 2. Completed the PET bottle sleeve label test in 2022.12.
	Replaced PVC shrink sleeve labels for supplement gift boxes with small round self-adhesive labels.	Successively carried out the switching in 2022.06.
Environmental protection material application.	The straw material for Fresh Delight True Milk is changed from plastic to paper.	1. Complete the assessment and online test on 2022.07 2. Successively executed the switching in 2022.10.
	Reduced number of printing colors: lower air pollution and energy consumption caused by printing.	Reached a consensus with marketing in 2022 to reduce the number of printing colors, changing from multi-color printing to two-color printing.
	Woven-coated kraft paper bags	Completed the assessment in 2022.



Multi-layer kraft paper bag energy-saving supplementary instructions:

- (1) All powder products use the same packaging material.
- (2) The total net weight of the packaging material is 0.38kg/bag, and the net weight of the paper material is 0.28kg/bag, which is the weighing value of the Hukou plant (excluding the weight of the inner PE bag).



Weighing result of "paper bag": 0.28 kg/bag



The weighing result of the "PE inner bag": 0.10 kg/bag

Percentage of renewable materials used in Standard Foods' products (including packaging)

Product	The gross weight of recycled materials	The gross weight of non-recycled materials	The proportion of recyclable material utilization
True Milk Aluminum Foil Pack 200mL	7.03g	2.19g	76.25%
True Milk Aluminum Foil Pack 150mL	5.81g	1.82g	76.15%

Waste Management

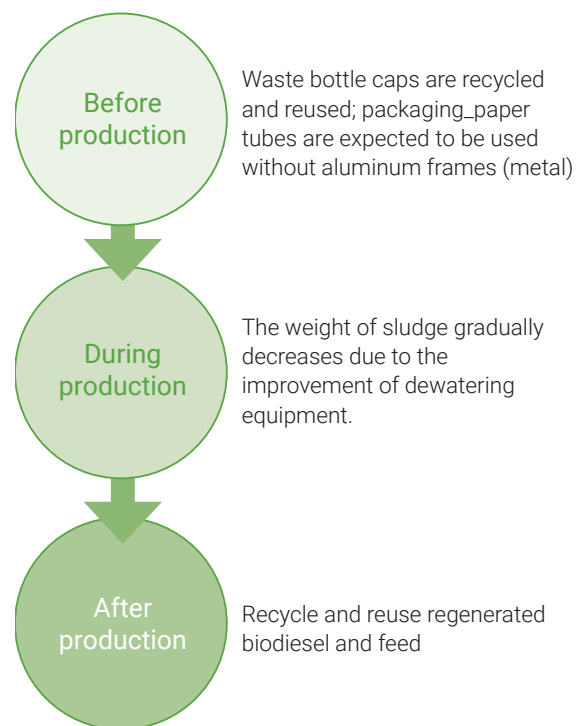
Standard Foods' business wastes are divided into recyclable wastes and non-recyclable wastes. Failure to properly clean up waste can affect business operations and have a major environmental impact. Standard Foods has implemented the relevant circular economic measures, such as source reduction and the use of recycled materials according to the life cycle concept. The goal is to appoint qualified domestic manufacturers to carry out waste removal and treatment according to the law and reduce the negative impact of waste generated during operations on the environment. For the wastes currently produced by Standard Foods, non-recyclable waste is eventually disposed of via incineration, and recyclable waste is treated in different ways depending on its nature. For example, the food sludge and waste soil generated during the processing can be used as fertilizer after processing, animal and plant waste can be used as feed after processing, and general recycling waste such as paper and metal can be directly recycled. The soapstock produced during the production refinery process can be used as a raw material for paints and other chemicals after treatment.

In addition to meeting legal requirements, the plant's waste treatment operations develop comprehensive management methods, including thorough waste classification, location storage, professional waste disposal personnel management, waste cleaning, and online reporting, tracking, etc. The safety, sanitation, and administrative management department has appointed a special person in charge of the plant, verify waste collection and transportation every day and report to the industrial waste declaration and management system within 84 hours with the collaboration of professional and legal waste cleaning manufacturers to complete the system confirmation process.

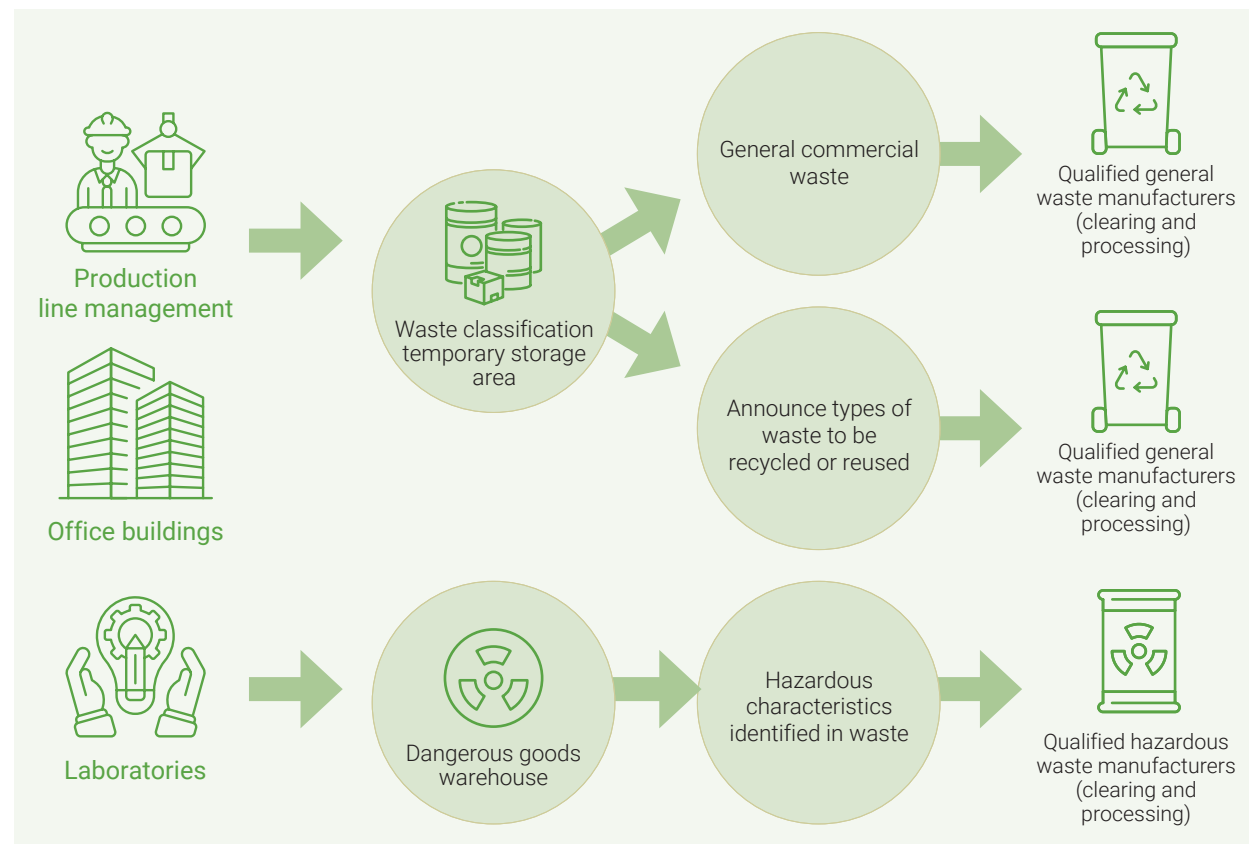
Track the waste cleaning manufacturers monthly and the proper disposal document status for hazardous industrial waste level general industrial wastes. Track any abnormality immediately, ask the manufacturer to explain and improve the matters, and conduct related operation audits occasionally. If there is any problem, immediately ask for improvement, and include it in the manufacturer's performance evaluation for assessment once a year.

In addition to effectively promoting waste management in its operations, Standard Foods also requires outsourced industrial waste removers and processors to perform physical treatment and reclassification for recycling. The goal is to minimize waste output in the entire value chain and require suppliers to promote energy conservation, waste reduction, and circular economy.

▼ Standard Foods realizes circular economy for the entire value chain



▼ In-plant waste treatment process specification



▼ The industrial chain recycling and reuse statistics for Dayuan Plant in 2022

Item/Code	Waste cooking oil R-1702	Vegetable residue R-0120	Animal residue R-0119	Waste paper R-0601	Scrap iron R-1301	Waste plastic/oil bottle/cap (PET) R-0201	Waste plastic/barrel/ other containers (PP) R-0205	Total
Annual total (T)	22	473	42	655	159	44	0.5	
EPA Approved Processors	Chant Oil	Ching-Biao Animal Poultry Farm	Ching-Biao Animal Poultry Farm	Kung-Lung Cheng	Yuan Sheng	Yunglong	Yunglong	1,395 (Metric ton)
Instructions for reuse	Regenerated biodiesel	Feeds	Feeds	Recycling & regenerate	Recycling & regenerate	Recycle & reuse	Recycle & reuse	



Standard Foods' plant production waste can be divided into recyclable and non-recyclable waste. For the wastes currently produced by Standard Foods, non-recyclable waste is eventually disposed of via incineration, and recyclable waste is treated in different ways depending on its nature. For example, the food sludge and waste soil generated during the processing can be used as fertilizer after processing, animal and plant waste can be used as feed after processing, and general recycling waste such as paper and metal can be directly recycled. The soapstock produced during the production refinery process can be used as a raw material for paints and other chemicals after treatment. By actively planning waste reduction and reuse programs and incorporating them into the environmental management system ISO 14001 for control, the data indicated that the company generated 6,792 metric tons of waste in 2022, and the recycling rate reached 90%.

Standard Foods 2022 industrial waste statistics table (unit: metric tons)

Classification/ Handling method	Metric tons of hazardous waste	Metric tons of non- hazardous waste	The total tonnage of waste	Percentage
Recycle & reuse	-	6,139	6,139	90%
Incineration	4	348	352	5%
Landfill	-	-	-	0%
Other handling methods	-	301	301	4%
Total	4	6,788	6,792	100%

Note: 1. This year's waste totaled 6,792 metric tons, all disposed of off-site by an environmental protection company approved by the EPA to clear, transport, and treat according to the law.

2. Disposal and waste transfer: the recycled and reused waste totaled 6,139 metric tons.

3. Direct waste disposal: including incineration, landfill, and other disposal, totaling 635 metric tons. Other disposal operations are physical reprocessing by environmental protection operators approved by the EPA.

Waste disposal status of Standard Foods in the past 3 years

Year			2020		2021		2022	
Business waste classification	Disposal site ^{Note 1}	Handling method ^{Note 2}	Output (metric tons)	Percentage (%)	Output (metric tons)	Percentage (%)	Output (metric tons)	Percentage (%)
Hazardous commercial wastes	Off-site	Recycle & reuse	-		-		-	
		Incineration	3	0.05%	3	0.05%	4	0.05%
		Landfill	-		-		-	
		Other disposals	-		-		-	
General commercial waste	Off-site	Recycle & reuse	4,298	76.3%	4,924	81.6%	6,139	90.4%
		Incineration	559	9.9%	551	9.1%	348	5.1%
		Landfill	-		-		-	
		Other disposals	771	13.7%	555	9.2%	301	4.4%
Total weight of waste (metric tons)			5,631		6,033		6,792	
Resource recycling and reuse ^{Note 3}			76.3%		81.6%		90.4%	

Note: 1. Processing site: on-site (in-plant processing), off-site (outsourcing processing).

2. Disposal methods: recycling (making new materials through reprocessing), incineration (including energy recovery), incineration (excluding energy recovery), landfill, etc.

3. Recycling rate (%) = total amount of recycling/total amount of waste * 100%

4. Hazardous and general industrial waste are identified according to the country's "Waste Disposal Act" and "Standards for Defining Hazardous Industrial Waste."



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Chapter 6 Social Inclusion

Management Policy

Linked SDGs



Major Topics

Correspond to GRI Indicators

Policy or Commitment

Indicators and Goals

Effectiveness Tracking Mechanism

2022 Actions and Measures

Standard Foods' Management Status for the Major "Talent Cultivation and Recruitment" Theme in 2022

Talent Cultivation and Recruitment

GRI 401-1, GRI 401-2, GRI 404-1, GRI 404-2, GRI 404-3

Adhere to the five values of Standard Foods: Commitment, Enthusiasm, Professionalism, Cooperation, and Honesty. Provide a perfect learning environment for employees, and promote employee and team development.

Short-term goals

- ▶ Strengthen the talent pool of the younger generation in advance and implement the intern project plan.
- ▶ Construct the Standard Foods e-College, and create a complete newcomer training blueprint.

Medium-term goal

- ▶ Using multiple channels to recruit high-quality talents, the annual recruitment success rate is 85%.
- ▶ Provide customized learning courses according to different positions and functions.

Long-term goals

- ▶ Focus on cultivating high-potential talents to cope with corporate development.
- ▶ Deepen corporate culture and employer brand recognition.

- Annual Recruitment Achievement Rate
- Education and Training Staff Satisfaction

- ▶ Implemented the 2022 summer internship project. One of the interns was successfully retained and turned into a full-time employee.
- ▶ Promoting Standard Foods' e-College learning platform, successively building the starter guide manual for newcomers into online and functional courses. A total of about 200 newcomer courses and functional courses were provided.

Linked SDGs



Linked SDGs



Major Topics	<p>▼ Standard Foods' Management Status for the Major "Social Welfare" Topic in 2022</p> <p>Social Welfare</p>
Correspond to GRI Indicators	<p>GRI 203-1</p>
Policy or Commitment	<p>Standard Foods has collaborated with all walks of life to create a public welfare project for children and the elderly based on the brand promise of "Nutrition and Health Partner for the Entire Family."</p>
Indicators and Goals	<p>Short-term goals</p> <ul style="list-style-type: none"> ▶ We have focused on the problem of calcium deficiency among children in Taiwan through the "Calcium with Love" public welfare project to donate one million milk bottles to rural children in three years. ▶ Calling for attention to the health and loneliness of the elderly living alone with the "Live with Love" charity project. ▶ Advocate and strengthen employee participation in social welfare. <p>Medium-term goal</p> <ul style="list-style-type: none"> ▶ Adjust Standard Foods' social care strategy, focus on disadvantaged children and the elderly, and respond to social needs from the "nutrition and health" perspective. ▶ Expanding the influence of nutritional care annually. ▶ Call the public to pay attention to the nutritional issues for children and the elderly via topic initiatives. <p>Long-term goals</p> <ul style="list-style-type: none"> ▶ Connect more units to develop an appealing nutrition and healthcare network for the disadvantaged. ▶ Gain insight into the needs of various ethnic groups and provide balanced nutrition. ▶ Combining product and nutritional knowledge promotion to offer more comprehensive diet plans to consumers.
Effectiveness Tracking Mechanism	<ul style="list-style-type: none"> ■ Survey on the Consumers' Public Welfare Programs Perception. ■ The volume of public welfare material media releases (press releases/audio/graphics). ■ Material donation quantity from public welfare projects.
2022 Actions and Measures	<ul style="list-style-type: none"> ▶ Donated materials to 63 charity groups with a market value of over NTD 20 million <p>"Calcium with Love" Children's Public Welfare Project:</p> <ul style="list-style-type: none"> ▶ Donated 1.14 million bottles of milk to disadvantaged children in rural areas and fulfilled our goal of donating one million bottles in three years. <p>"Live with Love" elderly public welfare project:</p> <ul style="list-style-type: none"> ▶ "Return to Northern Cross-Island Highway" walking challenge. The total climbing height in the 3-day event was equivalent to 6.1 times that of 101 buildings, and the total walking distance was 45 kilometers. ▶ Twelve community education tours reached 424 elders. ▶ The Live with Love Charity Team collaborated with the Medfirst drug store on the "you buy, I donate" campaign to donate 7,559 supplies to vulnerable elders.

Major Topics	<p>▼ Standard Foods' Management Status for the Major "Human Rights" Topic in 2022</p> <p>Human Rights</p>
Correspond to GRI Indicators	<p>GRI 406-1, GRI 407-1, GRI 408-1, GRI 409-1</p>
Policy or Commitment	<p>We are committed to fostering a welcoming workplace culture of diversity and equality, emphasizing equality, and respecting multiple values. Talent selection will not be influenced by race, nationality, gender, age, or political or religious beliefs.</p>
Indicators and Goals	<p>The company prohibits the employment of child laborers under the age of 16, prohibits forced labor, and any improper employment discrimination. We also require suppliers to comply with international standards and laws related to labor employment in their business locations. Protect various labor rights and interests, such as minimum wages, working hours (including overtime), insurance, vacation, pension system, contract termination notice period, freedom of association and group negotiation rights, etc. Provide equal job opportunities and treatment regardless of differences based on race, color, gender, religion, political, national, or social origin.</p>
Effectiveness Tracking Mechanism	<ul style="list-style-type: none"> ■ Quarterly Trade Union Labor Consultation Meeting ■ Quarterly Labor-Management Meetings ■ Internal Feedback and Whistleblowing Mechanism for Company Colleagues
2022 Actions and Measures	<ul style="list-style-type: none"> ▶ In 2022, the company received 0 employee complaints and 0 for whistleblowing. ▶ In 2022, the company and its suppliers had no major discrimination, child labor, forced labor, discrimination, other risks, incidents, or labor human rights violations.

Enterprise workforce profile

We are committed to fostering a welcoming workplace culture of diversity and equality, emphasizing equality and respecting multiple values. Talent selection will not be influenced by race, nationality, gender, age, political, or religious beliefs. We also place a high value on talent development and salary and benefit assurance so that employees can develop their talents in the company, make continuous progress, and collaborate with the company to create performance and value.

Manpower Distribution

By the end of 2022, the total number of Standard Foods employees was 1,327, which increased by 73 compared to 2021, mainly because the vacant positions were filled in 2022. The proportion of employees in each region is at least 43% in the Dayuan plant, 22% in the Taipei head office, 13% in other office locations, 11% in the Zhongli plant, and 11% in the Hukou plant. The gender distribution is 914 male employees (69 %) and 413 female employees (31%). We are also committed to cultivating a diverse and rich talent pool, which includes ensuring employment opportunities for people with disabilities, increasing the proportion of residents employed as senior executives in each business base, promoting diversity and co-prosperity, and improving the company's overall competitiveness.

Categories of Employees Hired by Standard Foods in 2022

Employee classification (unit: number of people)		Male	Female	Total
Based on contracts	Permanent employees (indefinite contract)	913	413	1,326
	Contracted employees (fixed-term contract)	1	0	1
	Total	914	413	1,327

Employee classification (unit: number of people)		Male	Female	Total
Based on work hours	Full-time employees (full-time)	914	413	1,327
	Part-time employees (part-time)	0	0	0
	Employees with non-guaranteed hours (temporary workers)	0	0	0
Total		914	413	1,327

Note: 1. Full-time employees: employees who work 40 hours a week according to Taiwan's Labor Standards Act.
 2. Part-time employees: employees working less than 40 hours per week.
 3. Employees without guaranteed hours: Employees with no minimum or fixed working hours, such as temporary and on-call employees.

Changes in the number of workers for Standard Foods in the past 3 years

Worker Category	2020	2021	2022
Employees	1,299	1,254	1,327
Non-employee	120	103	120
Total	1,419	1,357	1,447

Note: 1. The number of employees is calculated based on the actual number of employees.
 2. The value on December 31, 2022.
 3. Non-employee worker: Not directly employed by the company, generally refers to dispatched workers from human resources agencies.



Diverse and abundant job opportunities

Standard Foods responds to SDGs Goal 8, "Appropriate Jobs and Economic Growth," and SDGs Goal 10, "Reduce Inequality," by providing equal employment opportunities for men and women of all ages, protecting the job opportunities of other minority groups according to local government regulations, and accommodate the variety of employees. According to the statistics of employees at the end of the year, the proportion of female employees is 31.1%, and the proportion of female managers above the assistant manager level is 39%. The proportion of middle-aged and elderly workers over 50 is 16%. We also employed a total of 10 persons with disabilities according to government regulations, accounting for 7.5% of the total number of employees.

To promote local co-prosperity, we actively hire residents as "high-level management" such as Deputy Directors, Directors, and Vice Presidents in "important business bases" from Taipei Headquarters, Dayuan Plant, Zhongli Plant, and Hukou Plant. In total, 14 senior positions account for 61% of all senior management.

▼ Standard Foods employee job category distribution

Job Category / Diverse Category		Gender		Age			Others		
		Male	Female	30 or younger	31-50	51 or older	Indigenous people	Foreign migrant workers	Handicapped
Working Staff (total 771 people)	Number of People	444	327	153	494	124	2	0	5
	Proportion	57.6%	42.4%	20%	64%	16%	0.3%	0%	0.6%
Employee (total 556 people)	Number of People	470	86	174	295	87	4	157	5
	Proportion	84.5%	15.5%	31%	53%	16%	0.7%	28%	0.9%
Number of people in diversified categories		914	413	327	789	211	6	157	10
The proportion of total employees		68.9%	31.1%	25%	59%	16%	0.5%	11.8%	7.5%

Employee turnover

New employees

A total of 348 new employees were recruited in 2022 to meet the company's continuous growth in talent needs. Among them are 218 male and 130 female employees, and 54% of young employees under 30 account for the highest ratio.

Gender and age distribution statistics of new employees

Category	Male		Female		Subtotal	
	Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
30 or younger	127	53.6%	61	67.8%	188	57.5%
31-50	88	15.8%	67	28.8%	155	19.6%
51 or older	3	2.5%	2	2.2%	5	2.4%
Subtotal of new employees	218	23.9%	130	31.5%	348	26.2%

Note: New recruitment rate = number of new employees in each category / total number of employees in this category at the end of the period.

Resignation and Retention

Regarding employee retention, 274 employees resigned in 2022, including 185 males and 89 females, with an annual turnover rate of 20.64%. The company will continue strengthening work-life balance, improving supervisory capabilities, and providing employee career development opportunities to promote employee retention.

Gender and age distribution statistics of resigned employees

Category	Male		Female		Subtotal	
	Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
30 or younger	65	27.4%	32	35.6%	97	29.7%
31-50	108	19.4%	47	20.2%	155	19.6%
51 or older	12	9.9%	10	11.1%	22	10.4%
Subtotal of resigned employees	185	20.2%	89	21.5%	274	20.6%

Note: 1. Turnover rate = Number of resigned employees of each category / Total number of employees of this category at the end of the period.

2. Resigned employees leave the organization voluntarily or due to layoff, retirement, or death.

Unpaid childcare leave

The company complies with the "Act of Gender Equality in Employment," advocates the gender equality promoted by SDGs Goal 5, supports the rights and interests of employees to give birth to the next generation, and protects employees' right to childcare leave to raise babies. After the company's employees serve for 6 months and before their child reaches the age of 3, the employees are entitled to apply for unpaid parental leave until their children reach the age of 3 but are subject to a maximum of 2 years. Employees can continue participating in the original social insurance during the childcare leave without a pay period.

Statistics of childcare leave without pay in 2022

	Male	Female	Total
Number of employees qualifying for childcare leave without pay in 2022 ¹ (a)	90	37	127
No. of employees applied for unpaid childcare leave in 2022 (b)	8	13	21
Application rate for unpaid childcare leave (b/a)	9%	35%	17%
The number of people who are expected to return to work after childcare leave in 2022 (c)	5	9	14
The actual number of people returning to work from childcare leave in 2022 (d)	4	6	10
Childcare leave return to work rate (d/c)	80%	67%	71%
The actual number of people applying for returning to work from childcare leave in 2021 (e)	1	5	6
No. of employees reinstated from unpaid childcare leave in 2021 and continued working for 1 year ² (f)	1	5	6
Childcare leave job retention rate (f/e)	100%	100%	100%

Note: 1. Estimated based on the number of employees who have applied for maternity or paternity leave in the past 3 years (2020-2022).

2. The actual reinstatement year is 2021, and the employee has worked for one full year after reinstatement.



Employee rights and treatment

Human and labor rights protection

The company prohibits the employment of child laborers under the age of 16, prohibits forced labor, and any improper employment discrimination. We also require suppliers to comply with international standards and laws related to labor employment in their business locations. Protect various labor rights and interests, such as minimum wages, working hours (including overtime), insurance, vacation, pension system, contract termination notice period, freedom of association and group negotiation rights, etc. Provide equal job opportunities and treatment regardless of differences based on race, color, gender, religion, political, national, or social origin. In 2022, the company and its suppliers had no major discrimination, child labor, forced labor, discrimination, or other risks, incidents, or labor human rights violations.



Working Hours

- ▶ Full-time employees normally work 8 hours a day and 40 hours a week.
- ▶ If it is necessary to work overtime for special reasons, the total daily working hours shall not exceed 12 hours, and the maximum number of overtime hours per month is 46.
- ▶ According to the Labor Standards Act, overtime pay shall be paid for working 8 hours a day, and employees shall not be forced to work overtime.



Termination Method

- ▶ If there is a need to terminate the employment relationship with the employee, the company shall abide by Article 16 of the "Labor Standards Act," notify the termination of the labor contract in advance, and provide severance pay and job-seeking leave.
- ▶ Severance pay and pensions are calculated and paid to employees according to the Labor Standards Act and Labor Pension Act.
- ▶ The company provides retired colleagues with a fixed amount of free shopping credit for products on their e-commerce platform.



Labor Agreement

- ▶ The company has established a trade union organization, which regularly holds labor-management consultation meetings quarterly. Regular labor-management meetings are also held every quarter according to Article 83 of the "Labor Standards Act," and temporary meetings can be held when necessary to promote labor-management cooperation, relationship coordination, or two-way communication and negotiation regarding labor condition improvement and labor welfare planning.
- ▶ There were 0 group agreements signed by the labor union this year (mainly because the labor union did not propose to sign a group agreement with the company in 2022).
- ▶ Hold trade union labor-management consultation meetings and labor-management meetings every quarter, and set up the plant manager's mailbox to deal with feedback from colleagues in real-time.



Major Operational Changes

- ▶ Major operational changes and countermeasures affecting employees' rights and interests are implemented after the discussions in the labor-management meeting.
- ▶ Before the implementation of major operational changes, the affected employees and their representatives are notified in advance for the number of days specified by the decree on the matter's content.
- ▶ The company did not experience any major operational changes during the reporting period.

Salary level

Standard Foods provides competitive salaries, and the salary standard is determined according to the position, professional ability, academic experience, and working experience. We also refer to the adjustment of the same industry's market level, pay attention to the value display of equal pay for equal work, and eliminate the gender gap for the overall salary.

▼ Standard Foods' male-female salary ratio for each employee category in the past 3 years

Year	2020		2021		2022	
Employee Category	Male	Female	Male	Female	Male	Female
Working Staff	1.07	1	1.10	1	1.15	1
Employee	0.91	1	0.90	1	0.91	1

Note: 1. Calculation method: average salary of men in each category/average salary of women in each category.

2. Salary: the current annual salary, including basic salary, food allowance, year-end bonus, performance bonus, overtime pay, other allowances and bonuses, etc.

3. Employee statistics include those from foreign migrant workers.

▼ Salary levels of grassroots staff in Standard Foods' important operating bases for the past 3 years

Year	Average standard salary of grassroots staff		Average standard salary of grassroots staff/local minimum salary	
	Male	Female	Male	Female
2020	37,127	34,593	1.56	1.45
2021	40,781	40,976	1.70	1.71
2022	41,602	44,987	1.65	1.78

Note: 1. The "important operating base" defined by the company is the operating boundary disclosed in this report.

2. The company refers to the Ministry of Labor's annual basic salary announcement to formulate the salary of employees and other workers to ensure that it is not lower than the basic salary.

3. Grassroots staff: The company's job title is the operator.

4. Standard salary: including basic salary, food allowance, shift allowance, full attendance bonus, production bonus, overtime pay, and other regular wages.

5. The local minimum wages from 2020 to 2022 were NT\$23,800, NT\$24,000, and NT\$25,250, respectively.



Welfare Measures

To protect the rights and interests of employees and enhance the company's cohesion, The company also provides rich and diverse employee benefits in addition to basic rights such as labor and health insurance, special leave, maternity leave, and parental leave. They include employee group insurance (including spouses and children), wedding and funeral celebrations, employee benefit purchases, birthday gifts, annual tourism activities, occasional festivals, employee health promotion activities, employee association activities, free plant parking spaces, and plant tours. Pregnant women have priority parking, breastfeeding rooms, and other amenities, and the company strives to improve employee well-being and create a happy workplace environment.

Standard Foods' employee welfare measures

Basic Benefits	Insurance	<ul style="list-style-type: none"> ➤ All employees participate in labor insurance and national health insurance. ➤ Employees and family members (including spouses and children) have access to group insurance that is fully paid for by the company (such as life insurance, critical illness insurance, hospitalization medical insurance, cancer medical insurance, accident insurance, and accidental medical treatment). ➤ Additional travel insurance for employees on business trips abroad.
	Leave	<ul style="list-style-type: none"> ➤ National holidays, special leave, official leave for marriage, funeral, sickness, and parental leave are granted according to the "Labor Standards Act." ➤ Relevant leave is granted according to the Labor Standards Act ➤ Regarding Neihu's bad traffic, the head office implements flexible commuting.
	Pension System	<ul style="list-style-type: none"> ➤ Those who apply the old "Labor Standards Act" system: 3.7% of the laborers' total wages are allocated to monthly pensions and are deposited in a special account in the name of the Labor Retirement Reserve Fund Supervisory Committee in the Bank of Taiwan. As of the end of 2022, the total balance of Standard Foods and Standard Dairy Food Labor Retirement Reserve Fund Supervision Committee special account is NT\$345,250,365. ➤ Those who apply the "Labor Pension Act" system: A contribution is deposited in the labor pension personal special account based on the labor pension contribution rate of 6% of the monthly salary from laborers and according to the monthly salary contribution grading table approved by the Executive Yuan. The new pension expenses recognized by Standard Foods and Standard Dairy in 2022 are NT\$46,513,468.
	Purchase of Employee Benefits	Employees can purchase the company's products at a price lower than the market within a monthly limit to care for their and their family's health.
Bonus Benefits	Employee Bonus	According to Article 29 of the Labor Standards Act, bonuses or rewards shall be given to workers who have worked throughout the year without receiving punitive actions if there is a surplus at the end of the business year after paying taxes, making up for losses, and withdrawing dividends and provident funds. Standard Foods and Standard Dairy, employee bonus amount reached NT\$46,702,674.
	Group's 35th Anniversary Gift	It has been 36 years since the establishment of Standard Foods Group, and the achievements of the Group today are due to the hard work of our colleagues! The company distributed the special "Group 35th Anniversary Birthday Gifts" to colleagues to express gratitude, and 1,240 employees received the gift.
	Group Performance Achievement Bonus	Due to the outbreak of COVID-19 in 2021, the performance of the second and third quarters was affected, and the annual target was not reached for the entire year. However, to thank all colleagues for their contributions in a difficult environment, the bonus is still distributed according to the annual employment ratio of 1,000 employees.

Health Promotion	Health Services	<ul style="list-style-type: none"> ➤ Organize Regular Annual Employee Health Inspections ➤ There are on-site/resident medical staff and regular monthly health consultation services. ➤ The Dayuan plant also provides additional health services, including public-funded influenza vaccine administration at the plant and cancer screening services for colorectal cancer/liver cancer/breast and other types of cancers.
	Healthy Activities	<ul style="list-style-type: none"> ➤ Organized the health season activity whereby the total number of steps accumulated is 68,175,709, equivalent to walking 47,723 kilometers. ➤ Each workplace regularly evaluates and conducts health-related lectures based on the health status of employees. ➤ Each workplace also provides special health activity services. <ul style="list-style-type: none"> ▪ Taipei Office: In addition to arranging health consultations every month, one themed health consultation is provided, and three additional teachers (occupational therapists, physical therapists, and psychological counselors) are hired to assess the health status of colleagues. ▪ Dayuan Plant: Two weekly health reports/month and noise protection education and training.
	COVID-19 Epidemic Prevention Publicity and Policy	Strengthen the publicity of COVID-19 prevention and monitor the health status of colleagues through the internal reporting mechanism.
Comprehensive Facilities	Health Related	<ul style="list-style-type: none"> ➤ Install nursing rooms, healthcare boxes, and fire extinguishers. ➤ The following additional health-related equipment is provided according to the needs of each workplace. <ul style="list-style-type: none"> ▪ Dayuan plant is equipped with AED automatic external heart defibrillator emergency equipment. ▪ Taipei Office: Sports equipment and showers. ▪ Dayuan Plant and Zhongli Plant provide priority parking spaces for pregnant women.
	Employee restaurant	The plant has established a staff restaurant to provide a bright and clean dining environment for the staff.
Employee Benefits Committee	Welfare Benefits	<ul style="list-style-type: none"> ➤ Source of funds: 0.5% of each employee's monthly salary, 0.15% of the company's total monthly operating income, and 40% of scrap income are appropriated and deposited in the special "Employee Welfare Committee" account established by the employer and the employee for management. In 2022, Standard Foods and Standard Dairy allocated NT\$18,860,860 in welfare funds. ➤ Three festival gifts: Enjoy the Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival gift bonus. ➤ Birthday gift bonus: birthday gift bonus for the month of the birthday. ➤ Congratulations and other allowances: for marriage, childbirth, funeral, hospitalization, etc. ➤ Travel subsidies: enjoy domestic and foreign travel subsidies and irregular activities. ➤ Club subsidies: various club activities and office fitness equipment. ➤ Others: Festivals or year-end dinners to enhance communication among colleagues
	Annual Events	Encourage employees to participate in club sports, including badminton, ping pong, basketball, softball, and road running clubs, to promote internal physical fitness and enhance inter-departmental relationships.



Human Resource Development

Diversified Training Channel

Talent is a valuable asset to any enterprise and the key to long-term growth. Standard Foods Group has long planned to improve talent quality to build an excellent team and a competitive advantage. To better cultivate new talents, we are committed to providing comprehensive support for new colleagues from the start when they join the company. We hope every new employee can receive the company's support when they start a new journey. We provide group general education courses to help new colleagues integrate into the company and understand the corporate culture in the fastest time. The supervisor will teach professional basic courses related to the positions for newcomers to adapt quickly and exert their talents. The "Newcomer Start Go" project was established in 2021 to allow newcomers to learn systematically, and internal professional training lecturers are appointed to assist department heads in designing professional courses for newcomers. The goal is to accelerate the speed of newcomers' knowledge acquisition. Standard Foods has also built an e-Academy so that colleagues can continue to study regardless of time and location during the COVID-19 epidemic.

Each employee's professional skills, communication, management, and leadership abilities are the key to the company's success. Therefore, we continue to provide employees with systematic learning and development plans, covering each business division's training blueprint and focus. Employees can participate in a variety of courses and training through these programs. Through various educational training, they can also improve their professional skills, communication, management, and leadership abilities. We encourage employees to participate in projects, theme meetings, and cross-departmental rotations to promote personal and team growth and development, allowing them to fully exert their strengths at work. Standard Foods hopes every employee can identify with and practice the "five values": commitment, enthusiasm, professionalism, cooperation, and honesty.

We actively organize diverse employee lectures to provide more comprehensive learning opportunities. These lectures cover various topics, such as workplace communication skills, emotional management, and healthy living. This change will allow employees to broaden their knowledge and professional skills, have

more influence in the workplace, and better adapt to the rapidly changing working environment. Holding these lectures not only contributes to employees' personal growth but also helps enhance the competitiveness and sustainable development of the Standard Foods Group.

Standard Foods Group believes in providing employees with a comprehensive learning environment, systematic general education courses, and cross-departmental on-the-job training to advance their careers and develop their skills. We believe that every employee is a valuable asset to the company, and the success of the company is also based on the continuous growth and development of employees. Standard Foods hopes every employee can identify with and practice the "five values": corporate culture, enthusiasm, professionalism, cooperation, and honesty. Therefore, we have provided a diverse learning environment and created teams that strive for excellence.

Focus projects: Standard Foods e-College Platform

"Standard Foods e-College" is the internal learning platform of the Standard Foods Group, which provides various course resources, including courses related to basic skills to advanced skills. Its distinguishing feature is the availability of convenient learning methods, with employees able to learn via computers, tablets, or mobile phones. The platform will provide personal learning reports based on employees' learning status, allowing them to better understand their learning progress and adjust learning plans more efficiently. Standard Foods e-College is highly practical, providing internal employees with effective learning resources to improve their working ability and professional skills. A learning platform like this can help enterprises cultivate and attract exceptional talent and boost their competitiveness.

▼ Standard Foods' 2022 annual employee lecture description list

Month	Lecture Topic	Content Description
January	Efficiency Work Organization Class	Invite tidying experts to demonstrate the world-renowned declutter method. By eliminating unnecessary items and thinking patterns, people can create more time and space and focus more on important matters at work.
February	Health Diet	Many people will experience health issues following the Lunar New Year, such as physical fatigue and weight gain. We invited Dr. Ya-Wen Yu, an experienced Chinese medicine practitioner, to offer helpful advice so everyone can find the best health regimen.
March	Office Stretching Yoga	Colleagues sitting in the office for a long time can learn simple and effective stretching exercises to relieve physical discomfort caused by long-term sitting with the help of professional yoga teachers.
April	Visual Presentations – Design and Presentation Skills	This course can help colleagues improve their communication and presentation skills. The lecturers will share their experiences to assist participants in more effectively conveying messages and increasing audience participation and understanding.
May	Physical and mental balance. Workplace High Performance	Invite well-known counseling psychologists to lecture colleagues online on physical and mental balance, work efficiency, and quality of life. Through mindfulness practice, participants can improve their workplace performance by learning to balance their body and mind.
June	Little Monster Mobile Phone Holder/Post-it Note Holder Handicraft Course	Simple and easy instructions for reusing the empty Fresh Delight yogurt cup to make a cute little monster mobile phone holder/sticky note holder. In addition to enjoying the fun of handicrafts, it can also help to achieve the zero waste objective.
July	Strength Training Without Equipment	Participants can easily perform muscle strength training at home, in the office, or while traveling through the guidance of professional lecturers. The efforts can help to improve physical fitness, shape the body, and improve health.
August	Emotion is a Choice	"Emotion is a Choice" can help participants master managing their emotions and feelings. The class combines theory and practice to let participants learn how to understand and control emotions, actively express and deal with emotions, and face life with positive thinking.
September	Common Sports Injuries and Prevention	It is critical to have proper knowledge of sports injury prevention. Physical therapists' professional explanations and practical exercises can help colleagues master proper exercise posture and move toward a healthy and energetic sports life.
October	Training Points for Beginners in Sports	Many questions about sports and muscle strength training may arise for newcomers to sports. Sports beginners can learn the proper training methods and embark on a healthy sports path with the help of physical therapists.
November	Change the World through Eating – Sustainable Eating	A sustainable diet is a concept aimed at protecting the environment, promoting public health, and safeguarding the well-being of animals and plants. When increasingly more food is wasted, global carbon emissions also increase accordingly. Let us learn how to practice a sustainable diet to create a safe and diverse ecological environment.
December	Aromatherapy	Aromatherapy has been widely popular in European and American countries. We invited a professionally certified lecturer to take us from theory to practice and personally make a bottle of essential oils that can soothe the body and mind to help colleagues better understand the fundamental principles of essential oils.



2022 Staff Lecture Photos



Standard Foods employee training in 2022

Employee Category	Calculation Method	Male	Female	Subtotal
Working Staff	The actual number of people during the reporting period (A1)	444	327	771
	Hours of training during the reporting period (B1)	11,456.18	6,562.9	18,019.08
	Average hours of training during the reporting period (B1/A1)	25.80	20.07	23.37
Employee	The actual number of people during the reporting period (A2)	470	86	556
	Hours of training during the reporting period (B2)	5,783.74	1,239.04	7,022.78
	Average hours of training during the reporting period (B2/A2)	12.31	14.41	12.63
Total	Reporting Period Hours (Q)	17,239.92	7,801.94	25,041.86
	Total number of employees at the end of the reporting period (R)	914	413	1,327
	Average hours of training per employee (Q/R)	18.86	18.89	18.87

2022 Standard Foods on-the-job training course application and participation

Course Category	Course Hours	Participants	Completion rate
New recruit training	903.5	251	100%
Occupational safety and health training	727.87	339	97%
General Studies	853.72	1,213	94%
Professional courses	12,375.82	4,852	99%
Management courses	1,081	72	99%
Product courses	257.63	1,293	91%
Functional courses	7,839.18	3,392	98%
Regulation Compliance Training	629.48	1,579	97%
Information Security Education and Training	373.66	169	71%
Total	25,041.86	13,160	

Performance and Career Development

We have developed performance appraisal management methods to assist employees in setting annual goals, developing their functions, and providing effective motivation and rewards. There are different key evaluation items for various job categories; the evaluator is the supervisor. Employees on the production line will be evaluated primarily based on their work results and behavior. Supervisors and colleagues in the office must set personal annual goals and integrate the requirements of core functions, management functions, and professional skills to assist colleagues in their development. In 2022, 100% of employees will receive regular performance and career development reviews.

Standard Foods' 2022 employee performance appraisal status

Employee Category	Calculation Method	Male	Female	Subtotal
Working Staff	Total number of employees at the end of the reporting period (A1)	429	329	758
	Number of employees receiving regular performance and career development reviews (B1)	429	329	758
	Percentage (B1/A1)	100%	100%	100%
Employee	Total number of employees at the end of the reporting period (A2)	314	87	401
	Number of employees receiving regular performance and career development reviews (B2)	314	87	501
	Percentage (B2/A2)	100%	100%	100%
Total	Total number of employees at the end of the reporting period (R)	743	416	1,159
	The total number of employees receiving regular performance and career development reviews (Q)	743	416	1,159
	The proportion of employees receiving regular performance and career development reviews (Q/R)	100%	100%	100%

Note: 1. Standard Foods Group's annual assessment period is from March of the current year to February of the next year, and the assessment time point is from January to February of each year. Therefore, the total number of employees at the end of this table is the number of employees as of February 28, 2023.

2. The number of employees to be evaluated excludes senior executives (director level and above), foreign workers, leave for childcare, expected resignation/retirement, and interns.

3. Senior supervisors (director level and higher) shall report to the general manager monthly for performance and career development review. Foreign workers are also assessed monthly based on their job performance.



Peace of Mind Workplace Environment

Occupational Health and Safety Management System

Standard Foods has implemented an occupational safety and health management system in all three plants to maintain employee safety and prevent occupational accidents. The Dayuan Plant obtained the Taiwan Occupational Safety and Health Management System (TOSHMS) and the OHSAS 18001 certifications in 2009 and receives renewal certifications yearly. Dayuan Plant passed the ISO/CNS 45001 occupational safety and health management system renewal audit in 2020 and introduced the ISO/CNS 45001 occupational safety and health management system, which can effectively implement the environmental safety management system, improve environmental and safety and health performance, and achieve high standards every year. The audit and verification of the two preceding major systems verify that the system is operationally sound and meets the requirements. The management system is provided to Zhongli and Hukou plants as management standards.

We have established an Occupational Safety and Health Management Committee, formulated the "Environmental and Safety and Health Management Manual" and "Occupational Safety and Health Management Measures," conducted safety measures for the working environment and employees' safety, and executed health systems planning and implementation according to the occupational safety and health law and related laws and regulations. We have continued implementing the Plan-Do-Check-Act (PDCA) cyclical quality management, occupational hazard risk assessment, and improvement method. The plants have established a special occupational safety and health unit, management staff, and emergency medical personnel according to the occupational safety and health management system and implemented this system to comprehensively prevent occupational disasters.

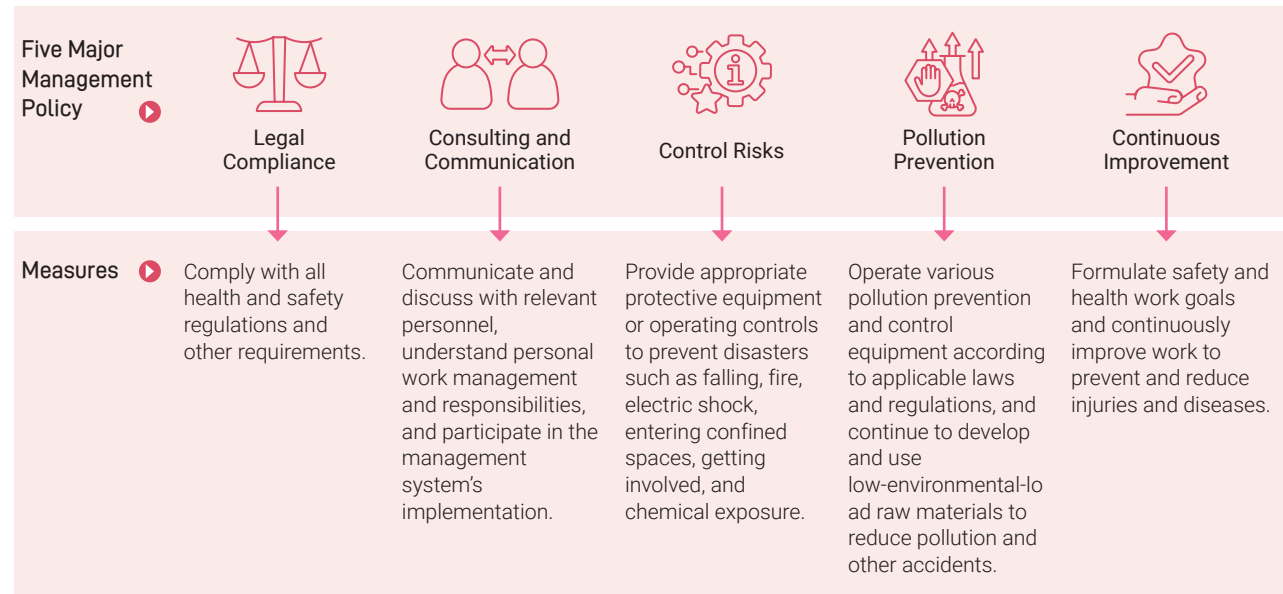
Workers covered by an occupational health and safety management system

Plant	Number of employees	Number of nonemployees	Subtotal	Total number of employees	Total number of nonemployees	Subtotal of people	Coverage ratio
Taipei Office	0	0	0	293	4	297	0%
Dayuan Plant	569	85	654	569	85	654	45.20%
Zhongli Plant	142	12	154	142	12	154	10.64%
Hukou Plant	151	14	165	151	14	165	11.40%
Business premises	0	0	0	172	5	177	0%
Total	862	111	973	1,327	120	1,447	67.24%

Note: 1. The number of nonemployees includes contracted and dispatched personnel working in the plant for a long time.

2. Calculation method of coverage ratio: total number of people covered by the occupational safety and health system (number of employees + number of non-employees) / total number of workers in the company.

Occupational health and safety management system



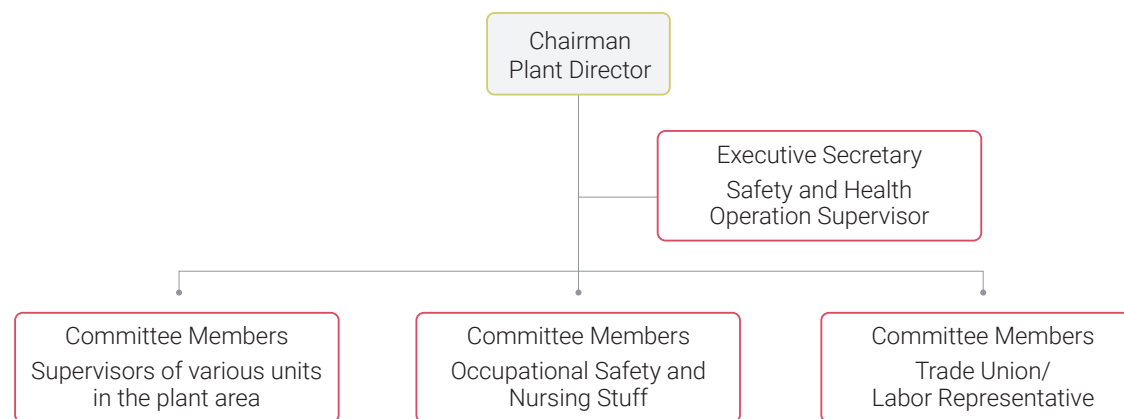
Occupational Health & Safety Committee

Standard Foods Group has a Safety and Health Committee in each plant area. The committee meets once every three months. The plant manager is the chairman, and the safety and health business supervisor is the executive secretary. The committee organizes operations and holds meetings to discuss workplace safety, health policies, and management. It also plans and reviews various issues, such as the outcomes of implementing the safety and health education and training plan. The organization outline of the safety and health committees in each plant area is as follows:

Standard Foods' Occupational Safety and Health Management Committee Organizational Structure	Chairman	Executive Secretary	Unit supervisor/occupational safety personnel/medical personnel	Trade union officers/labor representatives
Dayuan Plant_Occupational Safety and Health Management Committee	Plant Director	Occupational Safety and Health Department	8 people	6 people (union representatives)
Zhongli Plant_Occupational Safety and Health Management Committee	Plant Director	Occupational Safety and Health Department	6 people	5 people (labor representatives)
Hukou Plant_Occupational Safety and Health Management Committee	Plant Director	Occupational Safety and Health Department	5 people	5 people (labor representatives)

Every year, a safety and health work management plan is established, improvement plans and planning schedules for the identified risks are proposed, and the implementation results are tracked quarterly and disclosed at the meeting.

Occupational Health and Safety Committee Organization Chart





Occupational Safety and Health Education and Training

We regularly organize occupational safety education, training, and disaster drills to improve employees' knowledge and understanding of workplace safety and strengthen their ability to respond to disasters and accidents. To prevent similar accidents from happening again, the company also provides regular accident education and training, as well as accident investigation and analysis methods, to help colleagues understand the true cause of accidents, reduce the occurrence of industrial safety accidents, and strengthen employee health and safety.

Category	Course Title
Safety and Health	▶ Safety and Health Education and Training for New Recruits
	▶ On-the-job training for dangerous mechanical equipment such as boilers, pressure vessels, and stationary cranes.
	▶ Implement occupational hazard risk identification and assessment and control education and training.
	▶ Hearing protection education and training.
	▶ On-site machine, equipment, and appliance operation safety education and training.
	▶ Occupational safety management system internal auditor education and training.
	▶ First aid personnel AED education training and retraining.
	▶ Employee health promotion education and training.
	▶ Other necessary training for disaster prevention as stipulated by the Occupational Safety Act.
	▶ Organic Solvents Refresher Training.
	▶ On-the-job training for workers who manufacture, handle, or use hazardous chemicals.
	▶ The first training course for pressure vessel operators.
	▶ On-the-job education and training for forklift operators with a load of over one metric ton.
	▶ Heat hazard prevention education and training.
Firefighting	▶ Fire emergency response drills such as fire extinguishing and evacuation.
	▶ Fire Protection Manager Lecture Training
Environmental Protection	▶ Chemical and oil spill emergency response drill.
	▶ Emergency response to liquid ammonia leakage.
	▶ Class B waste (sewage) water treatment specialist training.

Occupational safety and health training for the group's personnel in 2022

Worker Category	Training Categories	Number participated	Training participation hours
Recruits	General training	353	979
	Special training	389	778
Existing employees	General training	3	30
	Special training	125	537
Labor contractors	Safety training for plant construction work	514	257
Total		1,384	2,581

Occupational safety and health training for Dayuan plant personnel in 2022

Worker Category	Training Categories	2022 Training Courses	Course Hours	Number participated	Total number of participants	Training participation hours
Recruits	General training	Safety and Health Education and Training	3	83	166	332
		New Employee Education & Training	1	83		
	Special training	Hazardous Substance General Education Training	3	83	166	332
		Food Hygiene and Safety Education and Training	1	83		
Existing employees	General training	Occupational Safety and Health Personnel Retraining	12	1	2	24
		Health Service Nurse Training	12	1		
	Special training	Ionizing Radiation Work Safety Retraining	3	8	61	195
		Retraining for Operators of Dangerous Machinery and Equipment	3	34		
		First Responders Retraining	3	3		
		Lifting and Hanging Operation/Crane Operation Retraining	3	16		
Labor contractors	Safety training for plant construction work	Contractor Application for Plant Access and Hazard Communication Training	0.5	454	454	227
Total			44.5	849	849	1,110

Occupational safety and health training for
Zhongli plant personnel in 2022

Worker Category	Training Categories	2022 Training Courses	Course Hours	Number participated	Total number of participants	Training participation hours
Recruits	General training	Safety and Health Education and Training	3	27	27	81
Existing employees	Special training	Dangerous Equipment Operator (Boiler, Primary Pressure, High Pressure, High-Pressure Capacity) Retraining	3	1	29	106
		Hazardous Work Supervisor (Organic, Specialized, Dust, Lead, Hypoxic Work) On-the-job Training (Retraining)	6	2		
		Fire Management Personnel Retraining	7	1		
		First Responders Retraining	3	2		
		High-Pressure Gas Manufacturing Safety Officer, Manufacturing Safety Operations Supervisor, Supply and Consumption Operations Supervisor	6	1		
		Type-I Safety and Health On-the-job Education as well as Training For Pressure Vessel Operators	3	2		
		On-the-job Education and Training for Forklift Operators with a Load of Over One Metric Ton	3	18		
		On-the-job Training Course for Waste (Sewage) Water Treatment Specialists	6	1		
		On-the-job Training Courses for Waste Removal and Treatment Professional Technicians	6	1		
Labor contractors	Safety training for plant construction work	Contractor Application for Plant Access and Hazard Communication Education and Training	0.5	34	34	17
Total			46.5	90	90	204

Occupational safety and health training for
Hukou plant personnel in 2022

Worker Category	Training Categories	2022 Training Courses	Course Hours	Number participated	Total number of participants	Training participation hours
Recruits	General training	Safety and Health Education and Training	4	86	160	566
		New Employee Education & Training	3	74		
	Special training	Hazardous Substance General Education Training	3	74	223	445.5
		Food Hygiene and Safety Education and Training	1,5	149		
Existing employees	General training	Retraining for Occupational Safety and Health Operation Supervisors	6	1	1	6
	Special training	Dangerous equipment operators (one pressure).	35	1	35	236
		Dangerous Equipment Operator (Boiler, Primary Pressure, High Pressure, High-Pressure Capacity) Retraining	3	13		
		Hazardous Work Supervisor (Organic, Specialized, Dust, Lead, Hypoxic Work) On-the-job Training (Retraining)	6	4		
		First Responders Retraining	3	1		
		Type-I Safety and Health On-the-job Education as well as Training For Pressure Vessel Operators	3	5		
		Education and Training for Forklift Operators with a Load of Over One Metric Ton	18	1		
		On-the-job Education and Training for Forklift Operators with a Load of Over One Metric Ton	3	9		
		On-the-job Training Course for Waste (Sewage) Water Treatment Specialists	75	1		
	Labor contractors	Safety training for plant construction work	Contractor Application for Plant Access and Hazard Communication Training	0.5	26	26
Total			164	445	445	1,266.5



Occupational Safety Hazard Risk Control

The company has identified the corresponding risks and opportunities within the scope of the CNS 45001 management system, related internal and external issues, needs and expectations of stakeholders, environmental considerations including potential emergencies, obligations to be complied with, etc., according to the "Risk and Opportunity Management Process." The action plans can ensure the expected environmental safety and health management system results are achieved. The goal is to prevent accidents, reduce the negative impact of the company's interaction with the external environment, and continuously improve the environmental safety and health management system.

We have established and implemented the "environmental considerations identification management procedures" and the "hazard identification and risk and opportunity assessment management procedures" according to the environmental considerations and safety hazard identification and risk assessments. The period's scope includes routine and non-routine activities, consideration of relevant environmental impacts from a life cycle perspective, and activities from all personnel entering the unit's workplace. They also cover the infrastructure, equipment, raw material settings, personnel behavior, ability, and other human factors used in the unit, external hazards that endanger the company's personnel's safety and health, the operation, process, and activities of the environmental safety and health management system, or changes in raw materials. Changes, applicable legal requirements concerning risk assessment and implementing necessary control methods, design of work areas, processes, installations, machinery, operating procedures, and work organization. Standard Foods has established a proactive environmental safety and health factor identification and risk assessment mechanism and identifies the priority of risk management based on risk assessment criteria and control method application. When establishing environmental safety and health goals, the company must consider the evaluation results and the control effectiveness.

The company will keep the environmental safety and health factor documents current. It will also conduct environmental safety and health factor identification and risk assessment at appropriate times to meet the "Revision Management Procedure" requirements. Activities and services involving planned or new developments, new or revised product development, and product management.

Risk hazard identification is performed for each operation (the risk identification process is shown below) to effectively control the potential operation hazard risks and identify opportunities to improve the safe environment. The results are divided into 5 risk levels: 5 (major), 4 (high), 3 (moderate), 2 (low), and 1 (mild). Those with moderate or higher risks shall be listed as unacceptable risk items, and immediate (for major risks) improvement measures or annual improvement plans shall be implemented to prevent and reduce the likelihood of disaster occurrence or the severity of consequences. For those assessed to post a low risk, consider whether there is an opportunity to improve the safe operating environment and incorporate it into the improvement target plan.

▼ Hazard identification, analysis, and improvement measures of Standard Foods' occupational safety and health management

Hazard identification	Hazard Analysis	Risk Level	Improvement Measures
Machinery Hazards	<ul style="list-style-type: none"> ▶ Unsafe Environment or Facility ▶ Machinery without a complete safety protection mechanism ▶ Entrapment hazard 	Medium risk	<ul style="list-style-type: none"> ▶ Implement improvements and engineering controls, and add safety protection mechanisms. ▶ Implement chemical leakage disaster prevention drills, emergency protective equipment spot checks, and comprehensive equipment management.
Chemical Hazards	<ul style="list-style-type: none"> ▶ A work environment where employees are exposed to hazardous chemicals/organic solvent leakage. 	Medium risk	<ul style="list-style-type: none"> ▶ A qualified environmental testing company is entrusted once every six months to conduct physical and chemical hazard environmental testing in the plant area, make relevant improvements based on the test report, and announce according to the law.
Physical Hazards	<ul style="list-style-type: none"> ▶ Hazards are caused by high-temperature operation, noise, and repetitive operation. 	Medium risk	<ul style="list-style-type: none"> ▶ Wear earplugs, waist support, and related protective gear.
Human Factor Hazards	<ul style="list-style-type: none"> ▶ Musculoskeletal injury hazards from repetitive work positions. 	Low risk	<ul style="list-style-type: none"> ▶ Ventilation improvement works and labor-saving devices such as robotic arms. ▶ Annual health checks are performed regularly, and plant doctors are stationed in the plant monthly to provide health consultation services. ▶ Carry out a rotation or temporarily change jobs based on the plant doctor's work suitability.

Standard Foods Occupational Safety and Health Protection Measures List

Passenger and Vehicle Lanes in the Plant Area

The lanes for people and vehicles in the plants' public areas and the production line areas are comprehensively planned to ensure the safety of employees and visitors in the plants' areas, and announcements are made to encourage employees to follow and improve pedestrian safety in the plants.



Warning Lights Surrounding Forklifts

The plant's forklifts are fully equipped with surrounding warning lights to mark the warning range of traveling operations and remind operators to keep a safe distance to prevent collision risks.



Grating Protection Device for Bottle Unloader

The grating protection device is installed on the bottle unloading machine to ensure that the machine can be stopped immediately when the operator's limbs enter the operating area of the machine, and issue a warning to ensure personnel safety.



Trolley Alarm Signal and Interlocking Stop Safety Device

Add alarm lights and interlocking stop safety devices to the trolley track to ensure that the trolley can stop running immediately when someone enters the track by mistake, and the trolley is not stopped, and issue a warning to ensure personnel safety.



Bottle Cleaning Machine Shield Opening Interlocking Stop Device

A shield opening interlocking stop device is added to the bottle clearer to ensure that when the machine is not stopped due to personnel misoperation when a body enters the bottle clearer operation area, the machine can be stopped immediately and a warning issued to ensure personnel safety.





Anti-falling Mother Cable System for Tank Truck and Roof Operations

An anti-fall cable system is installed in the tank truck operation and the roof of the automatic storage areas. The operation control is strictly implemented according to the individual operation's safety requirements to ensure the safety of high-altitude operations.



Aerial Work Vehicle

Train operators to perform altitude operations with self-purchased aerial work vehicles to ensure the safety.



Contractor Occupational Safety and Health Management Measures

The company has promulgated contractor management measures to ensure that the contractors of Standard Foods can implement independent safety management during plant constructions or operations and prevent equipment damage, disasters, or casualties. The scope of operations covers external contractors contracted to engage in relevant plant operations, and the plant delivers all or part of its operations, which meets the contracting relationship defined in Article 490 of the Civil Code.

The management measures cover the contractor's safety and health management capabilities, occupational disaster notification, hazardous operation control, education and training, emergency response and safety and health performance evaluation, etc. We have developed contract management plans and urged contractors and their employees to follow occupational safety and health laws and guidelines specified by the original business unit.

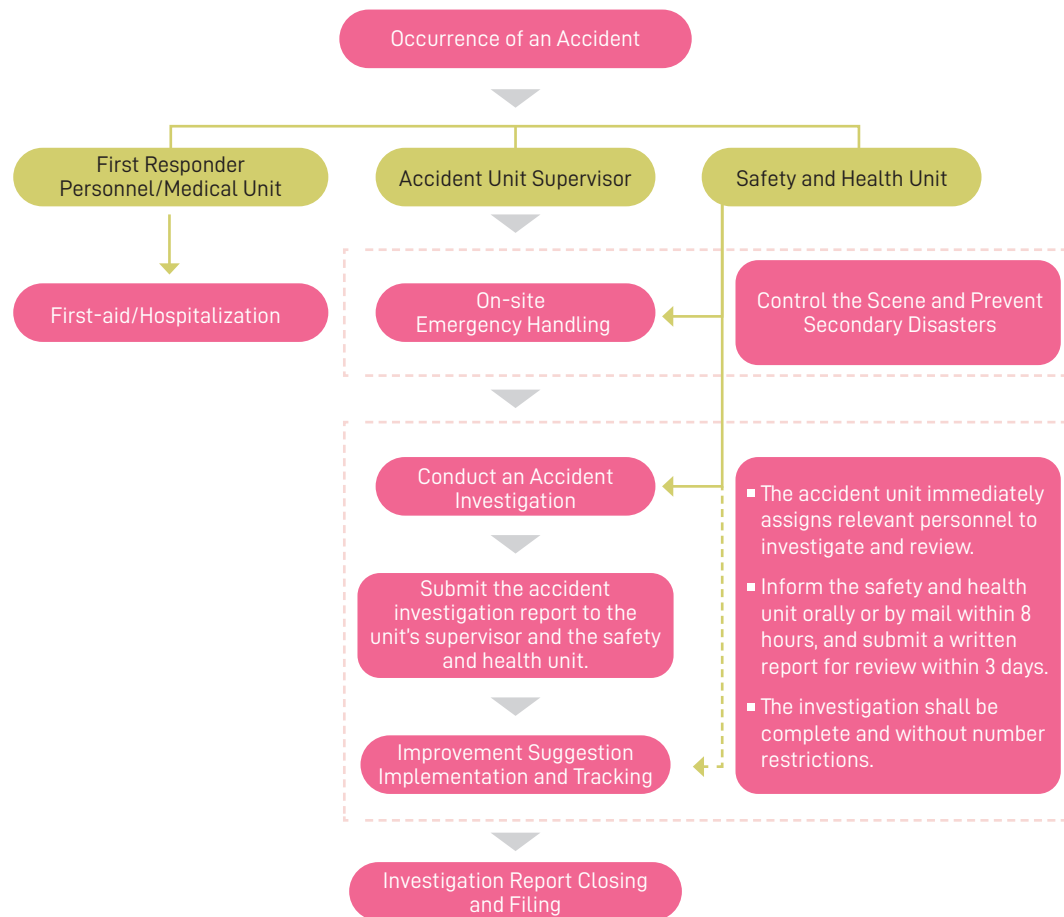
The contractor must comply with the relevant provisions of the Occupational Safety and Health Law and national standards when bringing in machinery, equipment, appliances, workpieces, gas cylinders, solvents, and other chemical substances that meet the national standard CNS15030 classification and pose physical or health hazards. The contractor must provide supporting documents and the "Dangerous Substance Entry Application Form for the Guard Room" for inspection by the labor safety personnel.

The relevant operation and control form of the Contractor Management Measures are as follows:

- Contractor Plant Entry Application and Hazardous Material Factor Notification Sheet
- Contractor Negotiation Organization Meeting Minutes
- Personal Information Collection Notice and Consent Form
- Hot Work Permit
- Confined Space Work Permit Application Form
- Fire Protection System Suspension Permit
- Lifting Operation Permit Application Form
- Elevated Work Permit Application Form
- Construction Personnel Late or Early Plant Entry Notice
- Standard Foods Incoming Contractor Breach of Contract

Response to occupational accidents

In case of an occupational accident, the company shall conduct first aid and rescue work according to the "Operational Procedures for Investigation and Handling of Public Injury Accidents" and cooperates with labor representatives to investigate and confirm the facts and conditions, identify the cause, and decide on improvement actions. The goal is to reduce the probability of accident recurrence, and the relevant investigation process is as follows.



Accident Investigation Process

Occurrence of an Accident

After a major occupational disaster occurs, it must be immediately reported to the Labor Safety Office and the superior supervisor. Moreover, the contractor must call the supervisory unit within 30 minutes, notify the fire department and medical unit to request support according to the relevant regulations, and notify the local labor inspection agency within 8 hours.

We also follow Article 18 of the Occupational Safety and Health Act, which guarantees workers' right to withdraw. We also increase the public's awareness of relevant rights during new employee education and training to ensure that personal health and safety are always prioritized.

Investigate the Cause of the Incident

After a major occupational disaster, the Labor Safety Office shall establish an "Occupational Disaster Investigation and Handling Team." Each unit's supervisors or designated personnel will act as the convener, and they shall go to the site for investigation and inspection together with the department supervisors. After submitting the "Accident Prevention Report" to the general manager, a major occupational disaster investigation report review meeting shall be held within 1 week, and the director of occupational safety and health operations shall serve as the convener. The department heads and labor representatives shall be invited to attend, and the Labor Safety Office shall explain the process and handling of major occupational accidents.

Event Review and Improvement Items

Each unit shall monitor and follow up on the control until it is completed according to the improvement items stipulated in the incident investigation and analysis report submitted by the "Occupational Accident Investigation and Handling Team" to improve and prevent similar incidents from recurring.

At a major occupational accident scene, the evidence should be collected, recorded, and sent to the labor safety room as case study material for education and training to prevent similar incidents from occurring again.



Occupational injury accident statistics and analysis

The total working hours in Standard Foods plants in 2022 were 193 million, with 12 annual recordable occupational injury records, for a ratio of about 0.06. Compared to the 191 million working hours in 2021 with a ratio of about 0.05, there was only a slight increase, and no significant difference is shown. In 2022, the number of serious occupational injuries was zero, and the number of fatal accidents due to occupational injuries was also zero.

When the types of accidents were analyzed throughout the year, the number of occupational injuries caused by improper actions that did not comply with SOPs was the highest, accounting for 70% of all accidents. Most occur in unconventional situations such as car washing, abnormal elimination, and non-compliance with SOPs. The hazard assessment in 2023 must control this situation using the CIT project to determine the abnormal occurrence rate in each line of the plant area related to personnel hazards and evaluate and reduce the occurrence of abnormalities via elimination, replacement, and engineering improvement. The goal is to reduce the probability of major disability injuries in the plant and continue to strengthen the safety supervision system.

Occupational injury statistics on Standard Foods' Dayuan Plant workers over the last three years

Year	2020		2021		2022	
Worker Category	Employees	Non-employee	Employees	Non-employee	Employees	Non-employee
Total Working Hours	1,125,728	168,656	1,099,136	164,672	1,103,568	165,336
Death toll	0	0	0	0	0	0
Death rate	0%	0%	0%	0%	0%	0%
Number of serious occupational injuries	1	0	2	0	0	0
Serious occupational injury rate	0.88%	0%	1.81%	0%	0%	0%
Recordable number of occupational injuries	10	1	9	0	9	1
Recordable occupational injury rate	8.88%	5.92%	8.18%	0%	8.15%	6.04%
Injury Types	Clamps, cuts, abrasions, inappropriate actions, being bumped	Cuts	Fallen objects, pinching, falling, cuts, high-temperature exposure, improper actions	NA	Cuts, fallen objects, being trampled Clamps, inappropriate actions	Falls

▼ Occupational injury statistics on Standard Foods' Zhongli Plant workers over the last three years

Year	2020		2021		2022	
Worker Category	Employees	Non-employee	Employees	Non-employee	Employees	Non-employee
Total Working Hours	59,052	319,014	59,052	315,018	62,604	322,344
Death toll	0	0	0	0	0	0
Death rate	0%	0%	0%	0%	0%	0%
Number of serious occupational injuries	0	0	0	0	0	0
Serious occupational injury rate	0%	0%	0%	0%	0%	0%
Recordable number of occupational injuries	0	1	0	1	0	0
Recordable occupational injury rate	0%	0.62%	0%	0.63%	0%	0%
Injury Types	None	Burn injury	None	Fall	None	None

▼ Occupational injury statistics on Standard Foods' Hukou Plant workers over the last three years

Year	2020		2021		2022	
Worker Category	Employees	Non-employee	Employees	Non-employee	Employees	Non-employee
Total Working Hours	265,760	6,776	267,824	7,248	276,032	5,080
Death toll	0	0	0	0	0	0
Death rate	0%	0%	0%	0%	0%	0%
Number of serious occupational injuries	0	0	0	0	0	0
Serious occupational injury rate	0%	0%	0%	0%	0%	0%
Recordable number of occupational injuries	4	0	0	0	2	0
Recordable occupational injury rate	3.01%	0%	0%	0%	1.44%	0%
Injury Types	Inappropriate action, clamp injury	-	-	-	Inappropriate action, slip & fall	-

- Note: 1. Occupational injuries refer to accidental injuries that occur when workers perform their duties at the workplace, and the statistical basis does not include "commuting accidents" when commuting to and from get off work.
2. Total working hours: Calculate the total annual working hours of all workers. Employees and non-employees (contract workers and dispatch workers) are estimated by eight hours per day × (number of people entering the plant per month × number of working days per month) for the whole year.
3. Serious occupational injury: Refers to an occupational injury that results in incapacity or an injury (excluding death) that cannot be restored to the state of health before the injury within six months.)
4. Death rate = number of deaths caused by occupational injuries ÷ total hours worked × 1,000,000.
5. Serious occupational injury rate = number of serious occupational injuries ÷ total working hours × 1,000,000.
6. Total Recordable Injury Frequency Rate (TRIFR) = number of recordable occupational injuries (including serious injuries, deaths, and other recordable ones) × 1,000,000 ÷ total working.
7. The rate of 1,000,000 hours worked refers to the number of occupational injuries per 500 full-time workers in a year, based on the assumption that full-time workers work 2,000 hours in one year.



▼ Frequency and severity of disabling injuries for Standard Foods' Dayuan Plant workers over the last three years

Year	Worker Category	Work days lost due to disabling injuries	Disabling injury frequency rate (FR)	Disabling injury severity rate (SR)	Fragile States Index (FSI)
2020	Employees	244	8.88	216	1.38
	Non-employee	81	5.92	480	1.68
2021	Employees	191	7.27	173	1.12
	Non-employee	0	0	0	0
2022	Employees	118	7.24	106	0.87
	Non-employee	90	6.04	544	1.81

▼ Frequency and severity of disabling injuries for Standard Foods' Hukou Plant workers over the last three years

Year	Worker Category	Work days lost due to disabling injuries	Disabling injury frequency rate (FR)	Disabling injury severity rate (SR)	Fragile States Index (FSI)
2020	Employees	34	15.05	127	1.38
	Non-employee	0	0	0	0
2021	Employees	0	0	0	0
	Non-employee	0	0	0	0
2022	Employees	1	7.24	3	0.14
	Non-employee	0	0	0	0

▼ Frequency and severity of disabling injuries for Standard Foods' Zhongli Plant workers over the last three years

Year	Worker Category	Work days lost due to disabling injuries	Disabling injury frequency rate (FR)	Disabling injury severity rate (SR)	Fragile States Index (FSI)
2020	Employees	0	0	0	0
	Non-employee	21	0.62	13	0.08
2021	Employees	0	0	0	0
	Non-employee	15	0.63	9	0.07
2022	Employees	0	0	0	0
	Non-employee	0	0	0	0

Note: 1. Lost working days: the number of days unable to work (rest days). The calculation basis includes occupational accident and public injury leave, excluding sick and menstrual leave.

2. Disabling Frequency Rate (FR) = number of disabled injuries ÷ total working hours × 1,000,000.

3. Disabling Severity Rate (SR) = days lost due to disability ÷ total hours worked × 1,000,000.

4. Frequency-Severity Indicator (FSI) = $\sqrt{[(FR \times SR) \div 1,000]}$.

5. The rate of 1,000,000 hours worked refers to the number of occupational injuries per 500 full-time workers in a year, based on the assumption that full-time workers work 2,000 hours in one year.

Workplace health services

Occupational injury prevention and management

Standard Foods has actively promoted and emphasized creating a healthy workplace environment. The company conducts regular health checks for all employees annually, including general health checks and special labor workers' health checks for particularly hazardous operations, to protect workers' physical and mental health. Special health inspections are provided for 12 categories (noise exposure, ionizing radiation, n-hexane, chromic acid and its salts, benzene, formaldehyde, carbon disulfide, nickel/manganese/arsenic/cadmium and their compounds, and mercury and its inorganic compounds). Operators are required by law to conduct inspections on special items specified in laws and regulations and implement graded health management. Occupational nursing and occupational medicine specialists shall handle the physical examination results for health education and health follow-up examinations, and on-site assessments of suspected work-related diseases may be performed as needed. Personnel with a health management level of 3 or higher shall be followed up once every other year. Special professional physicians shall provide health consultation and guidance to Level 4 management. By the end of 2022, the company had 12 personnel under health management at level 3 or higher and 4 personnel under health management showing abnormal physical examination items caused by special operations. The name of the operation is noise operation. We have provided hazard control and noise protection education and training and adopted safety measures by providing protective equipment. The company had no occupational diseases in 2022.

Health management grading status from special health exams in the past 3 years (unit: number of people)

Year	Total number of people tested	Personnel under level 1 management	Personnel under level 2 management	Personnel under level 3 management	Personnel under level 4 management
2020	249	185	62	2	0
2021	263	184	76	0	3
2022	378	263	99	12	1

Note: 1. Level 1 management: those judged normal based on comprehensive inspection results.

2. Level 2 management: the inspection results are comprehensively judged as abnormal and unrelated to work.

3. Level 3 management: the inspection results are comprehensively judged as abnormal, but the work relevance cannot be determined. An occupational medicine specialist evaluator needs to be arranged.

4. Level 4 management: those whose inspection results are comprehensively judged abnormal and work-related.

Health Promotion Care

We expect employees to balance work, health, and life and integrate internal and external professional service resources. The services offered in equipment and activities are described below to assist employees in addressing the impact of health on work performance.

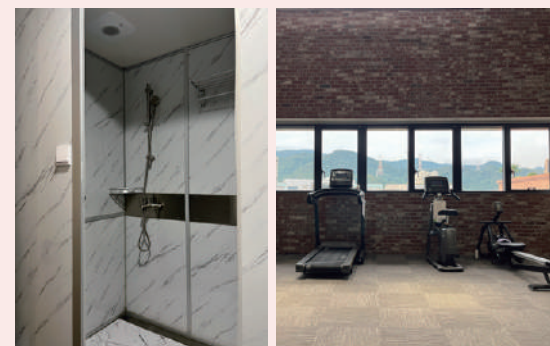
Description of Standard Foods' health promotion measures

Equipment Related

1. Health maintenance: fire extinguishers, AEDs, and medicine boxes are fixed in offices. We have also established breastfeeding rooms that exceed regulation requirements and provide related equipment and care for women who have breastfeeding needs or are pregnant. In addition to breastfeeding rooms, we provided priority parking spaces for pregnant women.



2. Health promotion: We purchase fitness and sports equipment for employees to use independently to promote the health awareness of colleagues. Additional showers are provided in addition to fitness equipment for employees to exercise and for field employees to use after their duties.





Event Related

1. Education and training: Hold diversified employee lectures every month on topics such as office yoga and presentation making, provide employees with various knowledge after work, and provide employees with enough skills required at work and personal learning-related resources.
2. Health services: We provide health inspections that exceed the regulation requirements regarding frequency and content. In addition to the fixed-rate subsidy for employees' health inspections, preferential self-funded inspections are provided so they can receive comprehensive health inspections at a lower cost than the market price. In addition to health checkups, thematic consultations are also launched regularly in conjunction with the medical staff's health consultation services to provide employees with a review of their health problems. The goal is to use the professional medical team's analysis and recommendations to make proper adjustments between employers and employees. In addition, the Taipei office also provides monthly themed consultations for occupational medicine and occupational care. The goal is to provide consultation on various healthcare issues (such as vision care, gastrointestinal health, and sports injury prevention), and the number of participants in 2022 was 41.
3. Healthy activities: Hold large-scale health events annually and use rewarding incentives to increase the desire of all employees to participate in health activities. The goal is to promote health awareness through health activities. In addition to being a good health partner for every consumer, we also hope that Standard Foods can become a good health partner for every Standard Foods employee after work.

Spotlight Case: Standard Foods 2022 Sports Season

Standard Foods organized an online APP sports competition to promote colleagues' health. The goal is encouraging colleagues to exercise their muscles and bones after work and gain sports-related knowledge. The total number of steps taken in this activity is 68,175,709, equivalent to 47,723 kilometers. The total carbon reduction is 9,680 kilograms, equivalent to 537 trees.

Participants who complete the task threshold in both stages are entered into the event's lucky draw to win a mobile phone, fitness ring, smart heart rate stopwatch, smart body fat meter, Japanese massage gun, and other awards among the prizes.

The competition is divided into two stages:

Stage 1

Individual participation. Complete 80 groups of APP somatosensory exercises, watch 2 sports-related videos, and read and respond to 6 sports knowledge articles during the activity. After completing the three tasks in the first activity stage, the participant can receive the nutritional products presented by the company.



Stage 2

team participation. Five people are required to sign up to form a team. If five people cannot be gathered before the start of the activity period, the organizer will assist in matching the participants into five-person teams. During the activity, step counting (walking), somatosensory exercise, sports-themed video watching, and sports photo sharing are used to complete the designated tasks to accumulate points. The team can get a nutritional product gift from the company after reaching 1200 points in the second stage of the activity.



Social Care and Well-being

As a leading brand in the food industry, the company is dedicated to exercising enterprise influence and fulfilling its social responsibilities. More people are paying attention to the nutrition and health of various ethnic groups due to the power of enterprise, and the connection of philanthropy fills society with love and warmth.

▼ Standard Foods' Community Engagement in 2022

Dayuan Plant conducts community care activities for disadvantaged families and the elderly living alone.

Investment The company sponsors related healthcare and health products, and the annual budget is NT\$200,000-NT\$300,000. The staff of the plant administrative department consulted with the neighborhood and village chiefs to assist in visits.

Output Provide care annually during the three festivals (Dragon Boat Festival, Mid-Autumn Festival, and Spring Festival). The efforts cover 193 households in the target community and 37 elderly households that are disadvantaged or living alone to express the company's care for the community and vulnerable families.

Impact Maintain the caring interactions between the company's staff and the local people, and enhance the company's local image.



Care for the Elderly Living Alone



Care for Disadvantaged Families

Dayuan Plant implemented the "Calcium with Love" activity for children of Xihai Elementary School.

Investment The company sponsors 50 boxes of True Milk, 34 boxes of oatmeal, and 400 Fresh Delight coloring books. The plant manager and administrative staff participated in the event together with the elementary school principal.

Output The principal of Xihai Elementary School and the parent association president participated in the student care activity together. They also presented a certificate of appreciation and thank-you signature cards from students to highlight the company's Calcium with Love effort.

Impact Provide care of school children near the plant, promote the company's social care concept, take root early, and grow together with the company.



aaa"Calcium with Love" for the children of Xihai Elementary School



Standard Foods gives back to society with its channel partners by providing preferential products



Project:
Food Bank

Standard Foods has collaborated with A.mart for a long time to echo the food bank's original intention of sharing love and cooperating with channels on preferential terms to make it easier to spread love. The cooperative products are as follows:

- Quaker COMPLETE Supplement 50 Chromium Formula, 490 boxes
- Quaker COMPLETE Original Flavor Fiber Gift Box, 504 boxes
- Quaker COMPLETE Original Sugarless Flavor, 504 boxes
- Quaker Original Oats, 564 boxes
- Quaker Probiotic 3x Children's Milk Powder, 310 boxes
- Quaker 3-in-1 Wheat, 715 boxes
- Quaker Soak-free Multi-Grains Rice, 490 boxes



Project:
Live with Love

Quaker Oats + COMPLETE combination, 4500 sets



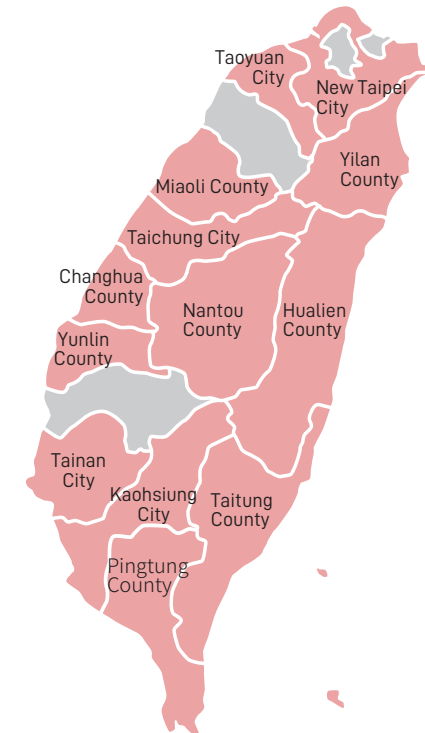
Project:
Foundation
Donation

PX Mart invites Standard Foods to participate in Qingxiang Foundation's food donation to disadvantaged families and provide high-quality nutritional supplements to those in need as follows:

- Quaker High Calcium Low Fat Milk Powder 1650g, 10 boxes
- Quaker COMPLETE Nutrition Food, 250ML x 24 ea., 65 boxes
- Quaker COMPLETE Nutrition Food Low Residue Formula (24 cans), totaling 80 boxes
- Quaker COMPLETE Nutrition Food Vegetable Protein Formula (24 cans), total 80 boxes

Calcium with Love

Standard Foods has long been concerned about children's calcium intake. We have launched the 3-year public welfare "Calcium with Love" project since 2020 and invited children from rural schools to participate in painting competitions. The goal is to conduct consumer online voting and invite participants to purchase Fresh Delight fresh milk and donate milk for rural children. This philanthropic project raised over 1 million bottles of True Milk from 2020 to 2022. They were donated to 334 rural primary schools to help 20,000 rural children supplement calcium and nutrition. We will continue to protect the health of children in rural areas in the future.



Live with Love

In May 2022, Standard Foods launched the "Live with Love" elderly care plan. Taiwan entered an "aging" society in 2018 and is expected to enter a "super-aging" society by 2025. By then, there will be about 4.69 million people over 65. Elderly nutritional supplements are Standard Foods' strength. The group responds to the trend and supports the elderly. Standard Foods called on 8 elderly people to participate in the "Return to Northern Cross-Island Highway" walking challenge. The total climbing height in the 3-day event was equivalent to 6.1 times that of the Taipei 101 building, and the total walking distance was 45 kilometers. Three episodes of "Return to Beiheng" documentary films were made, with 1.83 million views, and inspired countless people. In addition, 424 elders were reached through 12 community education tours to build health knowledge for the elderly in rural areas. Standard Foods called on the consumers to respond. The Live with Love Charity Team collaborated with the Medfirst drug store on the "buy one, donate one" campaign to generate NT\$1,737 thousand in sales. Standard Foods donated 7,559 Live with Love packs to disadvantaged seniors through this event.

Standard Foods not only organizes a series of evergreen care activities but to sow the seeds of public welfare in the hearts of colleagues by organizing volunteer day activities and inviting colleagues to the Bali warehouse of 1919 Food Bank to participate in the packaging of Live with Love charity packs. Under the high temperature of more than 30 degrees, the colleagues exerted tacit teamwork and finally assembled 1,000 charity gift boxes despite the hot weather. The supplement packs containing the love of Standard Foods colleagues added warmth and depth to the elderly care project.

Standard Foods collected Christmas gifts from colleagues on the eve of Christmas. A 1,000-kilometer caring trip was conducted by the "Christmas Riding" caring team formed by the elders of Bliss Foundation, and Christmas gifts, as well as 1,000 Standard Foods care supply boxes, were distributed to all parts of Taiwan by cycling around the island. The goal is to send warm greetings and care at the end of the year.

Charity Donations

Standard Foods not only cares for children and the elderly through public welfare projects but also supported various public welfare organizations for a long time, such as the 1919 Food Bank and the United Way. On the other hand, materials are donated to various units from time to time according to the needs of all parties. In 2022, the company donated to 63 charitable organizations with a total value exceeding NT\$20 million. The important donations/sponsorships to non-profit organizations are as follows:

Service Subjects	Type of Public Welfare Units	Examples of Recipient Units	
Children + Adolescents	Care for the Disadvantaged	<ul style="list-style-type: none"> ➤ Taiwan Fund for Children and Families ➤ The Mustard Seed Mission 	<ul style="list-style-type: none"> ➤ Love Life Cultural & Educational Foundation ➤ AGAPE Yilan
Children + Adolescents	Placement Agencies	<ul style="list-style-type: none"> ➤ Chi-hui Young-care Resettlement Institution ➤ Adolescents' Home, Taoyuan, Prison Fellowship Taiwan 	<ul style="list-style-type: none"> ➤ Kaohsiung City Private Foundation Chi-hui Young-care Resettlement Institution ➤ Bethany Children's Home
Seniors	Care for the Disadvantaged	<ul style="list-style-type: none"> ➤ Entrust Foundation ➤ Old Five Old Foundation 	
Seniors	Nursing Centers	<ul style="list-style-type: none"> ➤ Haichiang.org.tw ➤ Lauwulau Home for the Elderly ➤ Catholic Marian Long-term Care Center (care type) 	



Service Subjects	Type of Public Welfare Units	Examples of Recipient Units	
All Ages	Care for the Disadvantaged	<ul style="list-style-type: none"> ▶ Chinese Christian Relief Association ▶ Taoyuan Cixin Publix Welfare Association 	▶ United Charity Association of Kaohsiung
Indigenous people	Care for the Disadvantaged	▶ Corporate Legal Person Taitung County Aboriginal Ebenezer Holistic Care Development Association	
Women and Children	Care for the Disadvantaged	▶ The Garden of Hope Foundation	▶ Good Shepherd Social Welfare Foundation
Blind	Care for the Disadvantaged	▶ Mu-Kuang Rehabilitation Center for the Blind	
Handicapped	Care for the Disadvantaged	<ul style="list-style-type: none"> ▶ Eden Social Welfare Foundation ▶ Syin-Lu Social Welfare Foundation ▶ Taoyuan City Private Guanyin Loving Home 	<ul style="list-style-type: none"> ▶ Dann Center for Individuals with Developmental Disabilities ▶ Taipei Friends of Rehabilitation Association
Patients	Placement Agencies	<ul style="list-style-type: none"> ▶ Happy Mount ▶ New Hope Foundation 	▶ Genesis Social Welfare Foundation
Family in Hardship	Care for the Disadvantaged	▶ Operation Dawn	▶ Christian Foundation Taichung Rehabilitation Fellowship

Note: Due to limited space, only some recipient units are listed as examples.

Standard Foods China Builds Dreams for the Future By Caring for the “Children”

Standard Foods China also spares no effort in public welfare care. After the flood in Henan, China, on July 20, 2021, the Shiyang Central School in Junxian County was severely damaged. For 20 days, the entire building was flooded, with the deepest being under a meter deep of water. The foundation sank, the wall plasters rotted, the walls cracked, the roof leaked, and the building was identified as hazardous. Surveillance systems, teaching instruments, desks and stools, kitchen facilities, campus tables and chairs, and other equipment and facilities were all damaged to varying degrees, severely disrupting students' school lives.

Standard Foods China donated edible oil, nutritional supplements, and other materials worth RMB ¥1 million through the China Soong Ching Ling Foundation to assist the people in Henan flood prevention and disaster relief. The company also donated RMB¥1 million in cash for the “Shiyang Central School” school reconstruction project and purchased many facilities and equipment, greatly improving the school conditions at Shiyang Central School. Currently, the school covers an area of 12,840 square meters and a building area of 4,710 square meters. Many students studying in private schools due to the disaster have returned successively. The efforts have assisted schoolchildren in 7 administrative villages. The number has climbed to 450 students, with 10 classes and 23 teaching staff. We shouldered the responsibility to help, and the love and charity persisted to the end and continued to follow up. Standard Foods China has taken the path of public welfare step-by-step to spread warmth along the way. In the future, Standard Foods will continue to be a practice and advocate social welfare, gather more philanthropic momentum, drive more companies and organizations to do good and charity and build a harmonious, friendly, and beautiful China together.

Standard Foods China has donated millions of cooking oil and nutritional supplements.



Standard Foods China has donated millions to fund campus redevelopment.



Appendix

GRI Standards Index

General Disclosures

GRI Encoding	Disclosure Items	Corresponding Chapters	Page
GRI General Principles Version: GRI General Principles 2021			
Applicable Industry Code: None			
GRI 1: Standard Foods' January 1, 2022 to December 31, 2022 report follows the GRI standard.			
GRI 2: General Disclosure 2021			
GRI 2-1	Organizational Detail Information	About Standard Foods	P.16
GRI 2-2	Entities Included in Organizational Sustainability Reports	About the Report	P.07
GRI 2-3	Coverage Period, Frequency, and Contact Person	About the Report	P.07
GRI 2-4	Restatements of Information	About the Report (No restatements)	P.07
GRI 2-5	External Guarantee/Assurance	About the Report	P.08
GRI 2-6	Activities, Value Chain, and Other Business Relationships	About Standard Foods Sustainable Value Chain	P.16 P.58
GRI 2-7	Employees	Workforce distribution	P.86
GRI 2-8	Non-employee Workers	Workforce distribution	P.86



GRI Encoding	Disclosure Items	Corresponding Chapters	Page
GRI 2-9	Governance Structure and Composition	Composition of the Board of Directors	P.30
GRI 2-10	Nominating and Selecting the Highest Governance Body	Board Member Nomination & Selection	P.31
GRI 2-11	Chairman of the Highest Governing Body	Conflict of Interest Recusal	P.30
GRI 2-12	Highest Governance Body's Role in Overseeing Impact Management	Functional Committees	P.33
GRI 2-13	Person in Charge of Impact Management	Crisis Management Team	P.37
GRI 2-14	Highest Governance Body's Role in Sustainability Reporting	About the Report	P.08
GRI 2-15	Conflict of Interest	Conflict of Interest Recusal	P.30
GRI 2-16	Communication of Key Major Events	Composition of the Board of Directors (There are no key major events that need to be communicated with the board of directors this year)	P.30
GRI 2-17	Collective Knowledge of the Highest Governance Body	Training for Board of Directors	P.31
GRI 2-18	Performance Evaluation of the Highest Governance Body	Board Performance Evaluation	P.32
GRI 2-19	Remuneration Policies	Remuneration Policy for Directors and Managers	P.32, P.33
GRI 2-20	Remuneration Decision Process	Remuneration Policy for Directors and Managers	P.32
GRI 2-21	Annual Total Remuneration Ratio	Reason for Omission: Confidentiality Agreement	
GRI 2-22	Sustainable Development Strategy Declaration	A Word from the President Sustainable Commitment & Strategy	P.06 P.10
GRI 2-23	Policy Commitment	Sustainable Commitment & Strategy Policy Commitment, International Initiatives Supported by Standard Foods	P.10 P.26
GRI 2-24	Incorporate Policy Commitment	Policy Commitment	P.29, P.61
GRI 2-25	Procedures for Remediating Negative Impacts	Complaint & Recommendation Channel	P.36

GRI Encoding	Disclosure Items	Corresponding Chapters	Page
GRI 2-26	Mechanisms for Seeking Advice and Raising Concerns	Complaint & Recommendation Channel	P.36
GRI 2-27	Legal Compliance	Legal Compliance	P.34
GRI 2-28	Membership of Associations	Public Association Qualification	P.27
GRI 2-29	Stakeholders Engagement Policy	Stakeholders Consensus	P.12
GRI 2-30	Collective Bargaining Agreements	Human and labor rights protection (No additional group agreement is signed this year)	P.89

Major Topic Disclosure

GRI Encoding	Disclosure Items	Corresponding Chapters	Page
GRI 3: Major Topics 2021			
GRI 3-1	Process for Determining Major Topics	Major Topic Identification and Procedure	P.11, P.13
GRI 3-2	List of Major Topics	Major Topic Identification and Procedure	P.13

GRI Encoding	Disclosure Items	Corresponding Chapters	Page
Business Performance			
GRI 3-3	Major Topic Management	Chapter 1. About Us	P.15
GRI 201-1	Direct economic value generated and distributed by the organization	Economic Performance	P.24
Response to Climate Change			
GRI 3-3	Major Topic Management	Chapter 5. Environmental Protection	P.65
GRI 201-2	Financial impacts and other risks and opportunities arising from climate change	Climate-related financial disclosures	P.66



GRI Encoding	Disclosure Items	Corresponding Chapters	Page
Social Welfare			
GRI 3-3	Major Topic Management	Chapter 6. Social Inclusion	P85
GRI 203-1	Development and Impact of Infrastructure Investment and Support Services	Social care and well-being	P.110
Procurement Practices and Management			
GRI 3-3	Major Topic Management	Chapter 4. Supply Chain Management	P.57
GRI 204-1	Proportion of purchase expenditures from local suppliers	Sustainable Procurement	P.63
Energy and Greenhouse Gas Management			
GRI 3-3	Major Topic Management	Chapter 5. Environmental Protection	P.64
GRI 302-1	Energy consumption within the organization	Energy management	P.72
GRI 302-3	Energy Intensity	Energy management	P.72
GRI 302-4	Reduce energy consumption	Energy conservation and carbon reduction	P.73
GRI 305-1	Direct (scope 1) GHG emissions	Greenhouse gas emissions	P.73
GRI 305-2	Energy indirect (scope 2) GHG emissions	Greenhouse gas emissions	P.73
GRI 305-3	Other indirect (scope 2) GHG emissions	Greenhouse gas emissions	P.73
GRI 305-4	Greenhouse Gas Emission Intensity	Greenhouse gas emissions	P.73
GRI 305-5	Reduction of GHG emissions	Energy conservation and carbon reduction	P.73
Supply Chain Management			
GRI 3-3	Major Topic Management	Chapter 4. Supply Chain Management	P.57
GRI 308-1	Screening new suppliers via environmental standards	Supplier Risk Assessment	P.61
GRI 414-1	New suppliers screened using social standards	Supplier Risk Assessment	P.61

GRI Encoding	Disclosure Items	Corresponding Chapters	Page
Talent Cultivation and Recruitment			
GRI 3-3	Major Topic Management	Chapter 6. Social Inclusion	P.84
GRI 401-1	New employee hires and employee turnover	Employee turnover	P.88
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Welfare measures	P.91
GRI 404-1	Average hours of training per year per employee	Diversified training channel	P.93
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Diversified training channel	P.93
GRI 404-3	Percentage of Employees Regularly Receiving Performance and Professional Development Appraisal	Performance and Career Development	P.96
Human Rights			
GRI 3-3	Major Topic Management	Chapter 6. Social Inclusion	P.85
GRI 406-1	Discrimination incidents and improvement action taken by the organization	Human and labor rights protection	P.89
GRI 407-1	Operation base or supplier who may face freedom of association and group bargaining risks	Human and labor rights protection	P.89
GRI 408-1	Significant risks of child labor in operations by suppliers	Human and labor rights protection	P.89
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human and labor rights protection	P.89
Food Safety and Health Management			
GRI 3-3	Major Topic Management	Chapter 3. Food Safety	P.43
GRI 416-1	Assessment of the impacts that the products and services have on health and safety	Food Safety Management	P.44
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Food Safety Management	P.43, P.53



SASB Standards Index

Food processing industry

Topic	No.	Accounting Indicator	Corresponding Chapters and Pages
Energy management	FB-PF-130a.1	1. Total energy consumption 2. percentage of grid power 3. percentage of renewable energy	1. 339,882(GJ) 2. 33.7% 3. 0%
Water resources management	FB-PF-140a.1	1. Total water withdrawal 2. Total water consumption, percentage of areas with high or very high baseline water stress	1. 662.54 thousand cubic meters 2. 214.32 thousand cubic meters, 0%
	FB-PF-140a.2	Number of non-compliance incidents related to water quality and usage permits, standards, and regulations	0
	FB-PF-140a.3	Describe the water resource management risks, and discuss strategies and practices for risk mitigation.	See "Chapter 5. Environmental Protection_Water Resource Management" for details.
Food Safety	FB-PF-250a.1	Audited according to the Global Food Safety Initiative's (GFSI's) (1) nonconformity rate and (2) corrective action implementation rate for the relevant (a) major nonconformities and (b) minor non-conformities	1. In 2022, the total number of SQF deficiencies in the three plants is 0 major deficiencies, 0 major deficiencies, and 13 minor deficiencies. So there are an average of 4.3 minor deficiencies per plant. 2. There are no major nonconforming items. A total of 13 general nonconforming items have been improved, and the implementation rate of corrective measures is 100%.
	FB-PF-250a.3	1. Total number of food safety violation notices received, 2. Percentage of violations corrected	0 food safety violation notices.
	FB-PF-250a.4	1. The number of recall and shelf removal incidents 2. The total amount of recalled and removed items from the shelves	There were no recall incidents in 2022.
Health and Nutrition	FB-PF-260a.2	Discuss identifying and managing product and ingredient sources relevant to consumer nutrition and health concerns.	Please See "Ch3 Food Safety_Food Traceability Management" for details

Topic	No.	Accounting Indicator	Corresponding Chapters and Pages
Product Labeling and Marketing	FB-PF-270a.1	1. Ads targeting children in general 2. Ads targeting children for products that meet dietary guidelines	The general advertising exposure rate for children is 3.9% (including Fresh Delight, baby-related, and other cereal products)
	FB-PF-270a.2	Revenue from products labeled as 1. Containing genetically modified organisms (GMOs) 2. Non-GMOs	1. NT\$0 2. NT\$532,201,624
	FB-PF-270a.3	The number of incidents that violate industry norms or relevant labeling or marketing regulations provided by regulatory agencies	In 2022, there were 0 labeling violations and 2 marketing regulation violations.
	FB-PF-270a.4	Total financial losses due to legal proceedings or litigation related to labeling or marketing practices	In 2022, the property loss caused by ad label violation was NT\$140,000.
Product Packaging Lifecycle Management	FB-PF-410a.1	1. The total weight of the packaging 2. The percentage made from recycled or renewable materials 3. The percentage that is recyclable or compostable	See "Chapter 5. Environmental Protection_Material use"
	FB-PF-410a.2	Discuss strategies for reducing packaging's environmental impact throughout its lifecycle.	See "Special Issue 2. Let the Earth Take a Deep Breath! Promote Low-carbon Sustainable Foods," "Material Use"
Ingredient Procurement	FB-PF-440a.1	Percentage of food ingredients originating from high or very high baseline water stress areas	0%
	FB-PF-440a.2	Operators must discuss the food ingredient priority list and the ingredient procurement risks due to environmental and social factors.	See "Chapter 5. Environmental Protection_Ingredient Management"
Activity Indicator	FB-PF-000.A	Weights of Sales Products	Standard Foods: 125,720 metric tons Standard Dairy: 82,501 metric tons
	FB-PF-000.B	Number of production plants	3



Sustainability Disclosure Indicators

No.	Indicator	Indicator Type	Annual Disclosure Status	Unit	Remarks
I	The product and service categories and the ratio of impact caused by the assessment and improvement of employee, workplace, facility health management, and quality assurance systems aimed at improving food hygiene, safety, and quality.	Quantitative and Qualitative Narrative	Covers 100% of products Please see "Chapter 3. Food Safety_Food Safety Management": ➤ Food Safety Responsible Unit ➤ Reassuring process_job site inspection and "Chapter 3. Food Safety_Food Safety Training"	Rate (%)	
II	Product removal times and total weight of removed products, types and times of health and safety regulation violations related to products and services, and non-compliance with product and service information and labeling regulations.	Quantitative and Qualitative Narrative	➤ 0 product health and safety regulation violations ➤ 0 product information and labeling regulation violations ➤ 2 marketing regulation violations ➤ 0 product recalls ➤ 0 metric tons of weight for product recall Please see "Chapter 3 Food Safety"	Quantity, metric tons (t)	
III	The proportion of procurements that meet internationally recognized product liability standards compared to the total number of procurements and differentiated according to the standard.	Quantitative	See "Chapter 4. Supply Chain Management_Ingredient Management"	Rate (%)	
IV	The proportion of products produced by plants independently certified by a third-party manufacturer to comply with internationally recognized food safety management system standards.	Quantitative	100% Please see "Chapter 3. Food Safety_Food Traceability Management"	Rate (%)	100% of the plant has passed the food safety management system (ISO 22000) verification
V.	The number and percentage of suppliers audited, the audit items, and the results.	Quantitative and Qualitative Narrative	Please refer to "Chapter 4 Supply Chain Management_Supply Chain Evaluation and Audit" for details	Rate (%)	
VI.	Cases in which listed companies comply with regulations or voluntarily perform product traceability and tracking management, and the percentage of such products compared to all.	Quantitative and Qualitative Narrative	100% of the items can be tracked and traced. Please see "Chapter 3. Food Safety_Food Traceability Management" for details.	Rate (%)	
VII	The status, test items, test results, and the percentage of related costs compared to the operating income for listed companies establishing food safety laboratories voluntarily or as required by regulations.	Quantitative and Qualitative Narrative	Inspection expenses accounted for 1.24% of revenue. Please see "Ch3 Food Safety_Food Safety Management_Safety Process" for details: ➤ Investment in food safety equipment ➤ Inspection process ➤ Inspection items and "Ch3 Food Safety_Source Management"	Rate (%)	

No.	Indicator	Indicator Type	Annual Disclosure Status	Unit	Remarks
VIII.	Total energy consumption, percentage of purchased electricity, and utilization rate of renewable energy	Quantitative	See "Chapter 5. Environmental Protection_Energy Management"	Gigajoule (GJ), percentage (%)	
IX.	Total Water Intake and Consumption	Quantitative	Total water intake was 662.54 thousand cubic meters Total water consumption was 212.80 thousand cubic meters See "Chapter 5. Environmental Protection_Water Resource Management" for details.	Thousand cubic meters (m³)	
X.	Weight of Products Sold, Number of Production Facilities	Quantitative	Standard Foods 125,720 metric tons Standard Dairy 82,501 metric tons 3 production facilities ➤ Standard Foods: Zhongli Plant and Dayuan Plant ➤ Standard Dairy: Hukou Plant See "Chapter 1. About Us_About Standard Foods"	metric ton (t), quantity	

Climate-related Information of TWSE and TPEX Listed Companies

▼ Risks and opportunities brought by climate change and related countermeasures taken by the Company

No.	Item	Implementation Status
1	Describe the board of directors' management oversight, governance, and climate-related risks and opportunities.	Please refer to "Chapter 5 Environmental Protection_Task Force on Climate-related Financial Disclosures TCFD."
2	Describe how the identified climate risks and opportunities will affect the Company's business, strategy, and finances in the short, medium, and long term).	
3	Describe the financial impacts of extreme climate events and transitional actions.	
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	



CPA's Limited Assurance Report



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Independent Limited Assurance Report

To Standard Foods Co., Ltd.:

We were engaged by Standard Foods Co., Ltd. ("Standard Foods") to provide limited assurance over the selected information attached as Appendix I ("the Subject Matter Information") on the 2022 Sustainability Report of Standard Foods ("the Report") for the year ended December 31, 2022.

Reporting Criteria of the Subject Matter Information

Standard Foods shall prepare the Subject Matter Information in accordance with reporting criteria required by the Article 4 of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies ("the Regulation") as set forth in Appendix I.

Management's Responsibility for the Report

Standard Foods is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the reporting criteria to fairly prepare and present the Subject Matter Information. Standard Foods is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We performed our work in accordance with the Standard on Assurance Engagements TWSAE3000 – "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation and to issue a limited assurance conclusion on whether the Subject Matter Information is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

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Summary of Work Performed

As stated in reporting criteria of the Subject Matter Information paragraph, our main work on the selected information included:

- Reading the Report of Standard Foods;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Subject Matter Information.
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Subject Matter Information and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Subject Matter Information, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained has a reasonable assurance engagement been performed.

Inherent limitations

The Report for the year ended December 31, 2022 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of Standard Foods. Therefore, the different stakeholders may have different interpretations of such information.

Conclusion

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been properly prepared, in all material aspects, in accordance with the reporting criteria.

Other Matters

The management of Standard Foods is responsible for the maintenance of its website where includes the Limited Assurance Report, we shall not be responsible for any further changes on the Subject Matter Information or its applicable reporting criteria, nor be responsible for reconducting any assurance work after the issuance date of the Limited Assurance Report.

KPMG

Taipei, Taiwan (Republic of China)
Sep 19, 2023

Notes to reader

The limited assurance report and the accompanying Subject Matter Information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the Subject Matter Information, the Chinese version shall prevail.

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Appendix I : Summary of the Subject Matter Information

No	Corresponding Section	Page	Subject Matter Information	Reporting Criteria	The Regulation
1	Ch3 Food Safety/ Appendix: Sustainability Disclosure Indicators	45	<p>■ Food Safety Responsible Unit</p> <p>➢ Standard Foods has established a "Food Safety and Quality Management Committee" under the general manager to maintain a sound food safety and quality system and demonstrate the company's emphasis and determination on food safety and quality. It is responsible for ensuring that 100% of the plant area and the food produced are subject to comprehensive food hygiene and safety assessment and management and safeguarding consumers' rights and interests regarding food safety. The executive director of the Food Safety and Quality Committee is the top executive of the quality assurance unit and is responsible for promulgating food quality and safety policies, approving annual food quality and safety goals, reporting food quality and safety performance to top managers, and holding annual management review meetings. The committee also oversees the performance of the food safety and quality management system, ensures sufficient resources, tracks the goal achievement rate, and identifies areas that can be further optimized.</p> <p>➢ To implement the food safety control system, each plant has established a "HACCP Team" to assess potential hazards during manufacturing, identify critical control points, and ensure that the products produced meet the food safety and quality standards. Members of the HACCP team have received professional courses in food hygiene management in addition to their majors, such as identifying compliance with food regulations, hygiene management, formulation and review of HACCP plans, and food inspection. The team members collaborate to ensure that the food safety quality of Standard Foods is always maintained at a high level.</p> <p>➢ Covers 100% of products</p>	<p>■ The evaluation and improvement regarding the company's personnel, work environment, hygiene management of facilities and quality control system to improve food sanitation, safety and quality, as well as the significant product and service categories and the percentage affected.</p>	<p>Taiwan Stock Exchange Corporation Rules</p> <p>Table 1-1 No.1</p> <p>The evaluation and improvement regarding the company's personnel, work environment, hygiene management of facilities and quality control system to improve food sanitation, safety and quality, as well as the significant product and service categories and the percentage affected.</p>
		46	<p>■ Operation Site Inspection</p> <p>➢ Flow Design</p> <p>- To effectively maintain the cleanliness and sanitary in the food plants and prevent external pollution sources, the plants' moving lines are designed to prevent pollution from general areas with low cleanliness requirements from entering the production areas with high cleanliness standards. Therefore, the movement flow of personnel and motorized equipment, the flow direction of air, the flow direction of drainage, and the transportation route of raw materials are designed to move from the high-level clean area to the low-level clean area in one direction or shelter buffer areas are provided at the entrance. Cleaning operations are also implemented to maintain clean and hygienic conditions in each area.</p> <p>➢ Production Line Environmental</p> <p>- The production line environment is kept clean and tidy, and each appliance has its storage and positioning area. Before the production operation starts, pre-production cleaning and inspection are conducted, and the production operation cannot proceed until the production line is confirmed to meet the standard requirements. In addition, different control standards are set up for the production line and equipment according to the requirements of different hygiene levels, and the vectors and microorganisms in the environment are regularly monitored. If the control standard is exceeded, the design is reviewed again to see if there is room for further improvement to continuously optimize the manufacturing environment's</p>		

No	Corresponding Section	Page	Subject Matter Information	Reporting Criteria	The Regulation
			<p>cleanliness.</p> <p>➢ Field Operators</p> <p>- All employees who come into contact with food on the production line must ensure that there are no relevant infectious diseases according to regulations, and health checks must be performed on employees at least once a year to ensure food safety and employee health. Before entering the cleaning operation area, on-site operators must wear hair nets, masks, overalls, and shoe covers according to regulations and thoroughly clean and disinfect their hands. According to the glove management policy, employees must wear designated gloves for areas with high hygienic requirements after cleaning and disinfecting their hands. The Quality Assurance Unit must smear microorganisms on personnel's hands for culture regularly to ensure that the hygienic state of the personnel's hands after cleaning and disinfection meets the control standards.</p> <p>➢ Machinery and Appliances</p> <p>- If the purchase and installation of various machinery and appliances in contact with food may have an impact on food safety and quality, it must be discussed and evaluated by a professional quality assurance unit to ensure that the materials, designs, and expected operating methods of the machinery and appliances do not jeopardize food safety and quality. The products must undergo appropriate cleaning and disinfection operations according to their properties before production. They include wiping and disinfecting with disinfectant alcohol, cleaning with detergent and water, and confirming the cleanliness of the surface and no detergent residue after cleaning. Then adjust the machine according to the parameter setting of the production specification, and start the production operation after confirming the normal operation.</p> <p>➢ Covers 100% of products</p>		
		51	<p>■ Food Safety Training</p> <p>➢ The company provides rich and diverse internal and external training courses for internal supervisors and employees. The courses cover food hygiene and safety, hazard analysis, food traceability, food protection, food laws, and other related issues to improve food safety management performance and reduce hazards during product manufacturing.</p> <p>➢ In 2022, 3,893 company employees participated in food safety education and training, with 108 sessions and 3,974 course hours. In the future, Standard Foods will continue providing more external food safety training courses to internal personnel to help them grasp food safety knowledge related to food safety regulations, international trends, and major food safety incidents in real-time to strengthen their food safety protection awareness. In 2022, the Standard Foods Group has retained various professionals related to food safety and hygiene, and the relevant professional certification items are summarized as follows:</p> <p>- Food Technician: Dayuan, Zhongli, and Hukou</p> <p>- Intermediate Food Quality Assurance Engineer: Dayuan</p> <p>- Junior Food Quality Assurance Engineer: Dayuan and Zhongli</p> <p>- Control Quality Technician (CQT): Dayuan and Zhongli</p> <p>- Junior Healthcare Food Engineer: Dayuan and Zhongli</p> <p>- FSSC 22000 Lead Food Safety Control System Auditor: Dayuan</p> <p>- SQF Practitioner: Dayuan, Zhongli, and Hukou</p> <p>- Preventive Controls Qualified Individual (PCQI): Dayuan and Zhongli</p> <p>- Nutritionist: Dayuan and Zhongli</p>		



No	Corresponding Section	Page	Subject Matter Information	Reporting Criteria	The Regulation
			<ul style="list-style-type: none"> - Class-B Inspection and Analysis Technician: Dayuan and Zhongli - Class-C Inspection and Analysis Technician: Dayuan and Zhongli - Class-B Chemical Technician: Dayuan - Class-C Chemical Technician: Dayuan - Class-C Chemical Industry Technician: Dayuan - Canned Food Quality Control Personnel: Hukou - Sealed Product Quality Control Personnel: Hukou - Class-B Wastewater Treatment Technician: Dayuan and Zhongli - Class-C Tap Water Laboratory Personnel: Dayuan - Junior Microbiology Laboratory Quality Manager: Dayuan - Specific Chemistry Operation Supervisor: Dayuan and Zhongli - Class-C Chinese Food Technician: Dayuan - Class-C Baking Technician: Dayuan and Zhongli - Class-C Chinese Rice Food Processing Technician: Dayuan - Class-C Chinese Pasta Processing Technician: Zhongli - Vector Control Operation Spray Applicator: Dayuan, Zhongli, and Hukou <p>➢ Covers 100% of products</p>		
2	Ch3 Food Safety	53	<p>■ Product Labeling</p> <p>➢ During the reporting period, the total times of recalled products was 0 times, the total weight of recalled products was 0 metric tons, and there were 0 violations of product and service information and labeling regulations. There were 2 marketing and communication regulation-related violations. They violated Paragraph 1, Article 28 of the Act Governing Food Safety and Sanitation and Paragraph 1, Article 14 of the Health Food Control Act, which have been improved and paid for.</p>	<p>■ The types and number of violations against the applicable food safety and sanitation laws and the number and total weight of recalled products.</p>	<p>Taiwan Stock Exchange Corporation Rules</p> <p>Table 1-1 No.2</p> <p>The types and number of violations against the applicable food safety and sanitation laws and noncompliance with product and service information and labeling laws as well as the number and total weight of recalled products.</p>
3	Chapter 4 Supply Chain Management	60	<p>■ Forest Stewardship Council (FSC) certified packaging materials accounted for 40.30% of the paper packaging materials used for Standard Foods and Standard Dairy products. Among them, the True Milk series has adopted 100% FSC-certified packaging.</p>	<p>■ The percentage of the purchased volume in accordance with internationally recognized responsible production standards.</p>	<p>Taiwan Stock Exchange Corporation Rules</p> <p>Table 1-1 No.3</p> <p>The percentage of the purchased volume in accordance with internationally recognized responsible production standards, categorized by standards.</p>
4	Ch3 Food Safety	44-45	<p>■ Food Safety Management</p> <p>➢ We practice routine self-management by exceeding national standards and strive to meet various certification specifications in producing consumer trustworthy products. The company has formulated food safety manuals, HACCP activity procedures, and other management methods according to ISO 22000, SQF, and other management standards. We also complied with "Act Governing Food Safety and Sanitation" to implement food</p>	<p>■ The percentage of production volume which manufactured in sites certified by food safety management system standards.</p>	<p>Taiwan Stock Exchange Corporation Rules</p> <p>Table 1-1 No.4</p> <p>The percentage of the production volume manufactured in sites</p>



No	Corresponding Section	Page	Subject Matter Information	Reporting Criteria	The Regulation
			<p>hygiene, safety, and quality management operations, including all employees, workplaces, facility sanitation management, and quality assurance systems. We have established health and safety management procedures for each production line. 100% of the company's products are manufactured according to the preceding management system standards, and we have followed the health and safety checklist regularly to complete all environmental sanitation, workplace, personnel cleaning, and equipment inspection. The three plants of Standard Foods have obtained the ISO 22000 Food Safety Management System Certification. The oil production line of the Dayuan Plant and the entire Zhongli Plant and Hukou Plant have also passed the highest SQF verification. As a result, 100% of the products are manufactured in plants that have met internationally recognized food safety management system standards and are produced under good food hygiene safety and quality management.</p> <p>➢ The quality achievements of Standard Foods' main plants in 2022:</p> <ul style="list-style-type: none"> - Dayuan Plant: Passed the ISO 22000, SQF (oil production line), organic products and clean label verification. - Zhongli Plant: Passed the ISO 22000, SQF, TQF, and clean label verification. - Hukou Plant: Passed the ISO 22000, SQF, TQF, organic products, and clean label verification. 		<p>certified by an independent third party according to internationally recognized food safety management system standards.</p>
5	Chapter 4 Supply Chain Management	59	<p>■ Supply Chain Management Policy</p> <p>➢ Standard Foods has formulated the "Supplier Management Procedures" for raw material suppliers to strengthen the sustainable management of the supply chain. The goal is to enable the assessment team to conduct annual written or on-site supplier inspections and unscheduled audits based on these standards. The company shall select the manufacturers to be audited according to the quality evaluation results of the previous year. The quality control and purchasing units form an audit team and conduct on-site audits using the supplier audit management method. If the audit process showed serious pollution risks in the manufacturer's production operations or incomplete tracking or traceability information, the supplier must follow the company's regulations and reply within 14 days after the audit to propose corrective and improvement measures for the deficiencies.</p>	<p>■ "Supplier Management Procedures" set by Standard Food</p>	<p>Taiwan Stock Exchange Corporation Rules</p> <p>Table 1-1 No.5</p> <p>The number and percentage of suppliers audited, and the audit items and results</p>
		62	<p>■ Supplier Evaluation</p> <p>➢ The company also regularly evaluates suppliers. After the evaluation, the suppliers are divided into excellent, good, acceptable, or observation grades. Those who are rated with observation grades are disqualified manufacturers. Counseling or stricter management will be provided to such manufacturers depending on the situation, and alternative suppliers will be found.</p> <p>➢ We weighed the degree of significance of the operational impacts to adjust the proportion of supplier evaluation items. In 2022, the company's supplier evaluation items and proportions included: 60% quality assurance, 15% reasonable price, 15% stable delivery time, and 10% service and technical improvement.</p> <p>➢ Standard Foods' 2022 Supplier Evaluation Results</p> <ul style="list-style-type: none"> - Excellent: 254 - Good: 19 - Acceptable: 0 - Observation: 0 	<p>■ "Supplier Evaluation Management Procedures" set by Standard Food</p> <p>■ Number, items, and results of implemented supplier evaluation</p> <p>■ "Supplier Audit Management Procedures" set by Standard Food</p> <p>■ Number, items, and result of implemented</p>	

No	Corresponding Section	Page	Subject Matter Information	Reporting Criteria	The Regulation
			<ul style="list-style-type: none"> - Posed suppliers: 273 ➢ Supplier Audit Each year, Standard Foods will determine the supplier audit plan for the next year based on the supplier evaluation results to ensure that all supplier partners can meet the relevant food safety and quality requirements. COVID-19 still posed a challenge in 2022. Therefore, the company still prioritized auditing high-risk suppliers and conducted unscheduled audit arrangements for new suppliers or suppliers with major anomalies to ensure smooth communication. There is a consensus on the importance of maintaining safety and quality, resulting in a cooperative relationship based on mutual trust and benefit. ➢ Supplier audit items <ul style="list-style-type: none"> - Environment, Architecture, and Equipment - Health Management - Feed, Storage, and Transport - Quality System (Laboratory, instrument calibration) - Quality Management - Factory Safety Management - Source Management - Production Management - Recycling, Customer Complaints, and Traceability Management - Product Labeling ➢ Standard Foods Supplier Audit Implementation in 2022 <ul style="list-style-type: none"> - Number of expected on-site audit: 47 - Number of on-site audit: 69 - Number of disqualified suppliers: 5 - Number of qualified suppliers: 64 - Percentage (Note): 25.27% - Note: The percentage of audit calculation refers to the percentage of suppliers who have made purchases this year and have been audited 	supplier audit, as well as the percentage of audit suppliers to total sourced suppliers in 2022	
6	Chapter 3 Food Safety	52	<ul style="list-style-type: none"> ■ Food Traceability Management ➢ Standard Foods products had established a traceability system to grasp the source of raw materials and the flow of products before the Ministry of Health and Welfare required the food industry to establish a traceability system. Fully upload relevant production information according to the law to the "Food Traceability and Tracking Management Information System (Mandatory Tracking)." We can pledge to the consumers that 100% of Standard Foods' products are traceable and can be tracked. Trace the source of product supply and track the sales flow of finished products through marking methods for all aspects of the raw material supply process. The entire process includes establishing the system and management measures; further refining product management and perfecting production, supply, and marketing records; and recording the production history. The main information items for raw material traceability include: <ul style="list-style-type: none"> - Raw Material Source Information - Product Information - Marking Recognition - Product Flow Information - Others (Include the name, total weight, or total capacity of raw materials and products in stock, the name, total weight, or total capacity of raw materials and products scrapped (including after the effective date), treatment measures, causes of occurrence and the source and flow direction of other effective serial products to track down management information or records.) 	<ul style="list-style-type: none"> ■ The percentage of product uploaded to "Food Traceability System" in accordance with "Food Businesses Shall Establish Traceability System of Food Products" set by MOHW and the internal "Traceability and Tracking Management Procedure" of Standard Food's to the number of all products 	<p>Taiwan Stock Exchange Corporation Rules</p> <p>Table 1-1 No.6</p> <p>The product trace and track management conducted voluntarily or according to the applicable laws, and the percentage of such relevant products to the whole products.</p>

No	Corresponding Section	Page	Subject Matter Information	Reporting Criteria	The Regulation
			<ul style="list-style-type: none"> ➢ Source traceability login process <ul style="list-style-type: none"> - STEP 1: Establish databases <ul style="list-style-type: none"> · Product construction · Transaction counterparty · Raw material list · Basic raw material information - STEP 2: Receipt, production, and flow information are uploaded monthly <ol style="list-style-type: none"> 1. Raw material receipt information uploaded 2. Product production information uploaded 3. Shipment flow information uploaded 		
7	Chapter 3 Food Safety	47-48	<ul style="list-style-type: none"> ■ Investment in Food Safety Equipment ➢ Standard Foods spares no effort to maintain food safety and has invested in high-standard precision instruments that are rare in domestic food plants. They include high performance liquid chromatography (HPLC), inductively coupled plasma mass spectrometer (ICP-MS), gas chromatography-tandem mass spectrometer instrument (GC-MSMS), and liquid chromatography-tandem mass spectrometer (LC-MSMS). In addition to routine maintenance and calibration of precision equipment, the laboratory is outfitted with automatic temperature and humidity control and monitoring devices to ensure the instruments' accuracy and stability. The technicians also receive regular professional training to ensure inspection quality and adhere to the laboratory quality management regulations promulgated by the Food and Drug Administration, MOHW, when performing various analysis operations. Standard Foods also regularly confirms that the test values meet the recognized standards and compares the test results with industry laboratories. In 2022, the company participated in 41 ability tests, and the results were 100% satisfactory. ➢ Standard Foods high specification equipment list <ul style="list-style-type: none"> - Dayuan Plant <ul style="list-style-type: none"> · Microwave Sample Pretreatment Digestive System · Autoclave · Gas Chromatograph-Flame Ionization Detector (GC-FID) · Fluorescence Spectrophotometer · High-Performance Liquid Chromatography (HPLC) · Gas Chromatograph-Tandem Mass Spectrometer (GCMSMS) · Liquid Chromatography-Tandem Mass Spectrometry (LCMSMS) · Inductively Coupled Plasma Mass Spectrometer · Inductively Coupled Plasma Optical Emission Spectrometer - Zhongli Plant <ul style="list-style-type: none"> · Rapid Analyzer for Raw Milk Total Bacterial Count · Automatic Raw Milk Cell Analyzer · MilkoScan FT1 – Versatile Fast Dairy Composition Analyzer 	<ul style="list-style-type: none"> ■ The percentage of the number of qualified raw materials in-site to total inspection number 	<p>Taiwan Stock Exchange Corporation Rules</p> <p>Table 1-1 No.7</p> <p>The food safety laboratories established voluntarily or according to the applicable laws, testing items, testing results, relevant expenses, and the percentage of such expenses to the net revenue.</p>
		49	<ul style="list-style-type: none"> ■ Inspection Process ➢ Standard Foods has established standard inspection procedures, maintained the accuracy and comparability of the result, and effectively controlled the quality of the company's products. The company also complies with international food management systems and food laws. The company has a management system for quality control and inspection data. For each raw material entering the plant, personnel must log it into the system to create an inspection work order. The system then generates the items and specifications that must be inspected according to the inspection plan stipulated by individual raw materials. The inspectors carry out the inspection work according to the inspection items instructed by 	<ul style="list-style-type: none"> ■ The food safety laboratories established voluntarily or according to "Act Governing Food Safety and Sanitation." ■ The percentage of expenses on Standard Food's laboratories to the net revenue. 	



No	Corresponding Section	Page	Subject Matter Information	Reporting Criteria	The Regulation
			<p>the system to ensure that the inspection operations are carried out according to the established items and frequency. After the inspection and the results are registered, the system will automatically compare the specifications and standards. If there is any discrepancy with the specifications, an alarm will automatically pop up, allowing personnel to confirm and process the results as soon as possible. An anomaly handling procedure will be adopted if there are any disqualifications after all inspections have been completed, and an anomaly notice shall be issued directly on the system to facilitate further investigation and tracking. The goal is to ensure that all raw materials have undergone proper acceptance procedures and that all abnormalities are confirmed and handled.</p> <p>➢ Standard Foods also keeps improving its capacity for inspection and developing inspection techniques to better understand product quality and respond to various emerging risks. The test method was developed according to the Codex Alimentarius Commission (Codex) and the US Food and Drug Administration guidelines. It also complies with the strict requirements of the Food and Drug Administration's food chemical testing method validation specifications (i.e. the requirement that the coefficient of variation [CV,%] for the test repeatability must be less than 10% for analytes with a concentration above 1 ppm). The goal is to check the inspection methods via high standards to ensure credible inspection values. The company has continued to spare no effort in inspecting raw materials, manufacturing processes, and finished products. It spent NT\$196,694 thousand on inspection expenses in 2022, accounting for 1.24% of all turnover (see details).</p> <p>- Note: The inspection expenses to turnover ratio is calculated as inspection expenses/operating income before write-off.</p> <p>➢ Inspection</p> <p>- Hazard analysis: Identify hazard risks, critical control points (CCPs), and effective control measures that should be implemented individually according to the product manufacturing process.</p> <p>- Assess the risk level: Assess the likelihood and impact of its occurrence based on the hazard risk to interactively display the degree of risk significance.</p> <p>- Inspection plan: Plan the product's test items, sampling plan, inspection method, compliance standards, etc., for major hazard risks</p> <p>➢ During Inspection</p> <p>- Sampling and labeling: The sample information is properly marked, including the system number, sampling date, time, batch, personnel, and other related identifications, and the sample's appearance is also briefly described to confirm whether there is any observable abnormality. Sampling is carried out according to the sampling ratio and sampling method of the sampling plan.</p> <p>- Execution inspection: Execute relevant inspections according to the inspection plan and make technical records of the inspection process (including original data)</p> <p>➢ After Inspection</p> <p>■ Record and sample retention: All control operations related to the manufacturing process and quality inspection must be recorded and kept for future reference. The inspection report must be retained for at least five years, and the sampling must be kept until the marked effective date.</p>		



No	Corresponding Section	Page	Subject Matter Information	Reporting Criteria	The Regulation
		50	<p>■ Inspection Items</p> <p>➢ The quality assurance team uses the most cutting-edge testing apparatus and adheres to the FDA's or other recognized international testing protocols. The inspection procedures carried out by our food safety laboratory, the accuracy of the inspection procedures, and the inspection instruments are completely in compliance with the law.</p> <p>➢ Standard Foods Internal Inspection Items List</p> <p>- Dayuan Plant</p> <p>• Physical methods such as density, residual oxygen, vacuum, etc.: Total 42 items</p> <p>• Chemical methods include moisture, protein, fat, saponin, vitamins, minerals, plasticizers, heavy metals, pesticide residues, phosphatide in grains, benzene in edible oil, acrylamide in grains, etc.: Total 123 items</p> <p>• Microbiological testing methods include total bacterial count, Enterobacteriaceae, Salmonella, Listeria, etc.: Total 22 items</p> <p>- Zhongli Plant</p> <p>• Physical methods include particle size, moisture, temperature, specific gravity, total solids, alcohol test, freezing point, inclusions, and flavor: Total 9 items</p> <p>• Chemical methods such as animal drug residues, sugar content, acidity, fat, pH value, bacterial activity, ATP smear test, fat-free solids, protein smear test, milk protein, hardness, residual chlorine, raw milk somatic cells, and aflatoxin: Total 14 items</p> <p>• Microbiological testing methods include Listeria, Salmonella, Staphylococcus aureus, Enterobacteriaceae, mold/yeast, total bacterial count, lactic acid bacteria, hyperthermic spores, coliform bacteria, and microbiological examination: Total 10 items</p> <p>- Hukou Plant</p> <p>• Physical and chemical methods include sugar content, viscosity, solids, pH, WPNI, acidity, and colloidal degree: Total 7 items</p> <p>• Microbiological testing methods include total bacterial count, Enterobacteriaceae, coliforms, Escherichia coli, mold/yeast, Listeria, Salmonella, Staphylococcus aureus, lactic acid bacteria, and heat-resistant spores: Total 10 items</p> <p>➢ Standard Foods' plants have voluntarily established laboratories before regulation requirements. We will continue to optimize the inspection content and lab capabilities according to the law and surpass the regulations' requirements in light of the ongoing introduction of new products and the pertinent governmental regulations and requirements. The objective is to keep improving and ensure consumer health and food safety. We regularly participate in proficiency tests held by third-party certification laboratories and FAPAS to ensure the correctness and quality of inspection data:</p> <p>- Dayuan Plant</p> <p>• Fapas (12): 3 plasticizers in oil, 6 heavy metals in rice, and 3 oil inspection items (AV, POV, oil color). SuperLab (6): Dairy products- Salmonella, Staphylococcus aureus, Enterobacteriaceae in food, molds, and yeasts, Listeria monocytogenes in dairy products. Food Institute (3): Infant milk powder - total bacterial count, enterobacteria, and Escherichia coli: Total 21 items</p> <p>- Zhongli Plant</p> <p>• SuperLab (7): Salmonella, Enterobacteriaceae, total lactic acid bacteria count, Staphylococcus aureus, mold and yeast count, and Listeria monocytogenes in dairy products. Food Institute (3): Total bacterial count, coliform group,</p>	■ Inspection result and inspection items of each plant	

No	Corresponding Section	Page	Subject Matter Information	Reporting Criteria	The Regulation
			<p>Escherichia coli.: Total 10 items</p> <ul style="list-style-type: none"> - Hukou Plant • SuperLab (7): Dairy products – Salmonella, Enterobacteriaceae, molds and yeasts, Listeria monocytogenes in dairy products, total lactic acid bacteria, and Staphylococcus aureus. Food Institute (3): Total bacterial count, coliform group, and Escherichia coli.: Total 10 items <p>➢ Standard Foods External Inspection Items List</p> <ul style="list-style-type: none"> - Dayuan Plant • Multiple pesticide residues, polar pesticide residues, livestock pesticide residues, animal drug residues, water quality inspection, packaging material and dissolution test, plasticizers, heavy metals, bisphenol A, melamine, monochloro propylene glycol, glycidyl esters, mycotoxins, Aflatoxin M1, artificial colors, preservatives, sweeteners, antioxidants, maleic acid, sulfur dioxide, nutrients, non-nutrients, minerals, benzopyrene, PAH4, total polar substances, copper chlorophyll, dioxin, polychlorinated biphenyls, hygienic indicator bacteria, pathogenic bacteria, etc.: Total 377 items - Zhongli Plant • Multiple pesticide residues, animal drug residues, dioxin, benzopyrene, plasticizers, heavy metals, etc.: Total 76 items - Hukou Plant • Multiple pesticide residues, animal drug residues, dioxin, benzopyrene, plasticizers, heavy metals, etc.: Total 81 items 		
		53	<p>■ Source Management</p> <p>➢ Before entering the plant, raw milk must pass through multiple strict inspections to ensure that it meets the national standard (CNS3055) as well as strict self-inspection standards such as acidity, alcohol test, milk protein, raw milk somatic cells, hydrogen peroxide, and animal drug residues. A total of 17 items and more than 74 kinds of inspections, including the total number of bacteria, are conducted to ensure that the quality of raw milk meets the standards before it enters the plant's vats and the manufacturing process to produce high-quality products.</p>	Items and number of inspections on raw milk	
8	Chapter 5 Environmental Protection	72	<p>■ Energy Management</p> <p>➢ The energy used by Standard Foods is mainly purchased electricity (accounting for 33.7% of the total energy used), and the total energy consumption in 2022 was 339,882 (GJ).</p> <p>➢ Standard Foods internal energy usage status</p> <ul style="list-style-type: none"> - Purchased Electricity: 114,697 GJ - Diesel: 4,781 GJ - Natural Gas: 219,236 GJ - Gasoline: 1,134 GJ - Liquefied Petroleum Gas: 34 GJ - Except for the natural gas heating value unit, which refers to the average number provided by the supplier, the source of the other conversion factors is the Greenhouse Gas Emission Factor Management Table Version 6.0.4 announced by the Environmental Protection Agency. <p>■ The utilization rate of renewable energy is 0%.</p>	Details on energy consumption	<p>Taiwan Stock Exchange Corporation Rules</p> <p>Table 1-1 No.8</p> <p>Total energy consumption, percentage of grid electricity consumption, percentage of renewable energy consumption</p>
9	Appendix: Sustainability Disclosure Indicators	122	<p>■ Total water intake was 662.54 thousand cubic meters</p> <p>■ Total water consumption was 212.80 thousand cubic meters</p>	Details on withdrawn and consumption of water resources	<p>Taiwan Stock Exchange Corporation Rules</p> <p>Table 1-1 No.9</p> <p>Total water withdrawal and total water consumption</p>

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10	Chapter 1 About Us	16	<p>■ Company name: Standard Foods Co., Ltd.</p> <p>➢ Main Products: Biotechnology Health Products, Edible Oils, Cereal Drinks (Brewed/Ready-To-Drink), Adult Nutrition, Dairy Products, and Beverages</p> <p>➢ Main Product Sales: 125,720 metric tons</p> <p>■ Company name: Standard Dairy Co., Ltd.</p> <p>➢ Main Products: Nutritional Drinks, Dairy Products, and Beverages</p> <p>➢ Main Product Sales: 82,501 metric tons</p>	Details on the weight of sold product	<p>Taiwan Stock Exchange Corporation Rules</p> <p>Table 1-1 No.10</p> <p>Weight of sold product and number of production facility</p>
	Appendix: Sustainability Disclosure Indicators	122	<p>■ 3 production facilities</p> <p>➢ Standard Foods: Zhongli Plant and Dayuan Plant</p> <p>➢ Standard Dairy: Hukou Plant</p>	Number of production facilities	

