



Standard Foods GroupSustainability Report



Contents

Feature Story 1 Standard Foods launches "ComInJia" to provide Taiwanese consumers with optimized health solutions	03
Feature Story 2 Great Day adheres to the "Three-NOs" health philosophy to enhance deliciousness and awareness of safe home cooking	04
Sustainable Impact and Value Creation	05
Message from our General Manager and Chair of the Sustainability Development Committee	07
About this Report	08
Sustainability Performance Highlights	10
Sustainability Management Structure	18
Sustainability Strategies	22
Material Topic Analysis	24
About Us	31

Corporate Governance

Economic Performance	43
Tax Policy, Governance, and Risk Management	45
Composition of the Board of Directors	46
Board Member Nomination & Selection	47
Conflict of Interest Avoidance	47
On-Job Training for Board Members	47
Board Performance Evaluation	48
Compensation Policy for Director and Executive Officers	48
Bonus Clawback Policy for Kickback Gains	48
Functional Committees	49
Audit Committee	49
Compensation Committee	49
Business integrity	50
Business integrity Anti-Corruption and Anti-Bribery Policies	50 50
Anti-Corruption and Anti-Bribery Policies	50
Anti-Corruption and Anti-Bribery Policies Compliance with laws and regulations	50 51
Anti-Corruption and Anti-Bribery Policies Compliance with laws and regulations Legal compliance training	50 51 51
Anti-Corruption and Anti-Bribery Policies Compliance with laws and regulations Legal compliance training Complaint & Recommendation Channels	50 51 51 53
Anti-Corruption and Anti-Bribery Policies Compliance with laws and regulations Legal compliance training Complaint & Recommendation Channels Risk management Crisis Management System Crisis/Risk Event Determination Process	50 51 51 53 54
Anti-Corruption and Anti-Bribery Policies Compliance with laws and regulations Legal compliance training Complaint & Recommendation Channels Risk management Crisis Management System	50 51 51 53 54 55
Anti-Corruption and Anti-Bribery Policies Compliance with laws and regulations Legal compliance training Complaint & Recommendation Channels Risk management Crisis Management System Crisis/Risk Event Determination Process Information Security and Personal Data	50 51 51 53 54 55 56
Anti-Corruption and Anti-Bribery Policies Compliance with laws and regulations Legal compliance training Complaint & Recommendation Channels Risk management Crisis Management System Crisis/Risk Event Determination Process Information Security and Personal Data Risks	50 51 51 53 54 55 56 59
Anti-Corruption and Anti-Bribery Policies Compliance with laws and regulations Legal compliance training Complaint & Recommendation Channels Risk management Crisis Management System Crisis/Risk Event Determination Process Information Security and Personal Data Risks Information Security Policies Information Security Management	50 51 51 53 54 55 56 59

Chapter 2 Food Safety

Food Safety Management	64
Food Safety Incident Response Mechanism	65
Food Safety Responsible Units	66
Worry-free Production Processes	66
Food safety training	72
Food Traceability Management	73
Source Management	74
Food Safety Monitoring Plans	74
Product Labeling	76
Consumer Product Consultation and services	76
Consumer satisfaction	77
Consumer Personal Data and Consumer Rights Protection	77

Supply Chain Management

Sustainable Value Chain	81
Supply chain management policies	82
Raw Material Management	83
Supplier Risk Assessment	84
Supply Chain Evaluation and Auditing	85
Supplier Evaluation	85
Supplier audits	87
Sustainable Procurement	88

Chapter 4 Environmental Sustainability

Climate-Related Financial Disclosures	92
Four Core Elements Of TCFD	93
Identify and Assess Climate Risks	94
Financial Implications Of Climate- Related Risks and Opportunities	95
Our Green Value Chain	98
Energy Management	100
Greenhouse gas emissions	100
Energy saving and carbon reduction	101
Air Pollution Control	103
Water Stewardship	104
Water Conservation Measures	105
Usage of materials	107
Waste Management	108

Chapter 5 Workplace Well-being

Enterprise Workforce Profile Workforce Distribution	113 113
Employee Rights and Benefits Human and Labor Rights Protection Salary level Benefits	117 117 118 118
Human Resource Development Diversified Training Channel Performance and Career Development	120 120 123
Worry-free workplace environment	123
Occupational health and safety management system	123
Occupational Health & Safety Committee	124
Occupational Safety and Health Education and Training	125
Occupational Safety Hazard Risk Management	129
Contractor Occupational Safety and Health Management Measures	131
Response to Occupational Incidents	131
Occupational injury incident statistics and analysis	132
Workplace Health Services	135

Chapter 6 Societal Goodwill

Social Engagement and Mutual Benefits	141
Nurture with Love	142
Live with Love	145
Volunteering Activities	147
Christmas Volunteering Event	148
Charitable donations	149

Appendix

GRI 1 Request 7 Publication of the GRI Content Index	150
SASB Guideline Index	154
Sustainability Disclosure Indicators	156
Climate-related Information of TWSE and TPEx Listed Companies	157
Accountant's LimitedAssurance Report	158

Feature Story





Standard Foods launches "ComInJia" to provide Taiwanese consumers with optimized health solutions

As our population ages and the pandemic leaves its lasting impact, there is an increasing demand for convenient, high-efficacy health foodsIn December 2023, Standard Foods launched "ComInJia" and introduced two new products — "Flexmobility" Calcium dual-effect tablet and "Cachew" chewable calcium tablets." The brand features the numerous health science experts it employs.

The dual-effect tablets incorporate hospital-grade hyaluronic acid and patented ingredients recognized by international academic journals. The tablet works to both supplement calcium and facilitate calcium absorption, standing out from the one-tablet-one-solution offerings available on the market. The Cachew chewable calcium tablets offer an alternative to pill-form supplements. The product is ITQI-certified for its superior taste and meets the calcium supplementation needs of children and the elderly.

The KonCare product line was developed by the "Standard Foods International Health Science R&D Center," a team of PhD-level researchers. The center has been dedicated to nutrition and health science research for 40 years. It develops optimally beneficial formulas and innovative products that feature a variety of convenient forms, such as capsules, tablets, and powders. From raw materials to finished products, every item undergoes at least a hundred tests to ensure premium quality, allowing consumers to take them with confidence.













Feature Story 2

Great Day adheres to the "Three-NOs" health philosophy to enhance deliciousness and awareness of safe home cooking

Great Day has observed that, following the global pandemic's impact and easing, consumers have not only been keen to improve their and their families' health but have also shown a willingness to care for themselves and their families through healthy cooking that balances taste and nutrition. The proportion of families eating dinner together at home has increased by 15% compared to that before the pandemic. Therefore, Great Day has pioneered the launch of ready-to-eat meals, including high-broth porridge, fresh soups, and a private home cooking series. Using genuine ingredients and a variety of flavors, these offerings provide consumers with delicious meals that easily meet daily dietary needs. In addition to being ready in just three minutes, these meals adhere to a "Three-NOs" additive-free formula – no MSG, no artificial flavors, and no preservatives – embodying Great Day's brand spirit of enhancing flavor with healthy nutrition.



In Taiwan, Great Day is the most used oil brand among families, consistently providing high-quality and diverse oils to meet the cooking needs of households. Our initiatives include promoting less smoke-producing 100% sunflower oil, a variety of nutritious olive oils, the newly introduced Great Day Japanese Rice Bran Oil with 1100 mg of plant sterols per 100 mL, and the Five Treasures Healthy Blended oil that was awarded a national health food certification and helps reduce total serum cholesterol. These products not only take care of the cook's health during food preparation but also support those who wish to care for their family's health and nutrition.

Furthermore, to achieve responsible consumption and production, Standard Foods actively promotes lightweight packaging for Great Day products. All of our sunflower oils have reduced packaging by 15%. We will continue to promote other oils to achieve our sustainability goals.



Sustainable Impact and Value Creation

Our investment in the six major capitals creates a sustainable impact on society and the environment through the multiplication of brand assets and our value chain.

Six Major Types of Capital and Performance

A Lifetime of Well-being!

Your Family's Nutrition & Health Partner



Six major assets

Financial

Creating economic value through effective financial resource management.

Manufacturing capital

capital

Carefully maintaining equipment and buildings to provide services that meet our customers' needs.

Intellectual capital

Strengthening our intellectual capital through continuous investment in innovative R&D and patents.

Human capital

Seeking like-minded, exceptional talent; enhancing talent development: encouraging employees to grow with us.

Social capital

Giving back to society and gaining societal trust through societal engagement

Natural capital Reducing the consumption of natural resources and maintaining optimal usage efficiency by monitoring from the source.

Capital investment

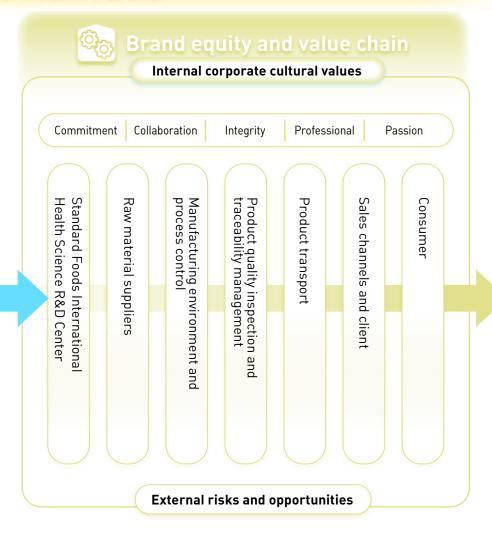
Utilizing funds from investors and bank operations to support our operations and sustainable development, making the most significant contribution possible and creating maximal economic value.

2023 Manufacturing capital investment (completed and ongoing CEA expenses): NTD\$61,126,000

In 2023, our R&D expenses amounted to NTD\$88 million.

Total cost of talent development per year: NTD\$9,182,533

- In line with our core commitment to health and nutrition, we partnered with social welfare organizations and promoted two major charity programs, "Nurture with Love" and "Live with Love, whose total cost is calculated at NTD\$28 million.
- 2 In 2023, we matched donations to 24 social welfare organizations, donating over 61,000 boxes of supplies. which worthed more than NTD\$40 million in market value (excluding project-specific donations).
- 1 Investment in green purchasing amounted to NTD\$225,780,537.
- 2 In 2023, our three major factories completed nine energy-saving and carbon-reduction projects and executed the TPM equipment maintenance plan, with a total investment of NTD\$13,507,000.



Vision

A Lifetime of Well-being!

Mission

Your Family's Nutrition & Health Partner



Sustainable Impact

Six major assets

Financial capital

Manufacturing capital

Intellectual capital

Human capital

Social capital

Natural capital

2023 Performance

- Revenue: NTD\$13.136 billion
- Net profit before tax: NTD\$1.524 billion

By investing in manufacturing capital for the replacement and improvement of production equipment, we ensure the quality of the main production line products and production capacity optimization:

| Sea/min | Sea/min

We added over 80 new products (including products with new forms, flavors, and packaging).

- Total number of employees: 1,391 Talent development instances: 20,344 Annual turnover rate: 18.69%
- 1 The "Nurture with Love" program cared for over 5,500 children and distributed 8,000 nutrition education classroom kits. Additionally, we initiated the "Nutrition Education Box: You Buy, We Donate" campaign, collecting 667 boxes and donating them to rural schools.
- 2We organized six nutrition workshops for the "Live with Love" program, empowering 214 volunteers and caring for 2,500 seniors from underprivileged households. The program also recruited 105 new volunteers for social welfare groups and distributed 3,000 nutritional health education hand fans. In total, 22,500 cans of supplies were donated.
- Oreen purchasing is addressed in engineering and packaging, purchases in these areas include energy-saving equipment, such as variable frequency drives, high-efficiency IE3 motors, LED lighting, air conditioning units, UPS uninterrupted power systems, and products with eco-friendly labels, energy-saving labels, and water-saving labels.
- 22In 2023, there were zero recalls due to quality issues. Compared to 2022, electricity usage was reduced by 7,984 MWh; water usage was reduced by 13,937 tons; Natural gas saving 84000M³; carbon emissions were reduced by 416 tons.

Impact

Through effective financial management, the greatest contribution is made so as to create the best economic value and move toward sustainable management.

Through equipment maintenance, improvement, and replacement, we ensure the best product quality for consumers and the most effective production model for the factory, creating a win-win for both producers and consumers and enhancing competitiveness and consumer trust.

Centered on precision nutrition, we expanded the breadth and depth of new product development, meeting diverse consumer needs and the expansion of our domestic and international business.

Continuous talent development is the cornerstone for achieving sustainable business operations. Training can enhance organizational effectiveness, and stimulate employee innovation and competitiveness, thereby driving the continuous forward development of the company.

- The nutrition box aids schools in promoting nutrition education and helps address overweight in children.
- 2 "Live with Love" assists community nutrition centers in acquiring correct nutritional knowledge and provides nutritious meal plans to convey the right dietary concepts, thus helping seniors to live in their community or at home comfortably.
- Our annual local procurement accounts for approximately 78.25% of our total expenditure. Moving forward, we will continue to assess the feasibility of expanding the proportion of local procurement and set concrete targets to promote green initiatives.
- Through our energy-saving and carbon-reduction projects, our factories can reduce carbon emissions by 4,103 tons per year and recycle 13,937 tons of water. These projects allow us to care for the environment and the Earth.

Message from our General Manager and Chair of the Sustainability Development Committee

Commitment

Standard Foods has established a Sustainability Department and a Sustainability Committee, declaring our commitment to join hands with stakeholders on the path to sustainability, bringing positive and lasting impact to society!

Standard Foods Group Message from our General Manager and Chair of the Sustainability Development Committee

Arthur Tsao

2023 is a pivotal year for Standard Foods on the path to sustainability. In May, we established the "Sustainability Committee," and in October, we set up the "Sustainability Department," declaring our intention to work alongside workers, partners, customers, the general public, and stakeholders to diligently cultivate our resources in every aspect of sustainability, aiming to bring positive and lasting impact to the society.

Sustainable Innovation Governance: Standard Foods Maintains High Standards for Food Safety Supervision

Standard Foods is dedicated to providing healthy, nutritious, and delicious products, adhering to the principles of minimal burden and no added preservatives. From source selection and screening, our professional R&D team conducts hundreds of strict quality inspections, solidifying the public's trust in food safety and environmental protection. In light of the numerous recent food safety incidents, Standard Foods is reaffirming our dedication to the strictest manufacturing environments and production processes. We plan to complete ISO 17025 certification for our laboratories in 2024, set short-, medium-, and long-term goals to guide supplier transformation and implement animal welfare management processes to optimize the management of our source farms.

We serve 90% of households across Taiwan with our diverse range of products. Not only did we become the first company in the country to receive a whole grain certification, but we also initiated greenhouse gas inventory management in factories and offices in 2023, identifying emission sources and quantities to enhance the competitive advantage in energy and water resource development.

The long-life milk series now uses 100% FSC-certified packaging. We continue to innovate, implementing concrete actions for waste reduction, plastic reduction, and paperless operations, and we encourage all colleagues to embrace a green lifestyle.

In 2023, Standard Foods also received prizes such as the A.A Taste Awards Global Pure Taste Evaluation Award, ITi Superior Taste Award, and the Monde Selection Grand Prize for World Quality. We have always been committed to high standards of quality – 34 of all Standard Foods products have obtained 44 health food certifications – we aim to provide peace of mind to customers of all ages. At the same time, we promote products that have received numerous international awards and certifications to mainland China, Hong Kong, Malaysia, and Singapore, hoping that more people can enjoy nutritious, healthy, and delicious dietary options.

Joining Hands With Charitable Partners to Become Every Family's Nutrition and Health Partner

Adhering to our belief in giving back to society, our social care initiatives in recent years have focused on nutrition and health. We not only organize corporate volunteer activities but also leverage our product resources – we call on our colleagues to spend time with people living in marginalized communities.

We will continue to invest in the public welfare programs "Nurture with Love" and "Live with Love", collaborating with more NGOs, nutritionists, schools, and consumers so as to provide comprehensive care to Taiwan's vulnerable seniors and children. Through diverse means, such as nutrition boxes, camps, curricula, and workshops, we aim to reduce health risks and caretaking resource shortages in Taiwan's marginalized areas, gathering everyone's strength to fill society with warmth and love.

In the future, we will continue to uphold our brand promise, produce nutritious and healthy products, and take public health as our responsibility, becoming "every family's nutrition and health partner." Operationally, we will work closely with our suppliers on reducing the environmental impact of food manufacturing, meeting the diverse health needs of different groups, developing high-quality products, and together becoming "the Earth's sustainable development partner," providing value to the current generation.

Standard Foods is committed to supporting and caring for the nutrition and health of the current generation and we will continue to cultivate an environment for sustainable development.

About this Report

Overview of Report and Publication Frequency

Thank you for taking the time to read the seventh issue of our public Sustainability Report. We issue this report annually to disclose our environmental, social, and governance [ESG] performance beyond financial metrics, demonstrating our commitment to sustainable business practices. This report was published in August 2024, with the next issue scheduled for August 2025. This annual report does not restate any information provided in previous reports. (GRI 2-3 Reporting Period, Frequency, and Contact Information) (GRI 2-4 Information Restatement: Changes in the base year or reporting period length, changes in measurement methods or definitions used; errors in previous reporting periods)

Report Boundaries and Scope

The reporting period for this document is from January 1, 2023, to December 31, 2023. This report is issued annually, covering entities under the Standard Foods Group, including Standard Foods Corporation (Standard Foods) and Standard Dairy Products Taiwan Limited (Standard Dairy Products.) Figures disclosed in this report represent 47% of our net consolidated revenue. (GRI 2-3 Reporting Period, Frequency, and Contact Information).

The financial data in this report are derived from the 112th fiscal year consolidated financial statements of "Standard Foods Corporation (Standard Foods)" and "Standard Dairy Products Taiwan Limited (Standard Dairy Products)," which are the primary entities for disclosure, and this applies to the information boundary of the environmental and social category. Additionally, starting this year, sustainability actions from our China facilities are highlighted in the report.

For more detailed information on affiliated companies, please refer to Standard Foods Corporation's "2023 Annual Report." The organization experienced no major scale, structure, ownership, or supply chain changes during the reporting period. (GRI 2-2 Entities Included in the Sustainability Report)

Compiling Guide

This report is compiled according to the latest version of the Global Reporting Initiative (GRI) – the Universal Standard follows GRI 2021; Topic Standards GRI 303 and GRI 403 follow the 2018 GRI Standards; GRI 2017 follows the 2019 GRI Standards; GRI 306 follows the 2020 GRI Standards; GRI 207 follows the 2019 GRI Standards; GRI 306 follows the 2020 GRI Standards, and the remaining Topic Standards follows the 2016 GRI Standards. The content index of the GRI is provided in the appendix.

The report also discloses the sustainable accounting standards indices 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, for sustainability disclosure, we also complied with the provisions in 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, as required of entities in the food and catering industries whose income accounts for over 50% of total operating income. The climate-related information is compliant with Table 2 of 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 our sustainability reports, we 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. We incorporated the process into our "Internal Control System" and submitted the system to the Board of Directors for suitability review and approval.

Operating procedure	Methods	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 and Sustainability Development Department.	Standard Foods Sustainable Development Department
Internal review	After each unit checks the completed report for completeness and correctness of its content, it is approved by the relevant unit's top supervisor.	Standard Foods Sustainable Development Department
External guarantee	To enhance the accuracy and credibility of the information in this report, Part of the information is limitedly assured by KPMG in accordance with the Assurance Engagements Guidelines No. 3000, which is issued by the R.O.C. Research and Development Foundation.	KPMG
Approval and Finalization	The final draft of the complete document is presented to the Board of Directors and the general manager by the sustainability department and is reviewed and approved by the sustainability department before being publicly released.	Standard Foods Board of Directors Standard Foods Sustainable Development Department

Contact Information

If you have any suggestions or questions regarding the "Standard Foods Group 2023 Sustainability Report," please feel free to contact us through the following means. We have also published this report on our official website for easy access and to fulfill our responsibility of corporation information disclosure.

Standard Foods Corporation

Address: 10F, No. 610, Ruiguang Rd, Neihu District, Taipei City

Official website: http://www.sfworldwide.com

Contact: Standard Foods Sustainability Department (GRI 2-3 Reporting Period,

Frequency, and Contact Information)

Contact Number: 02-2709-2323

Email: ESG@sfworldwide.com



Sustainability Performance Highlights





- The group's factories saved 13,937 tons of water in 2023.
- Our top three factories completed 9
 energy-saving and carbon-reduction projects
 and implemented TPM equipment
 maintenance plans, reducing carbon
 emissions by 416 tons and saving 7,984 MWh
 of electricity.
- Our Dayuan plant's tonic beverage production line implemented a water resource management project, adding a bottle-washing water recycling system, and reusing 12,165 tons of water annually.
- The Dayuan plant's tonic beverage production line invested in an LCC-S type water-saving closed-loop cooling tower (LCC-V-125S,) saving 940 tons of water resources annually.
- Our offices promote waste reduction policies, and we use photocopy paper brands with eco-friendly, green pulp labels.





- Following government regulations, physically and mentally disabled individuals are employed, constituting 6.47% of our total workforce. The Standard Foods Group provides colleagues with 2 days of volunteer leave annually.
- Nurture with Love: We cared for over 5,500 children, collected 667 nutrition education box donations from the public, delivered 1,400 lesson plans and nutrition boxes to rural schools, and distributed 8,000 nutrition education tools. The program's YouTube videos were viewed 2.34 million times.
- Live with Love: We cared for 2,500 elderly people, educated 241 volunteers, and recruited 105 new volunteers for social welfare organizations. The program's YouTube videos were viewed 4.72 million times.
- Standard Foods social engagement programs: We held 14 events with a total of 130 Standard Foods workers participating, and 40 Standard Foods workers joined the Christmas volunteer activity.
- We organize annual health checks for employees.
- We added over 300 new online courses to the Standard Foods e-Academy.
- We set up a health consultation room (healthcare room), adding equipment, such as blood pressure monitors and weight and body fat scales.
- On-site/resident (full-time) medical staff are available, conducting regular health consultation services every month.





- We delineated our "Sustainability Practice Guidelines."
- We received 44 national health food certifications, making Standard Foods the company with the most certifications in the Taiwanese food industry.
- We were awarded as the first large food manufacturer in Taiwan to obtain the Whole Grain Certification.
- We developed our own e-commerce platform "Standard Foods Health Go," expanding into the international market.
- We launched a new brand "KonCare," entering the scientific research of health foods.
- We were ranked in the 6% to 20% tier of the 10th Corporate Governance Evaluation for publicly listed companies.
- To embody our corporate sustainability value, we officially established our sustainability committee to monitor and supervise our sustainable operations. The committee also set up a sustainability department to implement ESG strategic actions.

Awards and Recognition

Monde Selection World Quality Evaluation Awards

Award Description

Monde Selection is proud to be the only quality research organization that truly and comprehensively evaluates each product through sensory and scientific analysis.

For each product category, a list of specific and relevant standards is used to determine the quality of the product. Evaluations take into account product type, origin and market.

2023 Awarded Honor

Golds	20
Silvers	16
Bronzes	2
Total medals	38



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)

NurturEssence (Lutein Drink)
(18-Pack Gift Box)

(200 ml, 300 ml, 936 ml, 936 ml with lid, 1830 ml) - 5 awards

Fresh Delight Low-Fat Milk
(200 ml, 936 ml with lid) - 2 awards

Fresh Delight Shelf-Stable "True Milk"
(1830 ml)

Fresh Delight Extra Fresh Milk

Fresh Delight Calcium & Duo Whole Milk (375 ml, 936 ml [canned], 1892 ml) - 3

awards

Fresh Delight Shelf-Stable "True Milk"
(150 ml)

Fresh Delight Premium Yogurt (135 grams, 500 grams) - 2 awards Quaker Oat Ya Milk

(375 ml, 936 ml with lid) - 2 awards

Fresh Delight Malt Milk

Fresh Delight Calcium and Duo Low Fat Milk

(936 ml with lid, 1892 ml) -

(936 ml with lid)

2 awards

Silver medals



NurturEssence's Bird's Nest (single pack, 6 packs gift box	Great Day Extra Virgin Olive Oil (500 ml)	Quaker Chowder Soup with Oatmeal and White Sauce (5-pack)
with 2 packs of Lutein Drink) - 2 prizes	Quaker Rainbow Grains - Wheat Crisps - Strawberry	Quaker Chowder Oatmeal Butter Corn Flavor
Quaker Ganoderma (19-Pack Gift Box)	and Cherry (300 grams)	(5-pack)
Quaker 5X Vitamin B Complex Ginseng Essence Drink	Quaker Rainbow Grains- Cocoa & Banana (300 grams)	- Quaker Chowder Soup with Oats, Fresh Vegetables, and Mushrooms (5-Pack)
(16 Pack Gift Box) NurturEssence EXX Collagen Drink (6-Pack)	- Quaker Rainbow Grains- Golden Nuts (300 grams)	Fresh Delight Chocolate Milk (936 ml with lid)

Bronze medals



Great Day 100% Italian Olive Oil (1 L)

Fresh Delight Apple Milk (936 ml with lid)

Fresh Delight High-Quality Top-Grade Milk

Quaker Oat Ya Oat Drink

Fresh Delight Apple Milk

Superior Taste Award

Award Description

The award winners were announced in January 2023 for the fall entry and June 2023 for the spring entry.

2023 Awarded Honor

Three-star ★★★	6
Two-star ★★	9
One-star ★	10
Total medals	25



Quaker Rainbow Grains- Golden Nuts (300 grams)

Fresh Delight Calcium & Duo Whole Milk

Quaker Chowder Soup with Oatmeal and White Sauce

Two -Star Award



Fresh Delight Cocoa

Quaker High Calcium Skimmed Milk Powder

Fresh Delight Premium Yogurt

Fresh Delight High-Quality Fresh Milk

Quaker King Oats and Nuts

Quaker Fun Wheat Crisp - Strawberry and Cherry

Quaker Rainbow GrainsWheat Crisps

- Cocoa Banana

Quaker Almond Cereal Milk - No Added Sugar

Fresh Delight Shelf-Stable "True Milk"



One- star award



Fresh Delight Malt Milk

Quake Pure Essence of Chicken

Quaker Ginseng Tonic Drink

Quaker Ginseng Tonic Drink (Unsweetened)

NurturEssence – The Finest Bird's Nest

NurturEssence EXX Collagen Drink

Quaker High Calcium Glucosamine Milk Powder

CHiiiiiiii Energy Drink Super Power Formula

Quaker Whole Milk Powder Concentrate

Great Day Premium Virgin Olive Oil

AA Taste Awards

Award Description

"The A.A.Taste Awards" is the only comprehensive competition in the world based on the spirit of CLEAN LABEL.

Dedicated to recognizing producers who provide excellent and quality products in all other areas of the product, and to making an impact internationally.

2023 Awarded Honor

Three-star ★★★	2
Two-star ★★	4
One-star ★	1
Total medals	7





Two-Star Award



Great Day Herbal Borscht Beef Tendon Soup

Great Day Nanyang Bak Kut Teh Pork Tendon Stewed Soup Quaker Complete Meal Fresh Sweet Corn Chowder

Quaker No-Sugar Ginseng



One-star award







Quaker Complete Meal Nutrition Food Mushroom Chowder Quaker Complete Meal Nutrition
Pumpkin Chowder Soup

Health Promotion Administration, Ministry of Health and Welfare



Healthy Workplace Certification Health Promotion Mark Promotion of Health – Healthy Workplace Certificate Sports Administration, Ministry of Education



Taiwan I Sports Enterprise Certification

Yahoo! Kimo

Yahoo Asia Big Idea Chair Awards

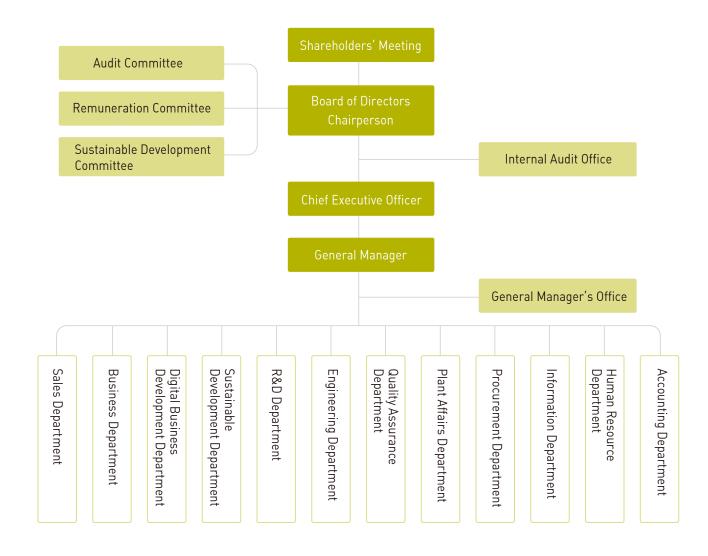
Sustainability Management Structure

The Standard Foods Group is committed to providing healthy and nutritious products. We not only focus on operational performance and customer needs but also embrace a philosophy of sustainable management, aspiring to be a benchmark in the industry.

In May 2023, we officially established the Standard Foods Sustainability Committee, led by senior executives from various departments. This committee oversees the effectiveness of our sustainability initiatives, reports to the General Manager quarterly, and discloses the performance of sustainability projects to stakeholders and shareholders annually.

We focus on six key aspects of sustainability: corporate governance, food safety, environmental sustainability, supply chain management, employee care, and social engagement. Under the sustainability committee, we established subdivisions, striving to become a benchmark for sustainability in the food industry. We are committed to working towards the Sustainable Development Goals (SDGs) from the very source to the customer's end. We strive to continuously improve satisfaction among customers, employees, and suppliers, paving a stable and innovative road to growth.

Standard Foods Sustainable Development Committee and Organizational Structure



The data cut-off date is December 31, 2023. For more information about our governance structure and the responsibilities of various departments, please refer to our latest annual report.

Commitment to Sustainable Policies

Standard Foods is committed to achieving sustainable development. In ESG areas, we continue to demonstrate care for economic governance, human rights and culture, and environmental conservation. We publicly pledge that all our operations will adhere to responsible business practices and we have established relevant sustainable development and inclusion guidelines and policies based on the following initiatives:

Initiatives followed:

- "United Nations Guiding Principles (UNGPs) on Business and Human Rights"
- "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies"
- "Guidelines for Business Integrity for TWSE/GTSM Listed Companies Listed Companies"
- "Guidelines for TWSE or TPEx Listed Companies Corporate Governance Practices"
- "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies"
- "Ethics Regulations for Procurement Personnel"



Company Standards and Policies:

- Sustainability Practice Guidelines
- Guidelines for Corporate Governance Practices
- Guidelines for Business Integrity
- Guidelines for Integrous Business Procedures and Behaviors
- Guidelines for Ethical Conduct
- Risk Management Policies and Procedures
- Supplier Management Policies



These standards and policies are approved by the Standard Foods Board of Directors and announced by the corporate affairs unit for implementation. They are applicable across the entire Standard Foods Group. Communication with internal and external stakeholders is carried out via email, relevant meetings, the official website, the internal internet, and contractual provisions.

Furthermore, our guidelines and policies adhere to the relevant due diligence and precautionary principles, particularly in human rights. We adhere to the UN "Guiding Principles on Business and Human Rights" and other human rights initiatives. We value financial performance, but we value human rights more – both in and outside the company.

While executing our sustainability policies, we established related content as internal documents, such as Supplier Guidelines and internal audit management methods, so as to integrate them into our internal control system. The sustainability committee is the highest unit of supervision and execution for sustainable development commitments, and regular audits are conducted by the internal audit department.

International initiatives supported by Standard Foods

ESG initiatives



- The United Nations' 17 Sustainable Development Goals (SDGs) advocate for the integration of social, economic, and environmental sustainability indicators and global collaboration to achieve sustainability.
- The UN Global Compact focuses on advocating for human rights, labor rights, environmental protection, and anticorruption through organization development and sustainable governance.

Environmental initiatives



- The Task Force on Climate-related Financial Disclosures (TCFD) assists investors and decision-makers in understanding the climate-related risks, opportunities, and financial impacts faced by organizations, facilitating organizations to overcome transformation challenges.
- Participation in the Carbon Disclosure Project (CDP) effectively assists companies in measuring and improving carbon management systems.

Social initiatives



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

Corporate Governance Initiatives



- The United Nations Convention against Corruption (UNCAC) builds a preventive and corruption-free governance system.
- "> The United Nations' Principles for Responsible Investment (PRI) helps investors obtain ESG-related information and make this information part of investment considerations.
- Participation in the "Sustainability Insight System (THESIS)" hosted by the global non-profit organization "The Sustainability Consortium (TSC)."

Membership in Associations

Public Associations and Advocacy Organizations with Important Participation Impact

No.	Organization	Strategic significance	Role or position
1	Taiwan Food Industry Foundation	Creating synergy among the food industry supply chain players – such as food manufacturing, raw material supply, distribution, and catering firms – and jointly promoting the healthy development of the safety and hygiene of Taiwan's food industry	Managing Director
2	Food Industry Research and Development Institute	Technology and R&D related to the food industry and the bio-industry to drive industrial development	Managing Director
3	Taiwan Regional Association of Dairy Processors	The association creates strategic plans to improve and promote Taiwan's dairy industry and supports the government's efforts to develop dairy farming, laying the groundwork for Taiwan's dairy industry and stimulating the rural economy.	Supervisor
4	Taiwan Quality Food (TQF) Association	The association calls on the food manufacturing industry, raw material supply industry, distribution and retail industry, consumer groups, and academic and research groups to collaborate and improve food safety, food quality, consumer rights, and development of the food industry.	Director
5	Dairy Association of Taiwan	Dairy farmers, dairy processing plants, experts, and scholars work together in the association and collaborate with the government to advance Taiwan's dairy industry and fulfill the needs of the industry.	Supervisor
6	National Animal Industry Dairy Price Evaluation Association	The association holds regular meetings to review milk prices. It is a platform used by both milk manufacturers and farmers to review the rate of changes in the base price and consider price adjustments.	Committee member
7	Zhongli Industrial Zone Manufacturers Association	The organization promotes common affairs and welfare measures in the region, encourages exchanges and unity in the area, and strives for the region's development.	Director

No.	Organization	Strategic significance	Role or position
8	ILSI Taiwan	The association puts together industry, government, and academic resources to conduct research on nutrition, food safety, toxicology, risk assessment, and the environment. It also disseminates relevant scientific information and coordinates international efforts to improve the nutrition and health of the public while ensuring food and environmental safety.	Member
9	Health Food Society of Taiwan	The organization collaborates with experts and scholars from all fields to conduct fundamental and applied research on the safety, toxicology, and health effects of health food. It also promotes the development of high-quality health foods and corresponding functional research.	Member
10	Taiwan Functional Food Industry Association	The association promotes the health and nutrition food industry and facilitates relationships among industry players to benefit the industry and promote economic growth for the industry.	Director
11	Taiwan Nutrition Society	The organization cultivates professional skills in preventive healthcare and nutrition care and applies cutting-edge knowledge and technology to improve and protect the dietary nutrition and health of the public.	Member
12	Taiwan Association for Food Science and Technology	The association shares new information on academic research on food, technological development, and business management with its members and domestic and international food professionals.	Member
13	Taiwan Association for Food Protection	The association obtains the latest global 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, ensuring food safety for the public and assisting in understanding international food safety regulations for Taiwan's food industry.	Member
14	Importers and Exporters Association of Taipei	The association identifies market and industry trends, gathers business data, facilitates consensus within the sector, acts as a liaison between the government and the trade industry, proposes various policy ideas, upholds members' rights and interests, and actively supports the industry as it looks for new business opportunities on the world market.	
15	Taiwan Vegetable Oil Manufacturers Association	The association coordinates inter-industry relations, enhances common interests, makes plans for industrial improvement and promotion, and promotes economic development.	Director
16	Taiwan Health Care Association (Central Office)	The association promotes international cooperation, the healthy upgrading and development of Taiwan's healthcare industry, and combines Taiwan's industrial powers to jointly promote the sound development of the healthcare industry on both sides of the Taiwan Strait.	Member
18	Taiwan Occupational Safety and Health Management System (TOSHMS) Association, Northern Taiwan Branch	The association improves companies' safety and hygiene technologies and relevant personnel's knowledge in implementing corporate safety and hygiene management.	Member
19	Taoyuan City Industrial Association	The association coordinates the cooperation between various industries in Taoyuan City to enhance the industry's common interests and formulate plans for industrial improvement and economic development.	Member
20	Taiwan Association for Traditional and Complementary Medicine	The association encourages advancement in academic research in traditional and complementary medicine, continual talent development, and promotion of the balanced development of Taiwan's traditional Chinese medicine.	Member
21	Taiwan Society of Regulatory Affairs for Medical Products	The organization engages in pharmaceutical policy and regulation research to create a platform for pharmaceutical and health-related product management regulation exchange, helping the industry meet international standards and increasing the value of innovation.	Member
22	Agricultural Chemical Society of Taiwan	The organization enhances agricultural chemistry's contribution to Taiwan and promotes academic research.	Member
24	Confectionery, Biscuit, and Floury Food Industry Association	The association strengthens cooperation, exchanges, and connections among industry peers, creating business opportunities.	Member
25	Taiwan Canners Association	The association facilitates relationships among industry players, enhances common industry interests, promotes economic development, provides information on relevant laws and regulations, and formulates plans to improve and promote the canned food industry.	Tier-1 Member
26	Taiwan Industry Association	The association facilitates peer relationships, enhances common industry interests, promotes economic development, provides information on relevant laws and regulations, and formulates plans to improve and promote the beverage industry.	Level-A Member
27	Taiwan Food Industry Development Association	The association improves the understanding of food-related laws and regulations. Any questions or suggestions can also be clarified and inquired through this association.	Level-A Member
28	National Food Standards Technical Committee	The committee participates in the formulation and revision of national food standards.	Technical committee member
29	Institute of Food Research and Entrepreneur for Safety and Health in Taiwan (iFRESH Taiwan)	The institute strengthens the cooperation, exchanges, and connections among peers to make the food industry more competitive.	Technical committee member

Sustainability Strategies

(Separate visions, policies, and goals for each aspect of ESG are preferred.)

(Please also describe the commitment and dedication to "human rights" more specifically, covering internationally recognized human rights under GRI 2-23 b. and the categories of stakeholders particularly focused on by the organization, including at-risk groups or vulnerable populations.)

Standard Foods Group, adhering to our brand promise of being "every family's nutrition and health partner," continues to invest in research and development to cater to the nutritional, health, and taste needs of the entire family, from young to old, from day to night. To date, we have launched over 800 nutritional and health products. We are also committed to conduct research on packaging plastic and material use reduction. We strive to reduce the carbon footprint of our operations and product manufacturing and promote a whole-grain diet to help cool down the planet.

Our sustainability strategy aims to take on our social responsibility and protect everyone's health, continuously focusing on "care," "love," "innovation," and "family" as our foundational pillars. We aim to enhance operational effectiveness through innovative collaboration models and integrate core business resources into corporate governance, food safety, environmental sustainability, supply chain management, employee care, and social care. These efforts actively align with the UN SDGs, and we identify the SDGs of particular importance to us in order to formulate a sustainable development strategy, then initiate practical innovative actions and respond to stakeholder concerns.

Group Visions and Mission

Since our founding in 1986, the Standard Foods Group has launched hundreds of nutritious, healthy, and delicious products, taking on the mission to become "every family's nutrition and health partner." Our users range from infants to the elderly, reaching 90% of households across Taiwan. Starting with cereals and continuously innovating, we have expanded into adult milk powder, cooking oils, dairy products, ready-to-eat meals, and even into health products and supplements tailored to specific health needs. Under our brands – Quaker, Great Day, Fresh Delight, NurturEssence, and others – we firmly believe that everyone can obtain the necessary energy and maintain their peak condition by consuming a diverse, rich, and balanced diet.

We develop products with a rigorous attitude, prioritizing food safety above all else. From the source of raw materials, through the production process, to the table, every step is

closely monitored. We have international inspection capabilities and strict control procedures, aiming to promote a green, sustainable diet and provide consumers with nutritious, healthy, and delicious products.

Facing rapid environmental changes, we are committed to corporate sustainability and align our ESG development with the United Nations' 17 Sustainable Development Goals (SDGs). We advocate for integrating social, economic, and environmental sustainability metrics. We support the United Nations Global Compact, focusing on human rights, labor, environment, anti-corruption, and sustainable governance, in the hope of aligning with common international standards. We comply with local regulations at each factory and business location, adhere to the principles of ethical management, continuously optimize our governance policies, and support the United Nations Convention against Corruption (UNCAC) to build a preventive and zero-corruption governance system. Additionally, we support the United Nations Principles for Responsible Investment (PRI), helping investors access ESG-related information for investment considerations, and strengthening our company's capacity for stable growth in various aspects.

Furthermore, we believe that establishing diverse partnerships can inspire innovative business models, maximizing corporate value and enhancing our ability to collaboratively promote charitable actions to achieve our goals and address social issues. We also integrate digital transformation in e-commerce, innovative health products, corporate volunteer activities, and nutritionist resources, so we can empower everyone to live "a lifetime of well-being!"



Sustainability Strategies and Goals

Adhering to ethical management and shouldering product responsibility

SDGs





We maintain product quality and food safety management, actively expand the green supply chain, pursue sustainable growth, and promote a healthy, diverse, low-carbon diet to the public, using "whole grains" to reduce environmental risks.

Development Goals:

Promote category education; ensure that the food safety system management is ISO 22000 or FSSC 22000 certified; obtain ISO 17025 laboratory certification; implement animal welfare management

Continuously innovate for environmental sustainability

SDGs

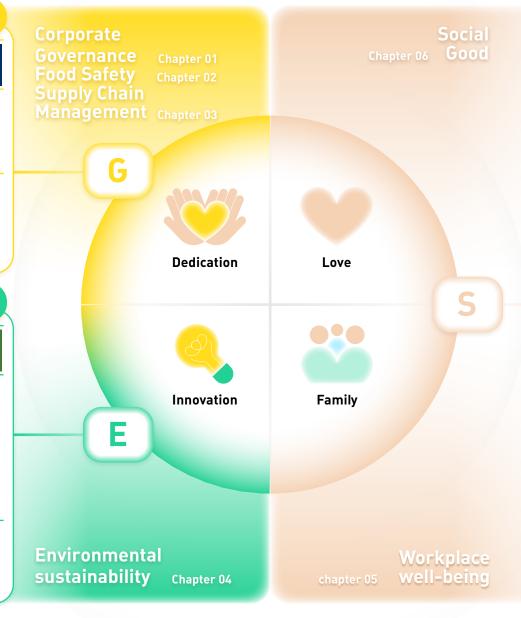




Aiming to meet international environmental standards, we implement environmental actions and energy-saving and carbon-reduction policies. We continuously monitor our manufacturing processes, improve equipment efficiency, manage energy conservation, and implement reduction measures from the source, in order to conserve energy, reduce carbon emissions, and contribute to environmental protection.

Development Goals:

Reduce packaging material usage; implement lightweight packaging; develop vegan products; replace outdated equipment



Social responsibility is our duty, and nutrition care is our job

SDGs









We are long-term donors of our own products to charitable organizations, and we leverage our strength in specialized products and provide underprivileged children and senior citizens with supplies and food education. We collaborate with various partners to protect vulnerable groups in Taiwan, promoting health, food equity, and the spread of love.

Development goals:

"Nurture with Love" \ "Live with Love" \ long-term donation of materials and corporate volunteer

Strengthening diverse partnerships to create a happy workplace

SDGs









We advocate for diverse recruitment, training improvement, fair and inclusive employment, the needs and rights of our employees, work-life balance, stable and long-term well-being, and bespoke long-term career development of our employees in different departments.

Development goals:

Standard Foods e-Academy; smooth employee communication channels; quarterly employer and employee meetings

Material Topic Analysis

1000 4 We identified our material topics under inclusiveness, materiality, responsiveness, and influence by referring to the sustainable topics listed in the GRI Guidelines, SASB Guidelines, and the AA1000 Accountability Principle (2018.) They were then sorted according to the 2021 GRI General Principles requirements. We used the results to calibrate our sustainable development goals and strategy and improve external communication effectiveness.

Collecting sustainability-related topics

 Evaluation and investigation of sustainability topics relevant to our business activities according to national policy trends and international standards

Stakeholder Engagement

- Six groups of major stakeholders were identified.
- We collected topics of interest to our stakeholders, zooming in on 18 material topics.

Assessing operational impacts

 Stakeholders were invited to conduct impact assessments on the 18 key issues.

Identifying material topics

- Analysis and sorting of the results from the impact survey
- A total of 8 material topics were identified in 2023

Examining material topics

- We reviewed and tested the suitability of relevant procedures and standards with external consultants.
- We then confirm the completeness, inclusiveness, and macroscopicity of the material topics.

Set material topics

The 8 material topics were established after submission for approval of the Board of Directors by the sustainable development department.

Stakeholder Engagement

We identified (1) employees, (2) shareholders/investors, (3) consumers, (4) customers, (5) suppliers, and (6) public interest groups as our 6 key stakeholders according to the operation characteristics of Standard Foods, industry attributes, and the 5 principles of the 2015 edition of AA1000 Stakeholder Engagement Standard (SES.) The goal was to assess responsibilities, influence, diverse perspectives, level of interest, and dependency between the stakeholders and the company.

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

Having considered national policy trends and various international standards (SASB Industry Standards and TCFD) and initiatives (SDGs,) we focus on 18 sustainability issues highly relevant to our company, covering economic, environmental, and social aspects. We designed and conducted a "Stakeholder Questionnaire" to gather insights, and the results of the questionnaire were presented to our sustainability department.

Subsequently, based on the company's development strategy, industry status, value chain practices, and expert recommendations, we discussed and individually confirmed the impact of these issues on the economy, environment, populations, and human rights. We identify and prioritize significant annual topics as the main axis of information disclosure in this report, providing stakeholders and information users with effective evaluations and decision-making tools.

Stakeholder engagement overview

2023 Standard Foods Group Sustainability Report

Stakeholders	Significance(Importance)	Communication method and frequency	Topics of interest	2023 Communication Performance
Employees	Our employees are the foundation of our operation and development.	 Annual performance reviews and communication (yearly) Employer and employee meetings (every three months) Union negotiation meetings (every three months) Plant head manager mailboxes at factories (immediate) Standard Foods sexual harassment complaint hotline and mailbox (immediate) Dedicated integrity management violation report hotline and mailbox (immediate) Workplace abuse hotline and mailbox (immediate) The general manager's office mailbox (immediate) Corporate sustainability reports (yearly) Internal communication meetings (ad hoc) Course feedback surveys (immediate) Meetings with the general manager (yearly) 	 Business integrity Talent development and recruitment Human rights Remuneration and benefits 	 A total of 17 negotiations were conducted in 2023, including 10 concerning hygiene and safety measures in the workplace, 5 concerning management measures, and 2 concerning employee-employer communication mechanisms Feedback surveys were distributed at the end of every course to collect feedback and use it as the direction for improvement for future training sessions. 2023, a total of four sessions of "Meeting(s) with the general manager" were held to provide colleagues with the opportunity to communicate with the general manager directly.
Shareholders/ Investors Funds from investors to support our operations and sustainable development.		 Shareholders' meeting (yearly) Earnings calls (yearly) Corporate visits (intermittent) Operational performance announcements (periodical) Annual reports / Sustainability reports (periodical) Investor's service hotline and email address; spokesperson and acting spokesperson mailbox (permanent) Disclosure and update of information on our official website (permanent) Information disclosure and reporting on the Market Observation Post System (MOPS) (permanent) 	 Operational performance Business integrity Compliance with laws and regulations Risk management Health and food safety Response to climate change Energy and greenhouse gas management 	 Annual shareholder's meeting (yearly) One earnings call Our operational performance is disclosed on a regular basis for investors in accordance with the regulations. Regular corporate visits Responding to questions from investors as needed Our official website is updated regularly to provide transparent and diversified information.

26

2023 Standard Foods Group Sustainability Report

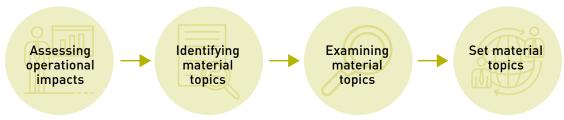
Stakeholders	Significance(Importance)	Communication method and frequency	Topics of interest	2023 Communication Performance
Consumers	The consumers are the main users of our products.	 Toll-free customer service line and mailbox (timely) Consumer focus meetings (intermittent) Official website, social media profiles, and brand marketing websites (intermittent) Sustainability reports (yearly) 	 Health and food safety Product labeling and marketing Business integrity Compliance with laws and regulations Response to climate change Energy and greenhouse gas management 	• Consumer toll-free calls, member LINE messages, and Health GO inquiry messages numbers totaled 36,097, an increase of 3,335 compared to 2022, and all of them are 100% completed.
Clients	Our distributing channel clients are the medium between Standard Foods and our consumers.	 Client plant audits or evaluations (yearly) Distribution business conferences (intermittent) Product selection and procurement meeting (quarterly) 	Response to climate changeProduct labeling and marketingOperational performance	 2Two distribution channel conferences, during which sales performance is agreed upon Four product selection and procurement meetings per year. These meetings are held with our major clients.
Suppliers	Standard Foods and suppliers form a tight sustainable supply chain.	 Phone calls and email correspondents (intermittent) Order communication (ad hoc) Annual supplier audits (yearly) Annual supplier evaluations (yearly) Industry exchange conferences (regular) Meetings, visits, daily communication (intermittent) 	 Response to climate change Product lifecycle management Energy and greenhouse gas management Compliance with laws and regulations Supply chain management 	 89 supplier audits were completed 293 suppliers evaluations were completed: 255 suppliers were rated as excellent (85 points and above), making approximately 87% of our total suppliers; 11 suppliers were rated as good (75-84.99 points), making up approximately 32% of our total suppliers; 5 suppliers rated as acceptable (74.99-65 points), making up approximately 2% of our total suppliers; 1 supplier is under probation (below 64.99 points)
Charitable organizations	Standard Foods has long worked with charitable organizations to ensure the nutrition and health of those in their care.	 Phone calls, and email correspondence (intermittent). In-person visits / communication via instant messaging apps 	Social good Human rights	 In collaboration with charitable organizations, a total of 48 donations were made in 2023, totaling NTD \$20,754,052 and 25,889 boxes of supplies.

Identification and Prioritization of Material Topics

After completing stakeholder engagement, we move to assessing operational impacts and identifying, testing, and establishing material topics. Through the analysis of survey results and internal operations assessment, we identified and prioritized the 8 material topics to be disclosed in this report, including one environmental topic, two social topics, and five economic topics.

These topics are then discussed with and reviewed by the sustainability department and external consulting experts to ensure proper related processes and standards. After confirming that there were no omissions in the material topics, the topics were then submitted to the Board of Directors for approval, followed by the report preparation process.

Additionally, to ensure effective communication through the sustainability report with a wide range of stakeholders, we have also established a "Stakeholder Section" on our official website (bit.ly/41X36I0), providing a dedicated contact channel for all stakeholders interested in corporate sustainability: ESG@sfworldwide.com. For any inquiries, suggestions, or complaints related to our material topics or other report content, stakeholders can maintain open and positive interactions with us through this email address.



We use the "Stakeholder Questionnaire" to invite our senior executives, colleagues from various departments. suppliers, and consumers to conduct detailed investigations into the severity (scale, scope), possibility of occurrence, and risk of human rights violations of each issue for standardized and meticulous assessment.

After conducting an equal-weight analysis of the results from 246 responses to the "Stakeholder Questionnaire," the results were ranked based on their quantitative values. and threshold standards for material topics were established. In 2023. a total of 8 material topics were identified.

We invited external consultants to review. test, and confirm the suitability of the identified material topics and standards to ensure that no material topic priorities are omitted or inadequate. The goal is to ensure completeness, inclusiveness. macroscopicity, and consistency with the company's sustainable development strategy. The 8 material topics identified by Standard Foods in 2023 were approved by the Board of Directors following presentation reports by the sustainability department. This report sequentially discloses the impact of each material topic, as well as the corresponding policies. commitments. management actions, indicators, and goals of the company.

List of material topics

No.	Material topics	Significance U		Impact on the value chain		Corresponding
INO.	(Aspects)			Standard Foods	Downstream	chapters
1	Health and food safety Through food traceability management, food safety monitoring, and responding to food regulations, we ensure that our products comply with quality, legal, and hygiene standards and assure consumers that they can use our products safely.		Chapter 2 Food safety			
2	Operational performance	ong-term and stable operation and profitability are the foundation of sustainable management.				Chapter 1 Corporate Governance
3	Business integrity	Adherence to anti-corruption, anti-bribery, and legal compliance principles helps gain the trust and support of stakeholders.				Chapter 1 Corporate Governance

	M		Imnac	ct on the va	lue chain	
No.	Material topics (Aspects)	Significance	Upstream	Standard Foods	Downstream	Corresponding chapters
4	Information security practices, we regularly review our information security security prolicies, personal data collected, and systems to reflect the latest developments in government laws and regulations, technology, and business.			②		Chapter 1 Corporate Governance
5	Talent development and recruitment	Talent development is a crucial resource for us to achieve long-term development and maintain a competitive advantage. Enhancing organizational efficiency, boosting innovation and competitiveness, and strengthening corporate competitiveness through talent development are key strategies for achieving sustainable operations.				Chapter 5 Workplace Well-being
6	Supply chain management	Procurement and use of raw materials; client relationship and distributor management; supply chain evaluations and audits; risk assessments	②	((Chapter 3 Supply chain management
7	Occupational health and safety	Occupational safety and health training; risk control; employee occupational injury rate; promotion of health etc.		(②)		Chapter 5 Workplace Well-being
8	Response to climate change	Climate-related risks and opportunities, management strategy, and response action plans are the impacts brought about by climate change.	②	(②)	(Chapter 4 Environmental Protection

Changes in 2023 material topics

We also referenced the GRI and SASB standards for the 2023 material topic survey. Some adjustments and changes were made to the 2022 survey. Additions include business integrity, information security, and occupational health and safety. Due to this re-assessment, the ranking of topics changed. The human rights issue, being considered an element that must be addressed in all topics, will not be treated as a separate topic for material topic surveys in the future. Additionally, topics like social good, energy and greenhouse gas management, and product lifecycle management, which scored lower than the average in the impact assessment, were not included in the 2023 material topics. The remaining issues have seen increases or decreases compared to 2022, based on impact assessment results. The details are as follows:

Changes in our 2023 material topics

2022 material topics (previous year)	2023 material topics (reporting period)	Changes
Health and food safety	Health and food safety	No change
Operational performance	Operational performance	No change
	Business integrity	Newly added
	Information security	Newly added
Talent development and recruitment	Talent development and recruitment	No change
Supply chain management	Supply chain management	No change
	Occupational health and safety	Newly added
Response to climate change	Response to climate change	No change
Social good		Scored below-average in impact assessment
Human rights		The topic of human rights is listed as an aspect to be considered under each material topic.
Energy and greenhouse gas management		Scored below-average in impact assessment
Product lifecycle management		Scored below-average in impact assessment
Procurement practices and management		Scored below-average in impact assessment

Management of Material Topics in 2023

2023 Standard Foods Group Sustainability Report

No.	Material topics (Corresponding to GRI indicators)	Policies and commitments	Potential impacts	Actions we've carried out	Corresponding UN SDGs
1	Health and food safety GRI 416-1 GRI 416-2	We hope to build a comprehensive, systematic quality control process to ensure food quality and safety, aim for high production standards, and continuously maintain food safety monitoring systems, food traceability management, and responses to food safety risks and regulations.	Positive Impact: Quality control can enhance consumer trust while also increasing cost control. Negative impacts: Responding to food safety risks can enhance a company's reputation, but staying up-to-date requires a significant amount of human resources.	We became the first company in Taiwan to pass whole grain certification and we continue to obtain other certifications, gaining recognition from independent third-party institutions. We continuously monitor food safety-related information and regulations to ensure that 100% of company products comply with legal requirements.	3 MOD HEALTH AND AND HELL SHAPE AND HELD SHAPE AND HELL SHAPE AND HELD SHAPE AND
2	Operational performance GRI 201-1	We hope to establish robust operation plans and complete company governance policies to become "every family's nutrition and health partner," creating long-term, stable economic value and gaining the trust and support of our stakeholders.		We have diversified our procurement strategy, established strategic partnerships with upstream and downstream suppliers, innovated our products, and expanded into international markets.	3 ADDITIONAL SHEET OF THE ACT OF
3	Business integrity GRI 205 GRI 206	"Integrity" is the cornerstone of our sustainable operations. The Standard Foods Board of Directors has passed the "Guidelines for Ethical Conducts" and "Guidelines for Business Integrity" to regulate and eliminate dishonest behavior.	Negative impacts: Legal risks and losses, damage to company reputation and employee morale, lowering investor confidence, and high remediation costs	Using our five core values — responsibility, professionalism, honesty, collaboration, and passion — in performance evaluation metrics; regular onjob training and advocacy, accessible whistleblowing channels; having our board members and management sign a "Declaration of Compliance with Business Integrity Policies."	16 PAGE ANNIBATION BEST HERE.
4	Information security GRI 418	We hope to maintain the confidentiality, integrity, and availability of the information assets integral to our operations, and ensure the security of our user data through our information security system and the collective efforts of our staff.	Negative impact: Information security risks and losses and leakage of internal confidential information of the enterprise causing an impact on our operations	We are gradually building a complete information security infrastructure, such as privileged account management (One Identity), data leak prevention (DLP), and other technologies, followed by the implementation of a new technology-based enterprise information security defense network.	9 MODERY HANDALING MANUFACTURE CONTROL OF THE PROPERTY OF THE
5	T a I e n t development and recruitment GRI 404-1 GRI 404-2 GRI 404-3	Standard Foods places great emphasis on the cultivation and recruitment of talent. We comply with local laws and regulations, including but not limited to the Labor Standards Act, the Labor Pension Act, the Occupational Safety and Health Act, the Employment Service Act, etc, to ensure fairness and legality. Beyond statutory requirements, we are also committed to creating an attractive work environment, offering comprehensive training and diverse development opportunities to attract and retain top talent.	Positive impact(s): 1. Attracting excellent talents 2. Employee satisfaction increase 3. Boosting drive for innovation Negative impact(s): 1. Increased costs	We strive to build a diverse, equitable, and inclusive workplace, promote DEI recruitment and training, and promote a fair and inclusive work environment and employment opportunities.	5 ERMITE GOODS TO THE

No.	Material topics (Corresponding to GRI indicators)	Policies and commitments	Potential impacts	Actions we've carried out	Corresponding UN SDGs
6	Supply chain management GRI 308-1 GRI 414-1	We ensure suppliers comply with the United Nations Global Compact, and promote organization development focused on human rights, labor, environment, and anti-corruption. We also strive to strengthen our sustainable supply chain management. We are committed to requiring raw material suppliers to follow the "Supplier Management Procedures" and contractors to establish "Contractor Management Policies" to achieve consistent standards, aiming for sustainable governance, and global collaborative efforts in sustainability.	Positive impact(s): 1. Strengthened closeness with suppliers and awareness of sustainability 2. Ensuring suppliers follow regulations and meet supply expectations Positive impact(s): 1. Increased costs 2. Limited compliant suppliers	Regarding sustainability-related issues, we communicate with suppliers, formulate cooperation plans, and adjust purchasing strategies in response to international situations. We continuously seek compliant suppliers to collaboratively build a sustainable supply chain.	3 discretative and the control of th
7	Occupational health and safety GRI 403	In accordance with the Occupational Safety and Health Act and related regulations, an Occupational Safety and Health Management Committee was established. The "Environment, Safety, and Hygiene Management Manual" and "Occupational Safety and Hygiene Management Regulations" have been drafted in order to implement safety and health systems targeting various aspects of the work environment and personal safety of employees at Standard Foods.	Negative impact(s): Occupational injuries and diseases posing health risks to employees and resulting in productivity losses.	We have been implementing the Plan-Do-Check-Act (PDCA) cyclical quality management system, continuously improving and reducing occupational hazard risk assessment. The ISO/CNS45001 Occupational Safety and Health Management System was introduced to our factories, effectively enforcing the environmental and safety management system, and improving environmental and safety performance. We have also set up dedicated occupational health and safety units, related management personnel, and emergency medical staff according to the Occupational Health and Safety Management System. With comprehensive systems and planning, this system is executed to comprehensively prevent occupational disasters.	
8	Response to climate change GRI 201-2	We effectively respond to the impact of climate change on our operations via the climate-related financial disclosure (TCFD) framework, strengthening climate adaptation capabilities, and improving organization resilience.	climate-related regulations Physical risks of climate change, decreased energy efficiency,	 We have introduced a group-wide greenhouse gas emission inventory and inspection. We maintain an appropriate safety stock of raw materials. (We stock up 2-3 months of bulk raw materials and over one month of general raw materials.) We are property loss insured to diversify disaster risks. We are gradually replacing inefficient air conditioning equipment and implementing water-saving projects in the tonic beverage production line. 	13 DANT AND



About Us

bout Us	32
ood innovation research	36
nd development	

About us

91 The Standard Foods Group (referred to in this report as Standard Foods) was established on August 8, 1986. Our operation headquarters are located in the Neihu District of Taipei City. We took over all assets and employees of the American Quaker Oats Company in Taiwan and were authorized to exclusively operate Quaker products in the region. By the end of December 2023, we have been in the business for 37 years and have an employee count of 1,391 (formal employees.) Our main business includes the manufacturing and sale of nutrition food products, edible oils, dairy products, and beverages. Additionally, we were listed on the stock exchange in 1994 under the ticker symbol 1227. The company is a corporate entity. For ownership details, please refer to the "Shareholder Structure and Major Shareholders" section of our 2023 Annual Report. In 2023, our registered capital was NTD\$ 9.151 billion, with consolidated revenue reaching NTD\$ 27.804 billion.

We have received 44 national health food certifications from Taiwan's Food and Drug Administration, making us the company with the most certifications in the Taiwanese food industry. We constantly strive to become "every family's nutrition and health partner," actively expanding the scale of our business, creating products suitable for all age groups, and continuously working to meet the nutritional and health expectations of family members at every stage. We have also developed our own e-commerce platform, "Standard Foods Health Go," to target the younger generation, expand into international markets, and collectively protect the nutrition of families both domestically and internationally, enabling every generation to live "a lifetime of well-being."

Furthermore, we rigorously control food safety from farm to table, which includes product research and development, formula experimentation, ingredient selection, raw material testing, production, packaging design, and sales. Each step adheres to internationally recognized testing methods for control, and regular audits are conducted on contracted dairy farmers, water sources, and supplier factories. We uphold cautious and strict management procedures to ensure the rights and health of our customers. Looking ahead, we will continue to progress in the fields of health and nutrition science with a commitment to dedication and innovation. We are dedicated to safeguarding food safety for our customers, promoting healthy eating, and implementing sustainable development goals year by year, striving to become the most trustworthy and reliable food company in the public's mind, protecting the health of every family and every generation.

Company name	Standard Foods Corporation	
Date of establishment	June 6, 1986	
Headquarters	10F, No. 610, Ruiguang Road, Neihu District, Taipei City, Taiwan (R.O.C.)	
Number of employees around the world	1,108	
Paid-in capital	NTD\$9.15 billion	
Main products	Biotechnology health products, edible oils, cereal drinks (instant/ready-to-drink), adult nutrition, dairy products, and beverages	
Net sales	NTD\$12.19 billion	
Main products amount sold	123,599 tons	

Standard Dairy Products Taiwan Limited
April 16, 1999
10F, No. 610, Ruiguang Road, Neihu District, Taipei City, Taiwan (R.O.C.)
283
NTD\$ 300 million
Nutritional Drinks, Dairy Products, and Beverages
NTD\$3.817 billion
82,291 tons

Global Operation Locations

We currently sell (offer) our main products and services primarily in Taiwan. Other subsidiaries provide services in the following markets:

Standard Foods' Taiwan Operation Locations

Location	Address	Telephone number
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, Hsinchu Industrial Park, Hukou Township, Hsinchu County	(03)598-5858
Second Northern Office (Běi-èr Office)	No. 448, Section 3, Zhongzheng E. Rd, Dayuan District, Taoyuan City	(03)381-0768
Taichung Office	8F1, No. 1-67, Wuquan Rd, West District, Taichung City	(04)2372-9229
Chiayi Office	8F1, No. 762, Wuquan Rd, West District, Taichung City	(05)235-0092
Tainan Office	Rm. A1, 10F., No. 689-43, Xiaodong Rd., Tainan City, Yongkang District	(06)311-6598
Kaohsiung Office	11F1, 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

Information of Standard Foods Subsidiaries

Name	Address	Telephone number
Standard Dairy Products Taiwan Limited	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, Hsinchu 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.	Rm. 807, Building 1, No. 2138, Wanyuan Road, Minhang District, Shanghai	021-64016665
Shanghai New Vitality Health Technology (Group) Co., Ltd.	Rm. 811, Building 1, No. 2138, Wanyuan Road, Minhang District, 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 Investment (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.	Rm. 728, 7F, Building 1, No. 180, China (Shanghai) Pilot Free Trade Zone	021-64016665
Shanghai Lebentuo Health Technology Co., Ltd.	Rm. 5, 4F, Building 1, No. 39, China (Shanghai) Pilot Free Trade Zone	021-64016665
Shanghai Le Ben De Health Technology Co., Ltd.	Room 806, Building 1, No. 2138, Wanyuan Road, Minhang District, 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
Jiangsu Huashan Health Technology Co., Ltd.	No. 88, Dalian West Road, Taicang City, Suzhou City, Jiangsu Province	0512-53677888

Milestones

1978 1986 1998 1997

Quaker Oats, the largest cereal food company in the United States, started its investments in the Taiwanese market in 1978.

In 1986, Standard Foods Co., Ltd. of Taiwan purchased all of Quaker's assets and employees in Taiwan. The "Great Day" brand was founded, and the Great Day sunflower oil was introduced in 1988.

In 1994, Standard Foods was officially listed in Taiwan to better fulfill our mission to improve nutrition and health. 1997 Standard Foods entered the health drink market with Taiwan's first plant-based health drink, "Quaker Ginseng Drink."

2011 2003 2002

02 _____2001

1999

In 2011, Shanghai Standard Foods decided to strengthen its investment and established Standard Foods Investment (China) and Standard Foods (China) Company. In 2003, Standard Foods established the edible oil brand "Mighty" and entered the Chinese market. Launched the brand "NurturEssence" in 2002, opening our high-quality healthcare product lines.

In 2001, Standard Foods entered the Chinese market and established Shanghai Standard Foods Co., Ltd. In 1999, Standard Foods acquired Yoplait and Fresh Delight's dairy plants and used their equipment and trademark to establish Standard Dairy Products Taiwan Limited.

2015

2019

2022

2023

In 2015, Standard Foods established the Standard Foods Food (Xiamen) Company in Xiamen (southern China.) Standard Foods and Standard Dairy's resources were reorganized and restructured in 2019 to increase our investments and enlarge our workforce. The two companies were integrated into the Standard Foods Group. The decision was a response to the changing market and business scene.

Launched the "CHiiiiiiii" energy drink brand in 2022, entering the energy drink market.

In 2023, we founded KonCare, venturing into the scientific research of health foods.

Leading the Green Foods Trend

We have always believed that "eating nutritiously and healthily is the foundation of health." We are devoted to the research. development, and promotion of nutrition and health products. To promote the concept of green foods and the practice of a lowcarbon, additive-free diet, we took the lead by becoming the first large food manufacturer in Taiwan to obtain the "Whole Grain Certification" by the end of 2023. Not only that, Quaker Instant Oatmeal, Quaker Organic Oats, and Quaker Oatmeal (original) are among the top three products certified under the Whole Grain 100 certification, demonstrating a strong commitment to promoting whole-grain foods. The oat products made by Standard Foods use 100% Australian oats, processed whole - without cutting - to preserve the watersoluble dietary fiber in oats, and the Quaker Instant Oatmeal has also received health food certifications for its benefits in regulating blood lipids and not contributing to the forming of body fat easily. Adhering to the mission of caring for every single family member, we use classic grain products to create green ingredients suitable for all ages, embodying our mission to meet everyone's expectations for nutrition and health.

Healthy and high-quality nutrition products

Standard Foods hopes 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 natural, nutritional elements into high-

quality nutritional, less burdensome, and trustworthy products suitable for the entire family's nutritional needs.



Convenient and High-quality Health Foods

The market and consumer habits have changed – these days, people hope to keep their families and themselves healthy more efficiently. Combining Western health sciences with Eastern dietary supplementation principles, our PhD-level research team at the Standard Foods International Health Science R&D Center has been diligently utilizing innovative technologies and complying with international standards to continuously develop optimized formulas that meet consumer needs for high-quality, low-burden health supplements. On this basis, we are also continuously improving product formulas

and enhancing product convenience, aiming to meet everyone's health needs.





[Marketing Highlights]

As Taiwan enters a super-aged society in 2025, with the population aged 65 and over exceeding 20% of the total, the nutritional needs and health of the population aged around 50 years old are increasingly in focus. The Quaker Complete Meal series meets the nutritional needs of this population segment, offering functional health and rejuvenating products, and reversing the negative association of adult nutritional products with weakness and illness. For the common issues of this generation, such as muscle loss, osteoporosis, and insomnia, we provide high-quality protein, high-calcium formulas, and sleep-enhancing formulas, helping them easily supplement their nutritional needs and enjoy a healthy and happy life.

The prevalence of chronic diseases among the population aged 65 and above is high, especially given the severe situation of kidney disease in Taiwan, where one in every eight people is a kidney disease patient. There are over 90,000 dialysis patients in Taiwan, with 47% also suffering from diabetes. The annual healthcare expenditures for kidney disease are approximately NTD\$58.7 billion, which is a significant burden for most families ^[note 1]. In 2023, Quaker Complete Meal introduced a low-protein formula specifically designed for chronic kidney diseases, offering a simpler dietary control method to help maintain a balanced diet and slow down the progression of the diseases. Our exclusive low-sugar and kidney-friendly osmotic pressure formulas are particularly suitable for patients with both diabetes and kidney disease, overcoming the drawbacks of concentrated formulas that are too sweet and/or too thick. Continuous improvement in flavor research and development has been affirmed by 97% of kidney patients in taste tests, according to survey results from tasting events [Note 2].

- Note 1: Data sourced from the 2022 Nephrology Annual Report
- Note 2: The 97% taste satisfaction rate data among kidney patients came from the Quaker Complete Meal Nutrient Tasting Event held in March 2023, where 76 valid questionnaires were collected.

From hospitals to local communities, our brand Quaker Complete Meal collaborates with hospital nutrition and health education departments to distribute care manuals for kidney patients. These manuals convey accurate dietary information, including calorie calculations, sodium, phosphorus, and potassium content tables, menu pairing, and health records. This facilitates medical staff in providing health education and helps patients integrate their diet with professional nutritional supplements for effective dietary control. We are also actively involved in helping solve kidney health issues. We participated in International Kidney Day fairs to raise public awareness about kidney diseases and contribute to improving the current situation of kidney health.

We look forward to families dining together, where through interaction and communication, a long-term positive impact on the broader society can be achieved, while also reflecting the expectations of social responsibility within the sustainable principles of ESG.

Food innovation research and development

We have closely observed the lifestyles and needs of our consumers. We watch consumption trends and develop and design multiple nutritional and innovative health products to meet consumer needs. Our R&D budget in 2023 was NTD\$88 million. Our innovative R&D team is dedicated to developing and clinically testing new products with empirical methods. Our goal is to upgrade and improve existing products' formulas and packaging to offer consumers more effective and convenient products.

The Standard Foods Group follows international scientific experiment trends while protecting animal welfare. We do not conduct, sponsor, entrust, or 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, sponsor, entrust, or outsource to 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 (except for experiments on nematodes and fruit flies.)

We have 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 achieve the highest recyclable ratio and sustainable packaging objectives.

Our R&D Team Development Strategy

Product upgrades

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

We continuously innovate and develop, striving for quality, enhancing flavor, and committing to natural, additive-free foods. The Quaker Chia Seed series has launched products, such as a nutty grain flavor variation and a reduced-sugar thick milk product. The Daily Nutrition Grain Treasure series introduced Fresh Vegetable and Wild Mushroom flavors, and the Super Multi-Grain Power series launched upgraded formulas with sesame and almond, providing consumers with diverse choices that enhance both the flavor and the nutrition. The Grain Rice series has been upgraded to include the 7+ Flower Rice Grain Rice, combining grain nutrition with the low-calorie and fiber benefits. of broccoli, allowing consumers to increase their plant nutrient intake.



Product launches

Centered around consumer needs, based on scientific methods, and using innovative



technology, we are committed to developing new products that meet the needs and preferences of modern families and the younger generations. Starting with health-promotion goals, we have created a new brand, KonCare, launching products like Flexmobility and "Cachew" chewable calcium tablets for the whole family's calcium needs. The Quaker Complete Meal Nutrient series includes special nutrition products such as low-protein formulas for groups with specific nutrition needs, cancer-specific formulas, high-calcium formulas, and sleepenhancing formulas.

Additionally, Great Day has launched the Substantial Fresh Soup series, Private Kitchen Delights series, Classic Corn Soup, and imported Japanese Rice Oil. The well-loved Quaker Oatmeal series, such as the Ice Brew Nutty Crisp Cereal, enhances the novelty of the taste.

For those needing calcium supplementation and improved sleep quality, we have developed Quaker Good Sleep Brightening High Calcium Milk Powder and Quaker Key Power Boost Calcium Milk Powder. Fresh Delight has introduced the Super Protein Nutrition Milk series, Good Sleep High-Calcium Nutrition Milk Calcium-rich Milk, large-size yogurt series (900 grams), Fruits Enjoy Yogurt series, Chia Seed Oat Fermented Milk series, and the new Oat Ya Oat Milk series, as well as the Chiiii Energy Drink series. In 2023, over 80 new products (including new forms, new flavors, and new packaging) were launched.

requirements

Our R&D team consists of professional R&D personnel from food science, nutrition, chemistry, and engineering. To meet more people's nutritional and health needs, we will continue to

adhere to the rigorous product development and manufacturing process, remain focused and innovative, and produce high-quality nutritional and health products. Our product development value chain Confirm product concept acceptance through focus group interviews Actual consumer evaluation External Consumer Research Continuous **Optimization According** to Consumer Needs Marketing R&D Side Production Generate new product Product development Manufacturing Control concepts New technology/raw material R&D Evaluate new product Assist in arranging product Product mass production Provide product ingredients/ effectiveness nutrition-related labels test runs Continuous manufacturing First production of new Provide product specifications optimization products **Quality Control** Operation Quality **Procurement** Side **Product Labeling** Control New product development sources: Confirm the regulations for the Key new raw material Finished product inspection Research on future market outer packaging are correct development and confirmation trends Continuously track product-related Ensure that the raw materials Raw material procurement Market sztatus survey regulations and production process meet Operation-side access the specifications

The R&D team is committed to professionalism and continuous improvement and it collaborates with research college institutes, 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 Standard Foods based on scientific evidence. We are 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. Each claimed 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.

Among the 13 health food benefits announced by the Ministry of Health and Welfare, we have obtained certifications for 10 of them. As of 2023, 34 of our products have received 44 health food certifications, each research result being a concrete representation of our care for the health of the Taiwanese people.

Achievements of the Standard Foods R&D Team



Making Standard Foods the company with the most health food certifications in Taiwan



Launching the first blended cooking oil designed based on the nutritional needs of Taiwanese people



Becoming the first to utilize DHA in baby food



Becoming the first to introduce functional health milk powder



Obtaining a global patent for producing baby cereal using hydrolyzed enzyme technology, effectively reducing allergens



Becoming the first in Taiwan to produce hydrolyzed milk powder



Launching the best-selling nutritional supplement specifically for diabetics, Quaker Complete Meal

Obtaining a global patent for oat noodles that, like oatmeal, help reduce cholesterol



Obtaining a global patent for equipment and methods that reduce the color of oils, enhancing the quality of oil production

Obtaining a global patent for a part on beverage bottles, expanding the packaging styles of products

Obtaining a global patent for a spray roller system and a method for affixing solid particles to dry, sheet-like materials, and launching chia seed oatmeal



01 Corporate Governance

conomic Performance	43
xternal Participation	49
Sovernance Structure	50

Corporate Governance

Material topics



Operational Performance, Information Security Management, Governance Structure

Visions and Commitments



Standard Foods is committed to achieving sustainable development. In ESG areas, we continue to demonstrate care for economic governance, human rights and culture, and environmental conservation. We publicly pledge that all our operations will adhere to responsible business practices and we have established relevant sustainable development and inclusion guidelines and policies based on the following initiatives:

Initiatives followed:

- United Nations Guiding Principles (UNGPs) on Business and Human Rights
- Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies
- Guidelines for Business Integrity for TWSE/GTSM Listed Companies Listed Companies
- Guidelines for TWSE or TPEx Listed Companies Corporate Governance Practices
- Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies
- Ethics Regulations for Procurement Personnel

Company Standards and Policies:

- Sustainability Practice Guidelines
- Guidelines for Corporate Governance Practices
- Guidelines for Business Integrity
- Guidelines for Integrous Business Procedures and Behaviors
- Guidelines for Ethical Conduct
- Risk Management Policies and Procedures
- Supplier Management Policies

These standards and policies are approved by the Standard Foods Board of Directors and announced by the corporate affairs unit for implementation. They are applicable across the entire Standard Foods Group. Communication with internal and external stakeholders is carried out via email, relevant meetings, the official website, the internal internet, and contractual provisions.

While executing our sustainability policies, we established related content as internal documents, such as Supplier Guidelines and internal audit management methods, so as to integrate it into the company's internal control system. The sustainability committee is the highest unit of supervision and execution for sustainable development commitments, and regular audits are conducted by the internal audit department.

Standard Foods is committed to sustainable operation, adhering to the principles of ethical management while considering a balanced development across environmental, social, and governance aspects. Besides complying with laws and regulations, under the supervision and management of our Board of Directors, we continuously improve various governance policies and processes, integrating them into our operational management procedures and internal control systems. We firmly believe that sound corporate governance, valuing shareholder interests, managing and communicating with stakeholders are the foundations for creating long-term value and establishing sustainable development for the enterprise.

Corresponding UN SDGs









Timeline	Goals	Strategy
Short-term goals (2024 ~ 2026)	 To improve the supervision and decision-making process of the Standard Foods Board of Directors in response to the ESG trend Strengthen internal control mechanisms and risk management, incorporating sustainability information to guard against potential risks and crises Strengthening communication management with stakeholders 	 To make our board of directors more professional and composition more diverse Continuously follow and disclose the various indicators of the Financial Supervisory Commission's Corporate Governance 3.0 Sustainability Development Blueprint To establish information security risk management processes and assessment methods To obtain the ISO27001 Information Security Management certification for our SAP systems and Dayuan/IDC data centers Establish an inventory of personal data, conduct risk assessments, and draft improvement plans. To deepen relationships with stakeholders, establishing effective communication mechanisms
Mid-term goals (2027 ~ 2029)	 Enhance the functions of the board of directors and committees Strengthen supply chain resilience management To strengthen supply chain oversight and management mechanisms to ensure their quality and sustainability To cultivate company-wide awareness and participation in ESG-related topics, integrating sustainability concepts into our corporate culture 	 To perfect the operations of the board and each functional committee to enhance supervision and decision-making efficiency To strengthen supply chain oversight and management mechanisms to ensure their quality and sustainability To obtain the ISO27001 Information Security Management certification for IT operations and development To implement the NIST CSF security framework to strengthen identification, protection, and detection To obtain the BS 10012 Personal Information Protection certification
Long-term goals (2030 ~)	 Establishment of world-class governance standards to realize long-term goals as the backing of sustainable corporate development 	 To continuously optimize our governance structure and processes to respond to internal and external changes and ensure the execution of our long-term development strategies To meet international standards of corporate governance, enhancing our international competitiveness and visibility To strengthen the integration of corporate governance and the environmental and social aspects, promoting sustainable corporate development To achieve the ISO27001 Information Security Management certification for the entire Standard Foods Group To strengthen NIST CSF response and recovery mechanisms To evaluate and implement PIA privacy impact assessment and compliance tools
Management mechanisms	 Monthly executive meetings Quarterly Sustainability Committee meetings Regular disclosure and reporting of company information Convening of the board of directors; functional committee meetings Performance evaluation of the board of directors and functional committees 	 Regular internal and external audits Regular supplier audits Regular information security meetings Regular on-job training Stakeholder communication channels Ranked between 6-20% in the 10th
2023 Performance highlights	We recognize profoundly that a robust corporate go company toward sustainable operations. We continued ranked between 6 – 20% in the 10th Corporate Governa	overnance structure is a key indicator leading the d to refine all aspects of corporate governance and publicly listed companies.



[Corporate Governance Highlights]

We actively enhance our governance effectiveness. We value the rights of consumers and shareholders, establish strict internal controls, strictly adhere to regulations, strengthen the operations of our board and functional committees, and focus on business operational risks and information security to gain the recognition and trust of stakeholders.

Business integrity

Standard Foods adheres to the principle of integrity in management. Anti-corruption and anti-bribery policies are in place through board-approved "Guidelines for Corporate Governance Practices," "Guidelines for Business Integrity," and "Guidelines for Ethical Conducts." We have established dedicated reporting channels for unlawful activities, and to date, no case involving illegal acts has been reported to the board. Furthermore, through the implementation of the "Risk Management Policies and Processes," conducted by the "Risk Management Promotion Team," we enhance risk control mechanisms and improve corporate governance efficiency.

Board Performance Evaluation

To carry out corporate governance and enhance the function of our board, performance targets were established to strengthen board operational efficiency. The "Provisions for the Performance Evaluation of the Board of Directors," approved by the board, is used for assessing the performance of the entire board. The scope of board performance evaluation includes the performance evaluation of the whole board, individual board members, and functional committees. Evaluation methods include internal self-assessment by the board, self-assessment by board members, peer reviews, appointments of professional external organizations, experts, or other appropriate methods.

Standard Foods conducts an annual self-assessment of the performance of the Board of Directors and functional committees, with overall results indicating effective operations. Additionally, in 2023, an external professional independent organization, "Taiwan Integrity Management Association," was commissioned to conduct an external performance evaluation of our board operations. The assessment institution based its evaluation on our internal governance regulations and record documents provided, as well as responses to questionnaires from all directors and individual director interviews. The results of the evaluation were signed off by three executive members, affirming their independence, and the performance evaluation report was issued on December 27, 2023. The overall assessment was as follows:

- The members of the Standard Foods Board of Directors include the management team and independent directors, with backgrounds in different professional fields, such as R&D, system engineering, business administration, and statistics, providing diverse opinions from different perspectives.
- Members of the Board of Directors have all expressed that there are generally sufficient opportunities for discussion. For major business development decisions, board members and managers also undergo in-depth discussions and adjustments before coming up with a resolution. The participation of board members in our operations and the effectiveness of decision-making are sufficient.
- We have established a Risk Management Task Force that regularly reviews and tracks our risk management policies. It also distinguishes risk dimensions to establish responsive strategies and actions, effectively propelling risk management operations. This allows board members to effectively grasp the overall risks and operational information, which facilitates the board's oversight of internal controls.
- To practice corporate social responsibility and achieve sustainable development goals, we have set up a sustainability committee to formulate relevant policies on environmental sustainability, employee care, social responsibility, corporate governance, food safety, and supplier management. In the future, we will also be more active in leading activities related to corporate social responsibility, and further deepening the implementation of corporate social responsibility in order to pursue the goal of sustainable operation.

Corporate Governance Evaluation

Standard Foods complies with all corporate governance measures as required by law and proactively perfects these measures beyond the minimum legal threshold. Our corporate governance evaluation mechanism pertains to four main aspects: 1) maintaining shareholder rights and equal treatment, 2) strengthening the structure and operation of the board, 3) enhancing information transparency, and 4) promoting sustainability checks. These aspects serve as the benchmark for strengthening company management, ensuring a robust board structure, information security and risk management, internal controls, financial and system regulations transparency, and maintaining shareholder rights. Standard Foods ranked between 6% and 20% in the 10th Corporate Governance Evaluation for publicly listed companies.



[New Business Highlights]

The Overseas Business Development Team collaborates with international enterprises such as PepsiCo Inc., Costco, Shopee, and Lazada. Adhering to our mission to become every family's nutrition and health partner, the Overseas Business Team promotes the brand and products, recognized by multiple international awards and certifications, to mainland China, Hong Kong, Malaysia, and Singapore. This aims to allow more people to enjoy nutritious, healthy, and delicious quality products.

Given the geographical and cultural proximity of Southeast Asian countries to Taiwan, the Overseas Business Development Team prioritizes business expansion and research in these regions. They actively seek cooperative channels and appropriate products for market entry, adhering to the commitment of becoming "every family's nutrition and health partner." They research local market nutritional needs, market conditions, competitive brand analysis, and local regulations and food standards thoroughly, developing products tailored to local consumer habits. Using the brand "Great Day," we have developed convenient ready-to-eat meal products to enter the Malaysian market, catering to modern urban dietary habits and promoting a new option for healthy and nutritious family-ready meals. In response to the online shopping habits of the younger demographic, we prioritize online channels, supported by physical distribution channels for promotion and development. We collaborated with local live streamers and influencers and launched a nutritionist column to engage in live discussions with Malaysian consumers about local dietary habits and the importance of nutritional and balanced diets.

In the past, through pop-up events in collaboration with two major supermarkets in Malaysia, Aeon and Jaya Grocer, we held several events not only to promote our products but also to gather insights into Malaysian consumers' purchasing habits and dietary needs. We found that natural and additive-free products are a key concern among many consumers. Great Day products were recognized at the 2023 Singapore International Food Exhibition for their commitment to using ingredients from the earth and producing preservative-free, 100% safe, and low-burden edible oils and food items. This aligns perfectly with the main theme of the "Sustainable Eco-Friendly Food Zone" focused on "friendly farming, local production, carbon reduction comfort food, minimal additives, and resource recycling," collectively supporting sustainable development and showcasing our commitment to sustainable operations.

Economic Performance

We uphold the corporate mission of becoming "every family's nutrition and health partner" via sustainable, steady development and continue to pursue profitable growth with dedication.

Direct economic value generated and distributed by the organization

Economic value category (unit: NTD\$1,000)		2021	2022	2023
Direct economic	Operating income	13,622,615	13,197,224	13,135,879
value generated	Non-operating income	23,670	34,154	87,538
	Operating costs	9,013,092	9,425,876	9,963,722
	Employee salaries and benefits	1,343,803	1,287,469	1,462,793
Economic value	Payment to investors	16,716	8,237	8,113
distributed	Proceeds paid to government authorities	655,062	348,281	326,968
	Investment in local communities	13,560	11,850	23,282
Economic val	ue retained	2,604,052	2,149,665	1,438,539

Note: Economic value retained = direct economic value generated - economic value distributed Note: Scope of this table: Standard Foods and Standard Dairy

Our condensed comprehensive income statement for the last three years note 1

Currency: NTD\$1,000

Operating inc	come	(NTD\$1,000)	Cost of reve	nue	(NTD\$1,000)	Operating g	ross margin	(NTD\$1,000)	Operating e	xpenses	(NTD\$1,000)
13,622,615	13,197,224	13,135,879	8,318,179	8,490,286	8,896,785	5,304,436	4,706,938	4,239,094	2,072,580	2,246,744	2,589,814
2021	2022	2023	2021	2022	2023	2021	2022	\$ 2023	2021	2022	2023
Net operating	g profit	(NTD\$1,000)	Non-operat		(NTD\$1,000)	Net profit be	efore tax	(NTD\$1,000)	Income tax		(NTD\$1,000)
3,231,856	2,460,194	1,649,280	(123,754)	(901,413)	[125,229]	3,108,102	1,558,781	1,524,051	651,474	344,683	298,279
(\$)	\$	(\$)	\$	(\$)	(\$)	\$	\$	\$		0	0
2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
2,456,628	od net profit 1,214,098	(NTD\$1,000) 1,225,772	Comprehen after tax	sive income	(NTD\$1,000)	Comprehens Losses	sive Income /	' (NTD\$1,000)		tributable to ne parent con	
2021	2022	2023	2021	2022	2023	2,623,752	1,199,905	1,039,478	2,456,628	1,214,098	1,225,773
Comprehensi attributable to of the parent	2022 ive income o the owners	2023 (NTD\$1,000)					2022 ands ^{note 2}	2023			

Note 1: Entities included in the consolidated financial statements include: Standard Foods and Standard Dairy. [GRI 2-2 Entities covered]

Note 2: Based on the surplus year

Tax Policy, Governance, and Risk Management

We are committed to implementing tax compliance policies 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. We have formulated the following tax governance policies to further enhance corporate value, fulfill the corporate social responsibility of the company, meet corporate citizenship obligations, and realize sustainable corporate development.

Tax Governance-Related Units and Responsibilities

The relevant tax governance units and responsibilities are as follows:

1. Chief financial officer

The chief financial officer (CFO) is our highest decision-maker in establishing an effective tax risk management mechanism. The chief financial officer also approves the overall tax governance policy, making sure it is in line with the overall operating strategy and business environment to ensure effective tax management.

2. Tax management unit

Standard Foods' tax management unit is our accounting department, which regularly reports tax-related management matters to the chief financial officer.

Tax Governance Approach, Control, and Risk Management

Our tax governance principles are formulated to be transparent, open, and compliant with laws and regulations. Our tax policies and codes of conduct are as follows:

1. Legal compliance

- > We comply with international taxation standards and each operating office's local tax laws and norms in order to calculate taxes correctly, declare and pay taxes within the statutory time limit, and fulfill tax obligations.
- > Our tax certificates are all contracted to local largescale accounting firms, and we provide annual financial information to Deloitte Taiwan for tax declaration.

2. Information transparency

- > We ensure the tax reporting information transparency of reports submitted to different countries, group master file reports, and transfer pricing reports according to regulations promulgated by tax authorities.
- > We ensure that we have a professional internal tax affairs team with appropriate qualifications and experience, and also that we have external experts participating in the decision-making-related tax assessments.
- > We regularly disclose tax information through public channels (such as our official websites and annual reports) to inform our stakeholders and ensure information transparency.
- > We adopt legal and transparent tax incentive policies and avoid using methods that violate the spirit of the law to get tax relief.

3. Commercial substance

- > Our corporate structure and transactions are consistent with their commercial substance. No tax structure intended to avoid taxation is used, and no profits are transferred to low-tax areas to avoid taxation.
- ➤ Transactions with interested parties 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.
- We interact with tax authorities in an honest, honest, respectful, and fair manner. We actively raise major tax issues to help improve the tax environment and systems based on the principles of mutual trust, information transparency, and legal compliance.

4. Communication with integrity

- ➤ The transactions between related companies 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.
- > We establish mutual trust and open communication with tax authorities in various operating regions, provide professional insights and practical perspectives from the industry, and contribute to improving the tax environment and system.

5. Risk management

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

Guidelines for Communications with Stakeholders on Tax-Related Issues

Our primary stakeholder in this regard is the government's tax authority. Tax declaration and payment operations are handled according to the applicable laws and regulations in each country. If any applicable law is unclear during the daily operation process, we will contact the government agency directly or through Deloitte Taiwan and inquire about appropriate actions. If there is a tax audit, we immediately prepare relevant materials and collaborate with tax authorities to conduct the audit.

To demonstrate the transparency of our tax governance policy, we also respond to tax information concerns raised by interested parties through the "Investors" section on our official website, our annual reports, and our shareholders' meetings for other stakeholders and investors.

Quick Overview of Taxes Paid in 2023

Standard Foods adheres to tax laws and regulations strictly, and our 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

	2021	2022	2023
Standard Foods	589.11	555.05	372.98
Standard Dairy Products	96.79	123.13	85.12

Composition of our Board of Directors

The Board of Directors of Standard Foods is the highest governance unit of the company. It has formulated "Guidelines for Corporate Governance Practices," 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 ensure proper corporate governance, safeguard shareholder rights, and strengthen the board's functions. We have also purchased the "Director, Supervisor, and Key Staff Liability Insurance" every year to reduce and diversify the risks of major damages to the company and shareholders caused by mistakes or negligence by the directors and key staff members. Standard Foods currently has eight board members, 4 of which are independent directors, representing 50% of the seats. The current board was re-elected in June 2022, with its term running from June 2022 to June 2025.

We value our 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 current board has one female director and one director whose age is between 41 to 50 years old. There is an expectation to continue promoting a younger and more gender-diverse Board, to encourage diversity in thinking, and to reduce overall corporate operational risks.

All operations of our Board of Directors are performed according to the relevant regulations, such as the "Company Act," the "Securities and Exchange Act," our "Articles of Incorporation," the "Rules and Procedures for Board of Directors' Meetings," and the shareholders' meeting resolutions. The Standard Foods Board meets at least once a guarter. In 2023, a total of five board meetings were held, averaging one meeting approximately every 2.5 months, with an annual average attendance rate of 85% by all directors. The Board of Directors primarily reviews the corporate operational plans, management performance, EGG development strategies, significant matters regulated by authorities, and other key significant events (such as major whistleblower complaints, negative impacts, public opinion, etc.) At the same time, it assigns and confirms the responsible units for these matters and continues to track and oversee the actual progress and handle situations in subsequent meetings. In 2023, all significant matters communicated with the board and announcements of significant information were routine items that legally require board resolution, such as financial reports, inter-company loans within the parent-subsidiary relationship, the holding of shareholder meetings, and the distribution of dividends.

Standard Foods Board members

Position	Name	Sex	Agez	Board meetings attendance rate (including attendance by proxy)	Holding other director positions (yes / no)	Belonging to one or more DEI groups (eg, disadvantaged groups, ethnic minorities, people with disabilities)
Chairperson	Te-Feng Tsao	Male	71 years old or above	5	Yes	No
Director	Chien-Sheng Hsuan	Male	71 years old or above	5	Yes	No
Director	Te-Hua Tsao	Female	71 years old or above	5	Yes	No
Director	Arthur Tsao	Male	41 - 50 years old	5	Yes	No
Independent Director	Chung-Pen Chang	Male	71 years old or above	5	Yes	No
Independent Director	Chung-Chie Chou	Male	61 - 70 years old	5	Yes	No
Independent Director	Fong-Nien Chiang	Male	61 - 70 years old	5	Yes	No
Independent Director	Yun-Chung Wang	Male	71 years old or above	5	Yes	No

Board Nomination and Selection

Our directors (including independent directors) are elected via the candidate nomination system, and shareholders are selected from a list of candidates. Our Board of Directors established the "Guidelines for Corporate Governance Practices" in 2016 to strengthen corporate governance and promote the healthy development of the composition and structure of the board. Paragraph 3, Article 20 of the guideline stipulates that the shareholders shall select board candidates from a list of candidates, and an appropriate diversity policy must be formulated according to its operations, operation types, and development needs, including but not limited to the following two standards:

- > Background and values: gender, age, nationality, culture, etc.
- > Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, experience, etc.

Conflict of Interest Avoidance

The chairperson of our highest governance unit is Mr. Te-Feng Tsao. He does not concurrently hold other senior management positions. All members of our Board of Directors are nominated or 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 principles for the Board of Directors. Currently, our company recognizes the risk of conflicts of interest due to directors holding positions on other boards (refer to pages 11-12 of our 2023 annual report). To avoid and mitigate these conflicts, we adhere to strong principles of conflict avoidance and require board members to exercise high ethical standards and diligence in fulfilling their managerial duties and executing their responsibilities. Additionally, it is stipulated that directors must disclose significant interests related to agenda items at the board meetings if they or their represented legal entities have a conflict of interest. If there is a risk to our interests, they must not participate in discussions or vote on such matters and must recuse themselves during discussions and voting, and they may not proxy vote for other directors. (GRI 2-15 Conflicts of Interest)

On-Job Training for Board Members

To keep abreast of global business management trends and enhance corporate governance and risk response capabilities, members of the Standard Foods Board of Directors are committed to continuously advancing their industry-specific knowledge and enriching their corporate governance experience. This effort aims to enhance and consolidate the collective knowledge of our highest governance body in sustainable development. We arrange advanced training courses for the Board of Directors regularly. The courses cover economic, environmental, and social issues to enhance our board members' governance knowledge and trend insights. We also deliver stock exchange announcements, relevant industry news, and 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 continue to strengthen information delivery and our training plans to ensure adequate professional leadership and supervision functions. In 2023, the Board of Directors received a total of 48 hours of training, averaging 6 hours per person.

🖊 2023 On-Job Training Courses for Standard Foods Board of Directors

Category	Course title	Number of hours
	Sustainable Finance and Climate Change	6
Environmental Sustainability	Impact of Carbon Pricing on Business Operations	6
Sustamusmity	How Board of Directors Formulate ESG Sustainable Governance Strategies	3
Economics and	Domestic and Foreign Economic and Industry Trends; Corporate Response Strategies	9
Finance	Global Economic Outlook for the Second Half of 2023	6
	Circular Economy and Sustainable Development for Enterprises	6
Technological Innovation	Strengthen Digital Resilience and Building Strategies for Strengthening Information Security Governance of Publicly-Listed Companies	3
	Sustainability Risk Trends and Countermeasures Discussion	3
Operation and Risk	ESG and Legal Compliance	3
Management	Competition For Talent between Corporations: Discussion On Key Issues in Employee Reward Mechanisms	3

Board Performance Evaluation

2023 Standard Foods Group Sustainability Report

To carry out corporate governance and enhance the function of our board, performance targets were established to strengthen board operational efficiency, we have established the "Provisions for the Performance Evaluation of the Board of Directors." The evaluation criteria include "level of engagement with company operations," "improvement to board decision-making quality," "board composition and structure," "board appointment and continuous education," and "internal control."

According to these procedures, we perform annual self-evaluations of the board and functional committees (including the Audit Committee and Compensation Committee), which also include individual director self-evaluations (conducted via questionnaires). The 2023 results showed that overall operations were well-managed. Additionally, an evaluation by an external professional independent organization or a team of external experts is required at least once every three years, with the performance evaluation of a specific year conducted at the end of the same year. In 2023, we commissioned the "Taiwan Integrity Management Society" to complete an external board performance evaluation using "document reviews," "questionnaires," and "interviews." The evaluation was signed by three assessment execution committee members, who issued a declaration of independence, producing a report including overall observations and

recommendations for improvement. The results of the internal and external performance evaluations of the board in 2023 were first reviewed by our audit committee, which then discussed and proposed related compensation guidelines and the exact amounts based on these results, and then reported this information to the board in March 2024.

Compensation Policy for Director and Executive Officers

The compensation policy, system, standards, and structure for directors and senior managers (including the chairperson, CEO, and department heads) are established and reviewed by the Compensation Committee, according to the "Compensation Committee Charter." This committee includes independent directors who provide diverse external perspectives and opinions, and it meets at least twice a year to review and ensure the competitiveness and reasonableness of the compensation we provide.

The compensation of our directors includes director remuneration, salary, and bonuses (the first one only applies to full-time employees.) The compensation of senior managers includes salary, bonuses, severance pay, etc, which are regularly disclosed in our annual report. (Please refer to page 19 of our "2023 Annual Report.") Our senior managers have no other major benefit privileges except the above-mentioned. The retirement benefit system is the same as regular employees and is handled according to the applicable laws and regulations.

Bonus Clawback Policy for Kickback Gains

We have formulated the "Guidelines for Ethical Conducts" to improve the company's own conduct, professional ethics, and professional abilities, and those of all our employees. Any illegitimate benefits obtained by violating the code shall be recovered and returned to the person or the 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 guidelines, in order to strengthen our sustainable growth and development.

Functional Committees

To effectively manage operational risk impacts and ensure the identification and oversight of our impacts on the economy, environment, and communities, we have established several functional committees under the Board of Directors, including the Audit Committee, Compensation Committee, and Sustainability Committee. These committees interact through regular business communication channels, internal meetings, various surveys/opinion polls, and document signings, and execute due diligence through existing complaint mechanisms. They collect stakeholder feedback on significant events or recommendations resulting from our operations, both positive and negative impacts (GRI 2-12 b.i.). These committees are responsible for developing, approving, and updating strategies and policies related to these said impacts, with the Board of Directors overseeing the impact management procedures and the outcomes of the functional committees. They also review the effectiveness of these procedures at least once a year during the results reporting meetings.

Audit Committee

The Audit Committee aims to assist the board in performing and supervising our accounting, audit, and financial reporting processes and the quality and integrity of financial control. 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, managers and directors involvement in interested transactions or 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 committee is composed of all four independent directors. The Audit Committee aims to assist the Board of Directors in overseeing the quality and integrity of our accounting, auditing, financial reporting processes, and financial controls. It convenes at least one regular meeting each quarter, and in 2023, it held four meetings. (Please refer to our annual reports for the meeting status and attendance rate of the committee)

Standard Foods Audit Committee Members

Name	Position	Sex	Term
Chung-Pen Chang	Independent Director	Male	2022/6/16-2025/6/15
Chung-Chie Chou	Independent Director	Male	2022/6/16-2025/6/15
Fong-Nien Chiang	Independent Director	Male	2022/6/16-2025/6/15
Yun-Chung Wang	Independent Director	Male	2022/6/16-2025/6/15

Compensation Committee

The committee strengthens the board's remuneration management function, improves corporate governance, assists the Board of Directors in implementing and evaluating our overall remuneration and welfare policies as well as the remuneration of directors and senior managers, and ensures that our remuneration arrangements comply with relevant laws and regulations are sufficient to attract outstanding talents. We have established a Compensation Committee and the "Compensation Committee Charter."

The Compensation Committee evaluates and reviews the compensation packages of the senior management team and the employee remuneration allocation ratio. The committee has also approved 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 our "2023 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. The Compensation Committee convened twice in 2023. (For the convening of meetings and the attendance rate of the Committee, please refer to our annual report for each year.)

Members of Standard Foods' Compensation Committee

Name	Position	Sex	Term
Chung-Pen Chang	Independent Director	Male	2022/6/16-2025/6/15
Chung-Chie Chou	Independent Director	Male	2022/6/16-2025/6/15
Yun-Chung Wang	Independent Director	Male	2022/6/16-2025/6/15

Main Responsibilities of Standard Foods' Compensation Committee

- To formulate and regularly review the policies, systems, standards, and structure for performance evaluation and the remunerations of directors and managers
- To evaluate and determine the remunerations for directors and managers
- To review employee remuneration plans with incentive reward plans or stock options
- To propose amendments to its own charter
- To handle other projects assigned by the Board of Directors

Sustainable Development Committee

To embody sustainable development – one of our core values – we actively promote and strengthen functions related to corporate governance, sustainable development, and corporate social responsibility. Consequently, the "Sustainability Committee" was formed. The organizational procedures of the Sustainability Committee are established based on our "Guidelines for Corporate Governance Practices" and "Sustainability Practice Guidelines" This committee acts as the decision-making and supervisory unit for our sustainability efforts, covering corporate governance (G), environment (E), and social (S,) fulfilling the sustainability responsibility to protect the rights of the company, employees, shareholders, and stakeholders.

The committee consists of three directors, two of whom are independent directors. The committee meets at least twice a year, and in 2023, it convened twice. (For details on the committee meetings, please refer to our annual report for 2023.)

Members of the Standard Foods Group Sustainability Committee

Name	Position	Sex	Term
Chung-Chie Chou	Independent Director	Male	2023/5/11-2025/6/15
Yun-Chung Wang	Independent Director	Male	2023/5/11-2025/6/15
Arthur Tsao	Director	Male	2023/5/11-2025/6/15

Main Responsibilities of Standard Foods' Sustainable Development Committee

- To formulate our sustainable development policy
- To establish goals, strategies, and execution plans for sustainable governance, integrity in operations, and environmental and social sustainability
- To review, track, and revise the implementation and effectiveness of our sustainable development, and to regularly report to the Board of Directors
- To focus on addressing the interests of our stakeholders, such as our shareholders, customers, suppliers, employees, the government, non-profit organizations, communities, and the media concerning issues of interest and supervision of communication plans
- To implement and disclosure the quality of sustainability-related information management policies

Business integrity

Anti-Corruption and Anti-Bribery Policies

"Integrity" is the most important foundation for our sustainable operations. In 2020, our Board of Directors revised and approved the "Guidelines for Ethical Conducts," which sets clear ethical standards for our directors, managers, and all employees when conducting business. Furthermore, in 2020, the "Guidelines for Business Integrity" was amended and approved by the Board of Directors, explicitly requiring directors, managers, and all employees to not directly or indirectly offer, promise, demand, or accept any improper gains, engage in dishonest, illegal, fiduciary duty-breaching, or corrupt actions while performing their duties.

To promote the ethical code of conduct and the principle of honest management, the "Employee Work Rules" prohibit employees from accepting or eliciting bribes, unreasonable hospitality, and improper gains. Upon onboarding, Human Resources personnel reinforce the "Employee Work Rules" through detailed explanations. Additionally, the "Guidelines for Ethical Conducts" were published on our official website, ensuring that all employees remain aware of the company's ethical standards and principles of business integrity. Consequently, the awareness rate among employees regarding the company's anti-corruption policies has reached 100%.

Communication and training on anti-corruption policies and procedures



Compliance with laws and regulations

2023 Standard Foods Group Sustainability Report

Complying with legal regulations and operating legally and ethically is the most fundamental responsibility of a company and is key to sustainable operation. Standard Foods ensures that our operations comply with local government regulations by employing dedicated legal staff who closely monitor any regulatory changes and updates that could impact us. Internally, we have established the "Food Regulation Compliance Management Procedure," regularly tracking changes in food safety regulations and the corresponding response of our various units to ensure that all food-related operations comply with regulations.

In the event of significant occurrences that substantially impact our operations – defined here as events that could cause considerable damage to our annual sales, operational performance, and reputation – such events must be disclosed in the sustainability report. This ensures adherence to our principles of transparency and compliance with the GRI standards' requirements for balanced reporting.

In 2023, Standard Foods faced no fines, penalties, or significant pollution events that resulted in legal or regulatory sanctions. There were minor incidents due to administrative oversights in reporting and temporary failures of environmental protection equipment, which resulted in fines for violating relevant environmental regulations. There was one case in 2023 where we violated Article 28, Section 1 of the "Food Safety and Sanitation Management Act", for which corrective actions were completed within the deadline, and a penalty of NTD\$50,000 was paid. For details on the penalties related to 2023, please refer to Chapter 5 of our 2023 annual report.

Legal compliance training

We also provide case-by-case, ad-hoc, timely legal services and legal compliance counseling and assistance for colleagues in various departments. We collaborate with colleagues from various departments to provide practical solutions, compliance plans, and detailed guidance. In addition, we organize intermittent education and training on various law and regulation issues, prepare handouts on legal issues, and promote relevant information. The goal is to ensure that relevant workers can understand and master the latest regulations, review and update their practical operations to avoid misuse and violations due to ignorance of laws, and also to strengthen our workers' legal compliance and moral awareness to implement the fundamental corporate social responsibilities.



Our legal compliance-related education and training in the past three years

Year	Training	Objectives and benefits	Training subjects
	Introduction to Patents, Patent Application, and Patent Maintenance for Standard Foods Factories	To teach colleagues in relevant units on patent search, application, and maintenance to improve patent protection efficiency	Factory R&D workers
	Product Labeling Communication and Legal Compliance	To describe the procedures to be followed and the product labeling and product effect claim regulations	Quality Assurance and R&D workers
2021	Employee Health and Safety Education and Training	Food industry workers need basic health and safety training on good working habits, regulations, and audit requirements.	All workers of our three factories
	Key Control Points of Food Safety Control System HACCP	To learn the principles and operation of the HACCP food safety control system	All workers of our three factories
	Allergen Types and Related Management and Control	To understand allergens and effectively control them	All workers of our three factories

Year	Training	Objectives and benefits	Training subjects
	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 our sustainable values. It is an integral part of corporate governance.	All workers and employees
2022	Internal control and risk management Cross- Border Distribution and Confidentiality Agreement Risk Management	To educate workers in relevant units on cross-border distribution and confidentiality contract risks and provide contract structure guidance to improve the contract hedging mechanism	Workers in marketing and procurement
2022	Class on Text Layout Review Process and Regulation (two sessions)	To explain the internal text layout review process, labeling regulations, and the handling of food advertising violations	Workers in marketing, procurement, and R&D
	Employee Health and Safety Education and Training	Food industry workers need basic health and safety training on good working habits, regulations, and audit requirements.	All workers of our three factories
	Key Control Points of Food Safety Control System HACCP	To learn the principles and operation of the HACCP food safety control system	All workers of our three factories
	Allergen Types and Related Management and Control	To understand allergens and effectively control them	All workers of our three factories
	Class on Text Layout Review Process and Regulation (four sessions)	To explain the internal text layout review process, labeling regulations, and the handling of food advertising violations	Workers in marketing, procurement, and R&D
	Employee Health and Safety Education and Training	Food industry workers need basic health and safety training on good working habits, regulations, and audit requirements.	All workers of our three factories
	HACCP and Quality Management	To learn the principles and operation of the HACCP food safety control system	All workers of our three factories
	Allergen and Organic Integrity Management	To understand allergens and effectively control them	All workers of our three factories
	Food Defense and Food Adulteration	To understand food safety protection, simulate food defense plans, and discuss various measures	All workers of our three factories
	Traceability System Management Introduction	To explain the basic concepts, principles, and practical applications of traceability systems	Quality assurance workers
0000	Updates on Taiwanese Regulations for Food Contact Materials and Plastic Packaging Requirements	To explain domestic food contact material standards and discuss their legality	Quality assurance workers
2023	Mastering Food Regulations	To understand the principles of food regulations and related reference manuals to more effectively utilize regulatory resources	Workers in marketing, procurement, R&D, and quality assurance
	ISO17025 Quality System Training	To establish basic concepts of ISO17025, audit standards, and its applications	Quality assurance workers
	Information Security Social Engineering Drill	To continuously improve our colleagues' awareness of information security and reduce the potential harm of social engineering attacks	Specific workers
	Group Engineering Standard Contract Template Content Structure Lecture	To conduct contract structure and transaction risk response analysis	Engineering and procurement workers at Standard Foods factories
	Group Outsourcing Standard Contract Template Usage Guidance Lecture	To conduct contract structure and transaction risk response analysis	All workers of the Procurement Department
	Understanding Trademarks, Its Application Review Process in Practice, and Relevant Regulations	To gain an understanding of the practical review standards for trademark applications and the corresponding regulatory explanations	Marketing workers in the General Foods and Health Foods Units

Complaint & Recommendation Channels

2023 Standard Foods Group

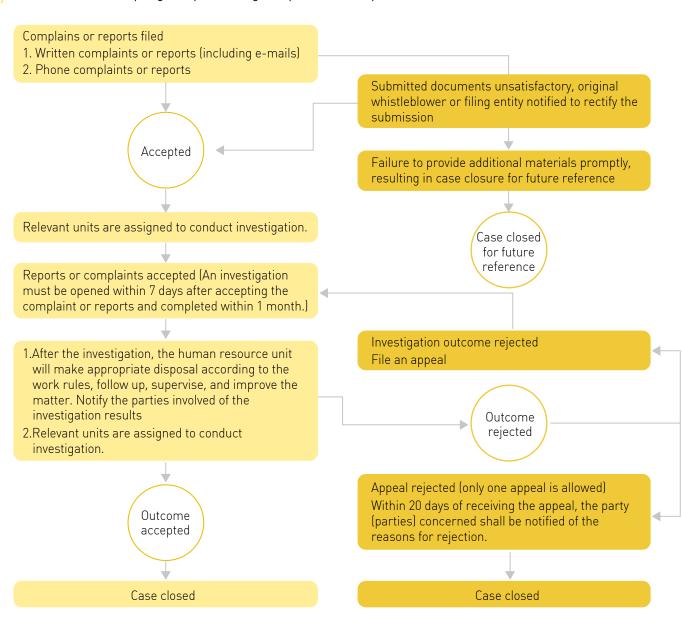
Sustainability Report

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

To practice integrity management, we also encourage the reporting of any illegal acts. 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 2023, the company received 0 complaints and 0 whistleblowing cases.



Procedure for accepting and processing complaints and reports



53

2023 Standard Foods Group Sustainability Report

In 2023, the Standard Foods Group established the "Risk Management Policy and Processes" on August 2, approved by the Audit Committee and the Board of Directors. This document serves as the highest guiding principles and management procedures for the group's risk management. It explicitly defines the policy, objectives, scope, organizational structure, unit responsibilities, risk management mechanisms, and implementation processes for the group's risk management.

Risk Management Organizational Structure

Our risk management organizational structure includes the Board of Directors, Audit Committee, Risk Management Task Force, and various operational units. These entities are responsible for the effective implementation of risk management.



Risk Management Scope and Management Mechanism

The risk management of Standard Foods Group includes "strategic," "operational," "financial," "environmental," and "regulations" aspects. With the involvement of the Board of Directors and the senior management team, we supported and established a risk management unit to build a robust risk management framework. This involves identifying, assessing, and managing various risks that could affect the achievement of corporate objectives. By integrating risk management into operational activities and daily management processes, we foster a comprehensive corporate risk management culture aimed at achieving business goals, enhancing management effectiveness, and efficiently allocating resources.

54

- (1) Strategy and operational risks, food safety risks, market risks, climate change risks, regulatory risks, supply chain management risks, and occupational safety risks: Each business unit is responsible for formulating various strategies and carrying out risk identification, assessment, and management procedures according to their respective responsibilities and duties. At the same time, we analyze and evaluate changes in laws, policies, and markets, adopt various countermeasures, and control and handle possible risks and crises that may occur.
- (2) Financial risks such as interest rates, exchange rates, credit, and liquidity: These are managed by the Accounting Department, which devises strategies and implements them based on legal requirements and market fluctuations to effectively mitigate these risks.
- (3) Information security risks: To strengthen information security risk management, we have established an information security risk management framework, formulated an information security policy, and detailed management plans, which are disclosed on our official website. An Information Security Committee, chaired by the CEO and run by the IT Department, reports regularly to the Board of Directors.
- (4) Risk Management Task Force: The team compiles risk information provided by various units and annually produces a risk management report for the Audit Committee and the Board of Directors. It has also established a dynamic management and reporting mechanism to ensure the effective implementation of risk management.

Crisis Management System

[Crisis Management of Each Department in 2023]

We have strengthened our risk control by establishing five crisis management systems: food safety, information security, factory safety, employee management, and regulatory response. In the event of a crisis, members of relevant crisis management teams will respond according to the crisis alert indicators and their assigned duties, and coordinate the crisis response efforts accordingly.

Crisis management systems

2023 Crisis management performance

Food safety

- Quality Traceability Management: We regularly monitor supplier product quality and review food safety monitoring systems. We have put in place a food traceability management system to control potential quality management risks and fulfill our corporate social responsibility.
- 2. Food safety incident response mechanisms: We continuously maintain awareness and follow-up on industry food safety risks and respond promptly to food safety incidents to minimize losses due to food safety issues, ensuring the safety and quality of our food products and protecting the health of consumers.

Information security

IT crisis management systems F-IT-001 and SOP P-IT-001 have been implemented.

Factory safety

- 1. In November 2023, we completed the revision of our factory safety crisis system, reducing the crisis response levels from four to three. We consolidated data from three factories, conducted research and case drills, and completed the "Standard Foods Factory Safety Crisis Management Manual," whose publication application has been submitted. This manual serves as the standard operating procedure for factory safety, employee management, and regulatory compliance.
- 2. For 2024, each factory is scheduled to conduct case drills, which are now incorporated into the annual OGSM (Objectives, Goals, Strategies, and Measures) planning.

Employee management

- 1. We revised the employee crisis management system.
- 2. We created an employee crisis management operations manual.
- 3. We conducted written drills for employee crisis management.

Legal compliance

The legal crisis management system F-LA-001-01 and the Regulatory Crisis Management Operations Manual P-LA-003 were established.

Chief Commander

- Highest decision maker
- Appointing corresponding spokespersons for each stakeholder.
- Verifying the members list with the Contact Chief
- Designating internal unit data provisions and cross-department points of contact

Contact Chief

- Assisting the Chief Commander in decision-making
- Collecting and consolidating the reports of each unit to facilitate judgment
- Contacting external teams for assistance

Team members

- Providing comprehensive and updated information to the Contact Chief
- Convening for a meeting at any time to assist in decision-making
- Mobilizing the affiliated units, carrying out emergency response, and reporting the decisions made in the meetings

Crisis/Risk Event Determination 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 operations, damage our brand image, or stigmatize the organization. Standard Foods established a crisis 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 X and Y axis via the internal crisis management system to further determine the correct action plan(s).



Standard Foods Risk Impact, Coping Strategies, and Actions

Sustainability Report

Risk type	Cause(s)	Response strategies and actions
Strategic and operational risks	 Labor shortage due to declining birth rate and aging population, leading to operational risks Operational risks from raw material shortages or rising costs caused by geopolitical tensions and war People's consumption power is weakened due to inflation or poor economic conditions, and we must come up with new strategies. Channel consolidation and worsening competition, channel price matching, and the development of private labels leading to product operation risks 	 Proactively establish a talent pool in the younger generation, using various channels to recruit high-quality talent, focusing on nurturing potential talent, and creating more systematic development and promotion pathways In alignment with our purchasing advantages and strategies, coordinate with channels on sales strategy items, and develop new supply sources, continuously optimizing production costs and ensuring capacity in order to enhance price effectiveness Regularly visit key clients to strengthen strategic cooperation, stay abreast of market dynamics, and respond promptly; increase the success rate of new products and enhance CRM to improve customer experience and conversion rates Continue to build brand power, strive for the best product exposure through joint promotions, cross-category sales, and diverse collaboration with key customers, cultivate e-commerce and commercial markets, and increase the traffic and conversion rate of our e-commerce platform.
Market risks	Poor product sales caused by new products launched by competitors Risk of losing customers due to poor product design	 Identify consumers' functional needs that competitors have overlooked, and accelerate the development of new products to meet more consumer demands Testing in various aspects during the product development phase to minimize the likelihood of defects
Financial risks	 Interest rate risks arising from changes in interest rate policy Exchange rate risk arising from transactions with foreign companies in general or frequent transactions Default and price risks arising from financial transactions Client credit risks Liquidity risks 	 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 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 conditions 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 Conduct credit risk management analysis on clients and evaluate client credit scores Continuously monitor our cash flow needs and make forecasts to ensure we have enough funds to meet our operating needs
Regulatory risks	 The government formulated or revised laws and regulations on food import, production operations, labeling and declaration, and business management. Trade Secrets Act compliance and leakage risks Risk of trademark infringement and being rejected for appeal 	 The Quality Assurance Department regularly monitors announcements and revisions related to food regulations, conducts inventories and responses, and implements biannual checks on compliance with food regulations. The Legal Department formulates legal strategies based on the core issues and relevant evidence, collaborates with external law firms to adapt to changes in the execution of these strategies, ensures the core issues are updated, and adjusts the legal strategies accordingly.
Climate change risks	 Regulatory and reputational risks posed by government mandates and international initiatives to limit carbon emissions Responding to carbon emission reduction and waste reduction regulations limiting the manufacturers' supply source or resulting in supply shortage (engineering procurement) Rising raw material prices due to climate change Increased cross-border sea and air transportation costs due to international regulations 	 In office areas, switch to energy-saving and water-conserving devices and promote carbon emission reduction. Develop alternative suppliers or urge vendors to improve compliance with legal requirements to diversify procurement risks In 2023, the greenhouse gas inventory was expanded to include six business locations across Taiwan, making our greenhouse gas information completely transparent, so as to facilitate subsequent target setting and project implementation Import raw materials from multiple regions that meet applicable regulations to reduce costs Consolidate shipments on the same route to save costs and reduce carbon emissions by combining quantities and centralizing transport

	Risk type	Cause(s)	Response strategies and actions		
Supply chain risk management		 Due to heightened awareness of human rights and environmental protection, risks in supply chain management arise. Sudden major incidents hit our raw material suppliers and led to shortages in production supplies. Risks associated with supply chain violations of government regulations 	 Through regular on-site audits and interviews, observe new/existing suppliers' management of environmental risks and their effectiveness. Reduce dependence on a single supplier to diversify risk and enhance supply chain flexibility. Choose suppliers registered as legal food operators and avoid cooperation with entities of unknown origin(s) or those lacking legal qualifications. Track changes in food-related regulations and notify suppliers to ensure compliance or make necessary adjustments If a supplier violates relevant laws or initiatives, immediately initiate a risk investigation and assessment to decide whether to continue the partnership. The Engineering Procurement Department will initiate a review and audit of environmental and human rights risks among new and existing suppliers for the year 2024. 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 in question. 		
	Iccupational safety risks	 Accidents caused by employee machinery operations The hardware equipment in the company building or plant area poses a safety risk. 	 Include occupational safety promotion in the training courses before recruits take office Place warning signs on factory production lines and conduct regular inspections of line safety In the 2023 CIT project, we conducted risk assessments for troubleshooting operations on each production line and completed hardware improvements and control measure SOPs at five locations. Following the hazard evaluation process, we regularly inspect our hardware (such as buildings and electrical equipment) to ensure they are in good condition without faults and verify the completeness of safety measures for new equipment. 		
Ç	nformation Security and Personal Data Risks	 Information security policy formulation Establishing a data leakage prevention system Confidential document (including physical documents) leakage risks Internal and external system security assessment and protection Software assessment and risk control Network access control Privileged account management 	 The Information Security Department regularly conducts system vulnerability scanning and website penetration testing and repairs weaknesses within one month after producing each report. Implementing confidentiality level labeling and classification The company computer used by each employee is uniformly evaluated and purchased by the System Operation Department. The equipment our employees use is installed with protection software, such as anti-virus, data loss protection, and network access control applications. Appointing a professional consulting company to make suggestions and assist in improving our information security system Formulating policies related to information security governance and personal information protection Privileged account classification and control Network visibility and security access control 		
	Food safety risks	If materials or production processes are contaminated with harmful substances, leading to consumer food poisoning, it will seriously affect our reputation.	 When approving new suppliers, first confirm that their qualifications, operation scope, and services meet regulatory requirements, and then assess whether the quality of the supplied products, production operations, and quality control systems meet our requirements. Conduct annual evaluations of suppliers to assess their audit performance and delivery conditions. Suppliers who do not meet the requirements are replaced to continuously ensure that the cooperating suppliers and their products meet our standards for food safety and quality. Implementing HACCP at our three plants, inventorying potential hazards related to raw materials and processes, and setting critical control points to ensure effective food safety management Testings are conducted for raw materials entering the plant, semi-finished products, and finished products to ensure all production stages comply with regulations and quality requirements. Establishing a Food Safety Quality Committee and holding annual management review meetings to review and examine food safety management-related matters 		



2023 Standard Foods Group Sustainability Report

Strengthening Employee Information Safety Awareness

We strengthen information security awareness among workers by providing online courses at the Standard Foods e-Academy and through annual social engineering drills that simulate phishing emails from hackers. This helps to assess employees' awareness of information security risks, and these efforts are supplemented by information security education sessions and training. Regularly publish information security announcements on the Standard Foods Group corporate portal, including the latest trends in information security and recent significant information security incidents domestically and internationally. This aims to enhance workers' awareness and vigilance regarding information security.

Disaster Recovery Drills

To ensure the sustainability of operations and our critical business activities and to mitigate the risk of significant disaster events causing disruption to core information systems, annual disaster recovery drills are conducted. These drills involve restoring backup data from backup data or devices to confirm the readability of the backup data, the usability of the storage data, and the feasibility of critical system data restoration steps. This ensures that the backup operations can be effectively completed within the allocated time for restoration procedures.

Information Security and Personal Data Risks

To enhance information security management, the Standard Foods Group follows the ISO27001 standards and framework for managing information security measures internally. The information security initiative team is responsible for reviewing the information security governance policies of each unit, supervising the operation of information security management, and aiming through professional management, planning, supervision, and implementation of the security unit to construct a comprehensive information security protection mechanism and enhance workers' awareness of information security. Regular assessments of information security risks are reported to the CEO. In 2023, there were no complaints about breaches or loss of customer data.

59

Information Security Policies

Our Information Security Committee is in charge of coordinating, managing, and supervising the information security operations, which covers the relevant information services provided by our IT department and relevant departments. Regular vulnerability scans, effectiveness checks of protection systems, and other related information security tests are conducted periodically. Additionally, relevant information security advocacy and training courses are provided. Through the operations of the IT department and the implementation of the information security policy, a secure information security environment is maintained to protect our services. We review information security policies regularly to ensure information security practice performances and act on the most recent developments in government laws, technology, and business operations. There were no information security incidents in 2023.

We ensure that our information security incident notification, classification, grading, processing, statistics, and tracking operations are institutionalized and systematic, and comply with the information security incident management regulations. When an information security incident occurs, we promptly report and handle it, and we store the system in the shortest possible time to ensure the normal operation of various businesses. The information security maintenance operation and response team must quickly grasp and respond to information security warning notifications and intelligence events by collaborating with external information security experts, enhancing and accelerating 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 and more concerned about information security. The focus of enterprise management has shifted to controlling and reducing risks and disaster losses. During the pandemic, Standard Foods introduced endpoint protection to allow most Standard Foods employees to work remotely and expand the scope of information security protection from within the company to any place with the Internet. The goal is to include these mobile devices as part of the protection to ensure the safety of employees using network services and prevent access to high-risk domains associated with malware, ransomware, phishing, and data breaches. We implement consistent security management principles. These efforts have protected our internal confidential information from leakage.

In management, an Information Security Committee has been established to continuously strengthen and improve the information security management mechanisms, enhancing response strategies and emergency response capabilities for information security incidents. On the technical side, a complete information security infrastructure is gradually constructed, with the introduction of technologies, such as privileged account management (One Identity) and data leakage protection (DLP), followed by the implementation of corresponding new technology-based information security frameworks. In terms of awareness training, we enhance all employees' awareness of information security through social engineering drills and security education training, helping Standard Foods Group workers enhance their information security skills and establishing a comprehensive corporate information security network.

Information security training

The Information Security Department regularly holds information security education sessions and training courses for Standard Foods employees in response to recent social engineering security incidents. The courses 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 our new 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 our overall information security level.

Information Security Drills

Internal email social engineering drills are also implemented to strengthen employee's awareness of information security risks. The goal is to strengthen workers' information security awareness and vigilance by simulating phishing emails from hackers and testing employees' information security risk awareness through information security promotion training and education. The goal is to increase our 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 operation impacts on us. In 2023, the Standard Foods Group conducted social engineering drills to enhance employees' awareness of phishing emails, aiming for a click-through rate of less than 15% on such emails. The outcome for 2023 was a total click rate of 5.3%, a decrease of 7.56% from the previous year.

2023 Social engineering drill overview (only departments triggered are listed)

ltem	Number of employees tested	Clicks	Click-through rate
R&D Department	54	4	7.41%
Procurement Department	29	2	6.90%
Engineering Department	31	2	6.45%
Standard Foods Plant Affairs Department	177	11	6.21%
Quality Assurance Department	80	4	5.00%
Information Technology Department	24	1	4.17%
Marketing Department	74	3	4.05%
【Business Highlights】 Business Department	250	10	4.00%
Zhongli Plant Affairs Department	39	1	2.56%
Hsinchu Plant Affairs Department	51	1	1.96%
	•		

To strengthen the power, expand the scope of all of our information security systems, and 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, a thorough review by an impartial, objective third-party organization is still required. Consequently, the Standard Foods Group also commissions information security consultancies to perform vulnerability scans, comprehensively assessing the vulnerabilities within our information systems and the overall cybersecurity risk level. Through third-party scan reports, the Standard Foods Group received specific recommendations for vulnerability remediation and conducted follow-up scans to ensure that all critical vulnerabilities were fully addressed, completing two vulnerability scans in 2023.

In addition to internal vulnerability scanning, professional third-party units are commissioned annually to conduct network and system penetration testing to reduce human or natural factors' impacts on our operations. The purpose was to understand and assess the security status of the organization's network and systems, to verify the current security level and effectiveness of cybersecurity protections, and to serve as a basis for vulnerability remediation, improvement methods, and enhancing system security. Two penetration tests were completed in 2023.



Food Safety

Management Principles	64
Food safety management	72
Food Traceability Management	73
Source Management	74
Food Safety Monitoring Plans	74
Product labeling	76
Consumer Product Consultation and services	76

Food Safety

Material Topics



Health and food safety management

Visions and Commitments



To have the highest quality, the best brand trust, and the best quality management system and become a model in the food industry.

We rigorously control quality to ensure that every step from the origin to the table meets the highest quality standards. We also constantly improve our quality management system to protect the rights, interests, and health of consumers, the public, and the whole nation.

Corresponding UN SDGs





Management mechanisms



Short-term goals

[2024 ~ 2025]

Mid-term goals

 $(2025 \sim 2027)$

Long-term goals

[2027 ~]

- 1. Striving to meet international quality system standards and pass various types of audits
- 1.Existing Validation: 100% passed the annual validation audit
- 2.Additional validation/labeling requirements: 100% on schedule/on track.
- 3.Government Audit: 100% passed, with no major negligence affecting human health hazards.
- 1. With the upgrading and revamping of the quality system, 100% of the responses were completed and all annual audits were passed.
- 2.100% Acquisition of additional certificates as required by the Company's development needs.

Evaluate expanding the scope of certification or adding new certified products according to the needs of the company's development, and pass 100% of all annual audits.

- 2. Continuing to increase testing resources and capacity and passing the proficiency test (e.g., FAPAS) every year
- 1.To obtain laboratory accreditation for "Calcium content testing in capsule tablet products" by 2024/12/31.
- 2.Unify the chemical analysis resources of R&D and QA to centralize the related work and maximize the synergy.
- 3.Expansion of manpower establishment for sophisticated analysis (2 persons).

- 1.To expand the scope of acquired ISO17025 certification
- 2.To pass the annual ISO17025 lab certification
- 3.Pass all proficiency tests (e.g., FAPAS).
- 1.Continuously expanding the scope of ISO17025 in response to demand.
- 2.Pass all proficiency tests (e.g., FAPAS).
- 3.Depending on the stage of development, we will procure the necessary equipment and train professional analysts.



2023 Standard Foods Group

Sustainability Report

3. We will keep up with the times and continue to improve the effectiveness of [Total Quality Management from Producer to Table].

Short-term goals (2024 ~ 2025)

- 1.100% of the raw materials used in production have been inspected and evaluated for quality, and qualified for release.
- 2.Optimize supplier audit provisions and complete 100% of supplier audits in accordance with the plan.
- 3.100% compliance with government regulations and 100% compliance with changes in regulations.
- 4.100% of the finished products released have been inspected and evaluated for quality, and there are no recycling incidents that seriously jeopardize human health.
- 5.Counseling and improving the quality of OEMs.
- 6.Counseling dairy farmers to be cowfriendly and improve dairy quality based on animal welfare certification (3 households).

Mid-term goals (2025 ~ 2027)

- 1.Collaborate
 with R&D and
 Purchasing to
 develop new
 suppliers/
 secondary
 suppliers
 according to
 program.
- 2.Continuously improve the auditing expertise of our employees and complete 100% of supplier audits according to the plan.
- 3.There were no incidents of recycling that did not meet the requirements of government regulations.
- 4.The finished product will not be recalled for serious health hazards.
- 5.Mentor OEMs and assist them to pass the annual quality audit (Grade B or above (inclusive)) by Standard Foods.

Long-term goals (2027 ~)

- 1.100% of new
 OEMs and raw
 material suppliers
 are developed
 and admitted
 according to
 demand.
- 2.Completed 100% of supplier audits according to plan, and continued to optimize the audit methodology.
- 3.There were no incidents of recycling that did not meet the requirements of government regulations.
- 4.The finished product will not be recalled for serious health hazards.
- 5.Mentor OEMs and assist them to pass the annual quality audit (Grade B or above (inclusive)) by Standard Foods.



【R&D Highlights】

The New Flexmobility Calcium Tablets Enhance Calcium Intake

According to a survey conducted by the Health Administration, Ministry of Health and Welfare, citizens have long been suffering from insufficient calcium intake, which can lead to bone loss. To enhance bone health, prevent osteoporosis, and reduce fractures, we have developed a calcium supplement series, including "Flexmobility," with patented K2+D+Calcium calcium conductor, increasing calcium absorption by 170%, and "Cachew," offering 600mg of calcium per serving plus vitamins D and K, simplifying the transformation of calcium into bones, promoting bone calcification. Additionally, Quaker Complete Meal's high-calcium formula provides consumers with 650 mg of calcium per bottle, supplementing the calcium needs for two meals. Calcium carbonate and calcium citrate utilize different release mechanisms to continually release calcium ions, and adding magnesium, zinc, copper, manganese, and inulin to create an optimal environment for calcium absorption, enhancing utilization.

Development of Three Major Sleep-Enhancing Formulas

As the pace of modern life accelerates and stress increases, lifestyle diseases have become a more severe health problem. According to the "Sleep Medicine" journal by the World Sleep Society (WSS,) the prevalence of insomnia in Taiwan is about 17%, affecting an estimated 3.91 million people. In response to customers' needs, we continue to develop sleep-enhancing products, including Quaker Complete Meal Sleep Formula, Quaker Good Sleep Brightening High Calcium Milk Powder, and Fresh Delight Sleep-Enhancing High Calcium Nutritional Milk, incorporating sesamin, protein, minerals, and tryptophan (from milk) to create effective sleep-enhancing formulas.

Caring for Groups with Special Nutritional Needs: Assisting Patients with Good Nutrients

For specific groups, Quaker Complete Meal's low-protein, liquid nutritional product offers easily digestible nutrients, protein, calories, and low sodium phosphorus potassium – as recommended by the "National Kidney Foundation" of the USA, with a unique formula that includes green tea extract to protect renal health. Quaker Complete Meal's cancer-specific formula meets the recommendations of ESPEN, the European Society for Clinical Nutrition and Metabolism, offering easily consumable and digestible nutrients to improve the nutritional status of patients. Our R&D team continuously focuses on in-depth research and broad applications of raw materials, striving to provide consumers with tasty, nutritious, and healthy products, constantly innovating in flavor and meeting the expectations and needs of different consumers with diverse and high-quality product lines.



2023 Standard Foods Group

Sustainability Report

[Quality Assurance Highlights]

The First Enterprise in the Country to Pass the Whole Grain Verification

In the 40 years since we started our business in Taiwan, the Standard Foods Group has continued to strive to "meet the nutritional and health needs of the whole family," establishing a robust food safety management system, building trust with consumers, and continuously improving and optimizing product quality standards. In 2023, we continue to adopt a forward-thinking approach, keeping up with international quality management standards like ISO 22000, ensuring all products meet international quality standards. In 2023, we were the first in Taiwan to pass the whole grain verification, which was conducted by a third-party verification organization. Additionally, through our internal sustainability resource-sharing platform, we established a verification learning database, introducing third-party and government certification information and transferring the value of product assurance to our partners.

Continuously Improving Supplier Support Programs and Testing Capacity and Capabilities

To ensure product quality and safety, we continue to strengthen our testing and analysis capabilities, implement food safety quality control mechanisms, plan inspection, and monitor programs for testing products, comprehensively overseeing product quality. In 2023, in addition to continuing supplier audits, we continued to optimize traceability mechanisms, launching related support programs for suppliers to enhance the effectiveness of product quality support. Apart from ensuring the stability and safety of raw material supply, in the face of external food safety incidents, we continue to track and monitor relevant information in real time, effectively managing and responding to food safety events.

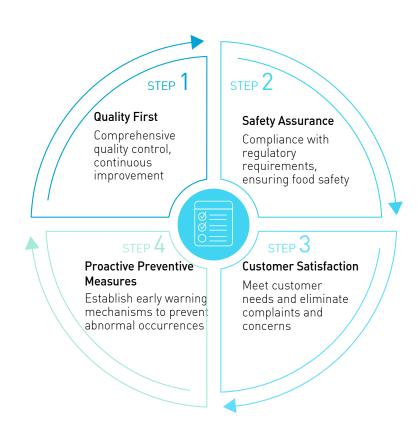
Maintaining Food Safety and Trust

In 2023, the Standard Foods Group experienced no incidents of product recalls due to quality issues or inaccurate labeling, assuring consumers of product safety. To ensure the products offered to consumers meet quality and safety standards, we continue to embrace the principles of risk assessment and hazard analysis, effectively managing and controlling risks through our processes related to product sourcing, importing, manufacturing, and storage. Simultaneously, we also keep up with the Act Governing Food Safety and Sanitation, regularly tracking changes in food laws and their validation. In 2023, major regulatory updates, such as the preannouncement stage of nutritional labeling requirements for packaged foods and labeling requirements for infant and follow-on formula foods were communicated to the relevant departments, spurring proactive responses.

Food Safety Management

64

We have long fostered a culture of striving for food safety and quality among employees through regular dissemination of food information, factory-wide training, continuous improvement projects, various quality discussions, food safety drills, and an abnormality reporting reward system. This ingrains a deep commitment to food safety and quality in all employees and is embodied in their work. The concept that food safety and quality is everyone's responsibility also demonstrates our "one team" spirit. To implement food safety and quality management, fulfill our responsibility for food safety, and continuously improve performance, the following are the foundations for food safety and quality policy compliance:



The vision of the Standard Foods Group is to become a trusted food company in Taiwan. To enhance quality control, we manage from the source and implement quality checks in all aspects; in addition to complying with national regulatory standards, we have obtained various certifications trusted by consumers and we have third-party verifications to realize corporate governance and ensure compliance with food safety standards. Adhering to the Act Governing Food Safety and Sanitation, we implement food sanitation, safety, and quality management, whose scope includes all employees, workplaces, facility hygiene management, and quality assurance systems. Following the ISO 22000 management standard, we established food safety manuals and HACCP procedures. 100% of our products are produced in accordance with the aforementioned management system standards, and hygiene and safety management documents for each production line were produced. We regularly follow a hygiene and safety checklist to thoroughly inspect environmental hygiene, workplaces, personnel cleanliness, and equipment. Both Standard Foods and Standard Dairy have obtained the ISO22000 Food Safety Management System certification, with the Zhongli plant, the Hukou plant, and the oil production line at our Dayuan plant also obtaining the highest level of SQF certification, proving that our products meet internationally recognized food safety management system standards, further ensuring consumers of the high standards of the food hygiene, safety, and quality management in our products.

In addition to managing plant standards through regulations and external verification bodies, the Standard Foods Group also has an internal audit procedure to perform at least two self-checks annually. The Internal Audit team, established according to the "Internal Audit Charter," is responsible for approving and implementing the annual audit plan and verifying the results of internal audits. The audit scope includes all units of our three plants, and the plan must cover food quality hygiene management, process control, quality testing, and other activities to ensure that production and procedures comply with regulations and enhance various other operations.



Food Safety Incident Response Mechanism

We have dedicated personnel responsible for monitoring media-related food safety information and public sentiment trends and have established a "Food Safety Crisis Management Manual." The manual evaluates the severity of food safety crisis events based on factors, such as the relevance of the issue to the company, regulatory aspects, hazard level, product group, product sensitivity, product type, impact scope, information source, media situation, government trends, customer service information, and more. Events are classified according to their severity into different levels, and crisis response teams are formed at varying levels of the company depending on the classification.

The crisis management contingency procedures cover the crisis preparation period, monitoring period, response period, and recovery period. Before a crisis occurs, monitoring and preparation for news or events allow us to mobilize appropriate divisions quickly and establish necessary communication channels within a short time after a crisis emerges.

Food Safety Monitoring Flowchart

Preparation and monitoring

- 1. Monitoring food safety incident-related information
- 2. Determining whether it is a risk event
- 3. Determining the risk level of food safety incidents
- 4. Establishing a food safety incident crisis response team according to the risk level

Respond

- Activating the food safety incident crisis response team
- 2. Discussing food safety incident response strategies

Recovery

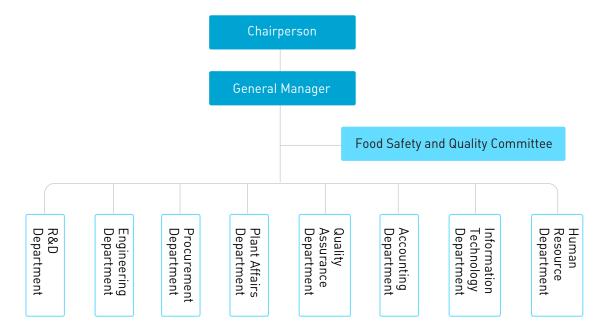
- 1. Conducting post-food safety incident assessments
- 2. Reviewing the crisis response process
- 3. Formulating a long-term monitoring plan if necessary

Food Safety Responsible Units

To maintain a robust food safety and quality system, demonstrating our commitment to food safety and quality, We have established a "Food Safety and Quality Management Committee" under the "Food Safety Committee and Operations Management Procedures." This committee, reporting directly to the General Manager, is responsible for ensuring comprehensive food hygiene and safety evaluations and management of the plant and its produced foods, safeguarding consumer food safety rights. The Executive Director of the Food Safety and Quality Committee, who is the highest-ranking officer in the Quality Assurance unit, is responsible for issuing food quality and safety policies and approving annual food safety and quality objectives. The committee also holds annual management review meetings to discuss the achievement of various quality objectives, compliance with food regulations, and other issues, and reports the execution results to the senior management team. This ensures the tracking of the achievement rate of food safety management objectives and reflection on areas for sustainable improvement.

To implement the food safety control system, "Food Safety Teams" are established at each factory to analyze potential hazards that may arise during the production process, define critical control points, and ensure that the products produced meet food safety and quality requirements. In addition to their professional duties, members of the Food Safety Team have undergone relevant professional training in food hygiene management, such as food regulation compliance identification, hygiene management, HACCP plan drafting and reviewing, and food testing. Through effective collaboration among team members, the Standard Foods Group consistently maintains high standards in food safety and quality.

Food Safety Team Organizational Structure



Worry-free Production Processes

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 we design hazard analyses into our processes so that we inspect the chemical, physical, and biological aspects of semi-finished products at every stage and ensure the final product meets the control standards. At the final product stage, depending on the product's characteristics, comprehensive testing is conducted through methods, such as X-ray examination, surface inspection, and metal detection, to screen and isolate products that do not meet specifications, ensuring that non-conforming final products are not shipped.

The Standard Foods Group places great emphasis on training factory process personnel, investing a significant proportion of training expenses annually. Employees are required to regularly participate in various training courses to continuously enhance their skills and professional skills and to obtain professional certifications related to the processes. We quarantee consumers safe and delicious foods with peace of mind by constantly strengthening the professional quality of our employees.

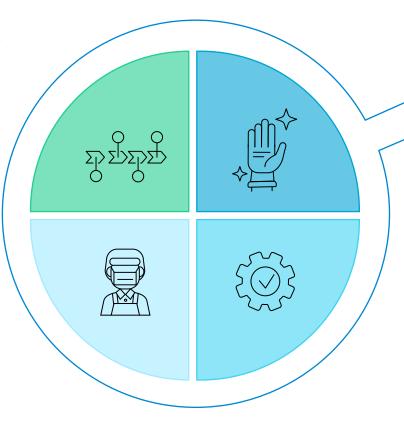
Operation Site Inspections

In addition to implementing high-standard quality control measures for raw materials and finished products, we also monitor and control the production line environment, operators, and various utensils.

The goal is to ensure food safety and quality to the greatest extent for the consumers.

Layout design

To effectively maintain the cleanliness and sanitary in the food plants and prevent external pollution sources, the plants' layouts are designed to prevent pollution from general areas with low cleanliness requirements from entering the production areas with high cleanliness standards. Therefore, the layout setup of personnel and machines, the direction of airflow, the direction of drainage, and the transportation route of raw materials are designed to move from the highly clean areas to the less clean areas in a single direction, or shelter buffer areas are set up at the entrance. Cleaning operations are also implemented to maintain clean and hygienic conditions in each area.



Production line cleanliness

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 operations 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 production lines do not meet the hygiene standards, their layout design is reviewed again to see if there is room for further improvement and to continuously optimize the manufacturing environment's cleanliness.

Field operators

All employees who come in contact with food on the production lines must ensure that there are no relevant infectious diseases as stipulated in the regulations. Health checks must be performed on employees at least once a year to ensure food safety and employee health. According to the regulations, before entering the cleaning operation area, on-site operators must wear hair nets, masks, overalls, and shoe covers 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 regularly checks microorganism cultures from the hands of personnel to verify that the cleanliness of their hands after sanitation meets the control standards.

Machines and equipment

If the purchase and installation of various machinery and equipment in contact with food could 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 equipment do not jeopardize food safety and quality. The products must undergo appropriate cleaning and disinfection according to their properties before production. This includes wiping and disinfecting with disinfectant alcohol, cleaning with detergent and water, and confirming the cleanliness of the surface and that there is no residue detergent after cleaning. Then we adjust the machine according to the parameter setting of the production specifications and start the production after confirming that the machines operate normally.

68

Investment in Food Safety Equipment

2023 Standard Foods Group

Sustainability Report

The Standard Foods Group spares no effort in maintaining food safety and invests in high-specification precision instruments that are rare among domestic food manufacturers. These include High-Performance Liquid Chromatography (HPLC), Inductively Coupled Plasma Mass Spectrometry (ICP-MS), Gas Chromatography-Mass Spectrometry (GC-MSMS), and Liquid Chromatography-Mass Spectrometry (LC-MSMS), among others. In addition to regular annual maintenance and calibration of these sophisticated devices, our laboratory features automatic temperature and humidity control and monitoring devices to ensure the accuracy and stability of the instruments. Furthermore, technicians performing the tests regularly receive professional training. They follow Article 7 of the "Act Governing Food Safety and Sanitation" and guidelines for food businesses setting up laboratories, and carrying out various analytical operations to ensure the quality of testing. The Standard Foods Group also regularly verifies that the test values meet recognized standards and compares testing results with other industry laboratories. In 2023, we participated in 65 proficiency tests, obtaining 100% satisfactory results in all.

Standard Foods high specification equipment list

Equipment Name	Location	Description
Microwave Digestion System	Dayuan plant	The Microwave Digestion System extracts minerals and potential heavy metals from foods. This equipment is mainly used for 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 it's continuously irradiated. The sample is then completely broken down and dissolved, and the metal ions within it are also dissolved in the acidic solution.
Autoclave	Dayuan plant	The autoclave is mainly used to sterilize items required for food microbiological testing, such as culture media, consumables, utensils, and waste. It creates saturated steam from water at high pressure and temperature, releasing significant heat to kill microorganisms and penetrating pathogens.
		Gas chromatography is an instrument used to analyze volatile compounds in a sample. The instrument consists of 3 parts: the inlet, a neck (stationary phase), and a flame ionization detector (FID).
Gas Chromatography - Flame Ionization Detector (GC-FID)	Dayuan plant	The sample is vaporized into a gaseous compound at a high temperature when inserted into the GC-FID and then transported to the neck, driven by its mobile phase (helium). Compounds are then adsorbed by the fillers in the neck, slowing down its passage. Since each type of compound interacts differently with the stationary and mobile phases, each compound arrives at the end of the neck at different times, achieving separation. As the compounds exit the end of the neck, 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 machine then analyzes the composition of trans fat, saturated fat, and fatty acid in the sample.
Fluorescence Spectrophotometer	Dayuan plant	A fluorescence spectrophotometer is an instrument that emits light of a longer wavelength (fluorescence) after detecting that the target has absorbed 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 B2 in foods.
High-Performance Liquid Chromatography (HPLC)	Dayuan plant	High-performance liquid chromatography (HPLC) is a chromatographic device in which the mobile phase is the liquid state. Its chromatographic system includes a solid (stationary) phase and a mobile phase, each having different polarities and non-polar strengths. Due to their polarity, the sample molecules possess different affinities in the two phases. Those with high affinity in the stationary phase are prone to retention, and those with high affinity in the mobile phase flow easily, thus achieving separation. HPLC is used to analyze target substances such as ginsenosides, vitamins A & E in foods, glucose, fructose, sucrose, maltose, lactose, lutein, glucosamine, preservatives, and aflatoxins.

2023 Standard Foods Group Sustainability Report

Equipment Name	Location	Description
Liquid Chromatography- Tandem Mass Spectrometer (LC-MS/MS)	Dayuan plant	The principle of Gas Chromatography-Mass Spectrometry (GC-MSMS) is similar to that of Liquid Chromatography-Mass Spectrometry (LC-MSMS), but GC/MS/MS primarily analyzes volatile samples. This equipment is mainly used to analyze polycyclic aromatic hydrocarbons (PAHs) in food, residual solvents in packaging materials, monochloropropane diol esters (MCPD-esters), glycidyl esters (GEs), and pesticides in food. The detection limit of the instrument is precise to parts per billion (ppb).
Gas Chromatography – Tandem Mass Spectrometer (GC-MS/MS)	Dayuan plant	The mechanism of a gas chromatography-mass spectrometer (GC-MS/MS) is similar to that of a Liquid chromatography-mass spectrometer (LC-MS/MS), but a GC-MS/MS primarily analyzes volatile samples. It is mainly used to analyze polycyclic aromatic hydrocarbons (PAHs) in food, residual solvents in packaging materials, monochloropropane diol esters (MCPD-esters), glycidyl esters (GEs), and pesticides in food. The detection limit of the instrument is parts per billion (ppb).
Inductively Coupled Plasma- Mass Spectrometer	Dayuan plant	The mechanisms of inductively coupled plasma mass spectrometry (ICP-MS) involve atomizing a sample solution into an aerosol. A carrier gas transports this aerosol, containing the target metal elements, into the plasma. Within the high-temperature plasma, the aerosol undergoes solvent evaporation, decomposition, and atomization/ionization reactions, forming singly charged positive ions of the target metal elements. These ions are then analyzed by a mass spectrometer, which detects ions based on their specific mass-to-charge ratios (m/z). This equipment is primarily used to analyze the heavy metal content in food, such as arsenic, lead, mercury, and cadmium. The instrument can accurately measure concentrations down to parts per billion (ppb). Additionally, when coupled with a chromatography system (HPLC), it can further analyze inorganic arsenic in food.
Inductively Coupled Plasma Optical Emission Spectrometer	Dayuan plant	The mechanism of an inductively coupled plasma optical emission spectrometer involves atomizing the sample solution into an aerosol, which is then transported to the plasma by a carrier gas. In the high-temperature plasma, the aerosol is ionized, and the ions emit light at specific characteristic wavelengths. The detection system measures these wavelengths. The instrument can detect concentrations accurately down to the parts per million (ppm) level.
Rapid Analyzer of Total Bacterial Count of Raw Milk	Zhongli Plant	Continuous Epifluorescence Microscopy and Flow Cytometry are used to determine 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.
Automatic Raw Milk Cell Analyzer	Zhongli Plant	A flow cytometry analysis can rapidly perform raw milk hygiene testing and directly measure individual independent bacterial counts and somatic cell counts. The individual bacterial count (IBC) results can be obtained within 9.5 minutes, while the somatic cell count (SCC) can be measured within 1.5 minutes.
Multi-Function Fast Dairy Composition Analyzer (MilkoScan FT1)	Zhongli Plant	The Fourier Transform Infrared Spectroscopy (FTIR) detection method features a special flow path design, which is convenient and simple to operate. It can be applied to the quality control testing of raw materials, processes, semi-finished products, and finished products. The types of samples that can be tested include raw milk, fresh milk, flavored milk, yogurt, nutritional formula milk, and plant-based milk. All tests can be completed within 30 seconds.

Testing Processes

We have established standardized testing procedures, maintained the accuracy and comparability of the results, and effectively controlled the quality of our products. We also comply with international food management systems and food laws. We have a management system for quality control and testing data. For each raw material entering the plant, our staff must log it into the system to create an inspection order. The system then generates the items and specifications that must be inspected according to the inspection plan specific to each raw material. 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, the results are registered, and 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 tests have been completed, and an anomaly notice shall be shown 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 keep improving our capacity for testing 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. We also comply 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 samples with a concentration above 1 ppm). The goal is to check the inspection methods with high standards to ensure credible inspection values. Maintaining a relentless attitude toward the testing of raw materials, processes, and finished products, we spent NTD\$198,396,000 on testing in 2023, accounting for 1.24% of our total sales (see note for details).



Pre-testing

Hazard Analysis:

Identify hazard risks, critical control points (CCP), and effective control measures based on the production process of each product

Risk Assessment:

Evaluate the risk level of hazards based on the likelihood and impact of their occurrence to determine the severity of the risk.

Testing Plan:

Plan the necessary testing items, sampling plans, testing methods, and compliance standards for products with significant hazard risks.



During testing

Sampling and Labeling:

Conduct sampling according to the sampling plan's methods and specified sampling ratio, and appropriately label sample information, such as system number, sampling date, time, batch, handling personnel, and other relevant identification information. Additionally, provide a brief description of the sample's appearance to confirm if there are any observable anomalies.

Conducting testing:

Perform relevant testing according to the testing plan and create technical records of the testing process (including raw data).



Post-testing

Recording and Sample Retention:

All process and quality testing-related control operations must be documented and retained for reference. Testing reports should be kept for at least 5 years, and the samples should be retained until the indicated expiration date.

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

Items tested

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

Standard Foods - List of tests conducted internally

Location	Tests conducted internally	Number of tests
	Tests using physical methods, such as those for testing density, residual oxygen, vacuum, etc.	42
Dayuan plant	Tests using chemical methods, such as those for testing moisture, protein, fat, saponin, vitamins, minerals, plasticizers, heavy metals, pesticide residues, phosphatide in grains, benzene in edible oil, acrylamide in grains, etc.	126
	Tests using microbiological testing methods, including total bacterial count, Enterobacteriaceae, Salmonella, Listeria, etc.	22
	Tests using physical methods, such as those for testing temperature, specific gravity, total solids, freezing point, inclusions, and flavor	6
Zhongli Plant	Tests using chemical methods, such as those for testing animal drug residues, sugar content, acidity, fat, pH value, ATP swab test, non-fat solids, protein swab test, milk protein, hardness, residual chlorine, somatic cell count in raw milk, aflatoxins, alcohol test, and hydrogen peroxide test	15
	Tests using microbiological inspection methods, such as those for testing Listeria, Salmonella, Staphylococcus aureus, Enterobacteriaceae, mold/yeast, total plate count, lactic acid bacteria, thermophilic spores, coliforms, microbial microscopy, and bacterial activity	11
	Tests using physicochemical methods, such as those for testing sugar content, viscosity, solids, pH value, WPNI (Whey Protein Nitrogen Index), acidity, and gelation	7
Hukou Plant	Tests using microbiological inspection methods, such as those for testing total bacterial count, Enterobacteriaceae, coliforms, Escherichia coli, mold/yeast, Listeria, Salmonella, Staphylococcus aureus, lactic acid bacteria, and heat-resistant spores	10

Before regulatory requirements, each Standard Foods Group factory established testing laboratories voluntarily. As new products launched and government regulations evolved, we have continuously enhanced our laboratory testing capabilities and test types in compliance with these regulations. For example, with sunflower oil, we voluntarily adhere to over 20 oil testing standards and have passed 619 pesticide residue tests, aiming to exceed regulatory requirements and ensure food safety and health for consumers. We regularly participate in proficiency tests held by third-party certification laboratories and FAPAS to ensure the correctness and quality of inspection data:

Location	Proficiency test items	
Dayuan plant	Taiwan-US (6): Salmonella, Enterobacteriaceae, Bacillus cereus, Staphylococcus aureus, mold, and yeast Food Industry Research and Development Institute (3): Total viable bacterial count, coliforms, Escherichia coli Fapas (30): 8 mycotoxins, 10 multi-residue pesticide test on grains, 4 tests for oils (AV, POV, K232, K237), and 8 minerals (Ca, Cu, Mg, Mn, Mo, K, Se, Zn)	
Zhongli Plant	Taiwan-US (7): Salmonella, Enterobacteriaceae, total lactic acid bacteria, Staphylococcus aureus, mold and yeast count, Listeria monocytogenes in dairy products Food Industry Research and Development Institute (3): Total viable bacterial count, coliforms, Escherichia coli Animal Industry Research Institute (6): Total solids, non-fat solids, protein, somatic cells, milk fat, lactose	16
Hukou Plant	Taiwan-US (7): Dairy - Salmonella, Enterobacteriaceae, mold and yeast, Listeria monocytogenes in dairy products, total lactic acid bacteria, Staphylococcus aureus Food Industry Research and Development Institute (3): Total viable bacterial count, coliforms, Escherichia coli	10

Standard Foods - List of tests conducted externally

Location	Tests	
Dayuan plant	, , , , , , , , , , , , , , , , , , , ,	
Zhongli Plant	Multiple pesticide residues, animal drug residues, dioxin, benzopyrene, plasticizers, heavy metals, etc.	67
Hukou Plant	Multiple pesticide residues, animal drug residues, dioxin, benzopyrene, plasticizers, heavy metals, etc.	81

Food safety training

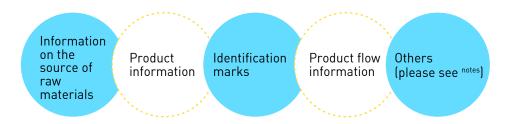
In recent years, numerous food safety issues have arisen both domestically and internationally, adversely affecting the public and tarnishing the reputation of the food industry. This has directly contributed to a growing level of public distrust in food safety. In response to these internal and external challenges, we must adhere to food safety operating principles and acknowledge the significance of food hygiene and safety within the management system. Therefore, we offer a wide range of internal and external training courses for our supervisors and employees. These courses cover topics such as food hygiene and safety, hazard analysis, food traceability, food protection, food laws, and other related issues to enhance food safety management performance and minimize risks during product manufacturing.

Standard Foods follows the "The Regulations on Good Hygiene Practice for Food(GHP)", providing food safety education and training to its employees. In 2023, we conducted internal food safety training for a total of 3,967 participants, with a total course duration of 4,635.05 hours. In the future, Standard Foods will continue to offer more external food safety training courses to internal staff, ensuring they stay up-to-date with food safety regulations, international trends, and major food safety incidents, thereby strengthening their awareness of food safety protection. In 2023, the Standard Foods Group had various professionals specialized in food safety and hygiene, possessing the following relevant certifications:

No.	Professional certificates	Dayuan plant	Zhongli Plant	Hukou Plant
1	Food technician		\bigcirc	\bigcirc
2	Intermediate Food Quality Assurance Engineer	\bigcirc		
3	Junior Food Quality Assurance Engineer	\bigcirc	\bigcirc	
4	Certified Quality Technician (CQT)	\bigcirc	\bigcirc	
5	Junior Health Food Engineer	\bigcirc	\bigcirc	
6	FSSC 22000 Food Safety Control System Lead Auditor	\bigcirc		
7	SQF Practitioner	\bigcirc	\bigcirc	\bigcirc
8	Preventive Controls Qualified Individual (PCQI)	\bigcirc	\bigcirc	
9	Dietitian	\bigcirc	\bigcirc	
10	Class B Inspection and Analysis Technician			
11	Class C Inspection and Analysis Technician	\bigcirc	\bigcirc	
12	Class B Chemical Technician	\bigcirc		
13	Class C Chemical Technician	\bigcirc		
14	Class C Chemical Engineering Technician	\bigcirc		
15	Double Seam Tin Can Quality Control Personnel			\bigcirc
16	Sealed Product Quality Control Personnel	\bigcirc		\bigcirc
17	Class B Wastewater Treatment Technician	\bigcirc	\bigcirc	
18	Class C water quality inspectors			
19	Junior Microbiology Laboratory Quality Manager	\bigcirc		
20	Specific Chemistry Operation Supervisor	\bigcirc		
21	Class C Chinese Cuisine Technician	\bigcirc		
22	Class C Baking Technician	\bigcirc	\bigcirc	
23	Class C Chinese Rice Processing Technician	\bigcirc		
24	Class C Chinese Noodle Processing Technician		\bigcirc	
25	Pest Control Operations Applicators	\bigcirc	\bigcirc	\bigcirc

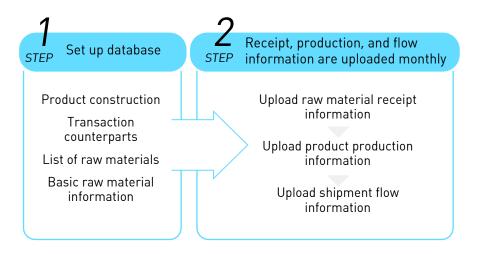
Food Traceability Management

To implement thorough management of product origins and flow, from upstream to downstream, all products must be fully traceable and trackable. This ensures that in the event of a food safety incident, the product's flow can be quickly identified and risks managed. The Standard Foods Group established a product traceability system ahead of regulations requiring food industry operators to implement such systems by the Ministry of Health and Welfare. In addition to fully uploading product-related production information to the "Food Traceability Management Information System (FTM)" every month as required by law, we also follow our internal "Finished Product Recall and Disposal Procedure" annually, conducting at least two recalls and drills. Relevant investigations and records were completed within the stipulated time frame, enhancing self-management efficiency and ensuring rapid and comprehensive tracking of product flow during food safety incidents. We can assure consumers that all Standard Foods products are traceable. We 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. We also record the production history. The main items on the tracking record include:



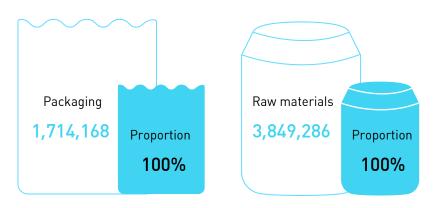
Notes: Other information includes the names, total weight or volume of raw materials and products in stock, the names, total weight or total volume of raw materials and products scrapped (including those past the expiration date), treatment measures, reasons for occurrence, and other necessary traceability management information or records that effectively link product origins and flow. All related information has been uploaded to the Ministry of Health and Welfare's "Food Traceability Management Information System" (https://ftracebook.fda.gov.tw).

Source traceability login process



Our traceable raw material procurement amount and proportion in 2023

Unit: NTD\$1,000



Notes: The ratio is the traceable purchase amount of this type of raw material divided by the total purchase amount of this type of raw material.

Source Management

The Standard Foods Group firmly believes that good quality must be ensured from the source. High-quality raw materials can produce high-quality products. Therefore, when selecting raw material suppliers, new suppliers are chosen only if they are legally compliant, reputable, and professional. Additionally, their raw material and quality management systems will meet the requirements of the "Act Governing Food Safety and Sanitation," the Food Safety Management System Guidelines, and our internal "Supplier Management Procedures" before they can become qualified suppliers. Each year, we continue to evaluate the qualifications and performance of our suppliers. The evaluation includes an assessment and grading system that considers factors such as audits, delivery performance, service, and price so that we can determine our rating for the supplier.

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. Oat raw materials undergo multiple pesticide and heavy metal tests, as well as flavor evaluations, to ensure strict quality control, and only then are they used in the production of Quaker Oats and Quaker Oat Drinks, providing consumers with safe and healthy choices.

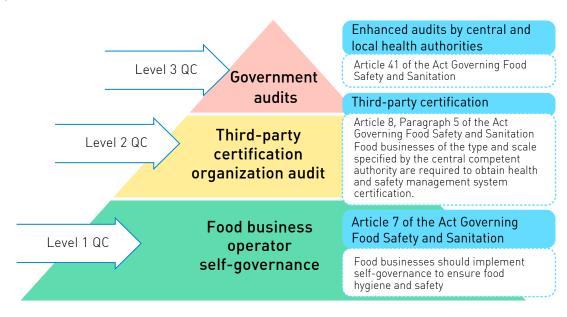
Fresh Delight Shelf-Stable "True Milk" is selected by local dairy farmers in Taiwan to create a suitable pasture environment through dairy farmers, where exclusive rations are carefully prepared according to the different conditions of the cows to take care of each cow. Fresh Delight and the dairy farmer 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 raw milk enters the plant, it must undergo multiple stringent tests to ensure it meets the national standards (CNS3055) and strict self-inspection standards. These tests include acidity, alcohol test, milk protein, somatic cell count, hydrogen peroxide, veterinary drug residues, total bacterial count, and over 15 other tests. Only when the raw milk meets these standards can it be processed and stored in tanks to produce high-quality products.

Food Safety Monitoring Plans

The Standard Foods Group follows the principles of risk assessment and hazard analysis, managing and controlling risks from the source of the product, importing, manufacturing, and storage processes to ensure that the products provided to consumers meet quality and safety standards. This is not only a commitment to consumer health and safety but also reflects our high level of attention and responsibility towards quality and food safety. Since 2015, the Ministry of Health and Welfare has been promoting the food safety management system, requiring food businesses to establish various product safety management measures to ensure the implementation of relevant quality control monitoring for each product. As of 2023, a total of 37 categories of food businesses have been required to implement food safety monitoring plans.

The Standard Foods Group is always committed to providing high-quality and safe food ingredients. Even before the government announcements, we had already fully implemented an autonomous product safety monitoring plan, systematically planning the principles for sending various products for testing to ensure product safety. Since 2018, we have been promoting a secondary food quality control mechanism, further expanding the scope of the product safety monitoring plan. Additionally, through continuous verification and audits by third-party verification agencies, product safety is ensured. Furthermore, we strengthen our third-level quality control audits through tests by central and local authorities. Both proactive and reactive measures are taken to ensure that the products we supply are completely safe.

Food Safety Three-Level Quality Control Mechanism



Food Regulation Response Management

Response to food regulations

Staying on top of the frequent and significant changes in food safety regulations is crucial. The Standard Foods Group follows our internally established "Food Regulations Compliance Management Measures" to ensure that we can implement regulations effectively once they come into effect. Through the collaboration and communication between the Labeling and Regulations Division of the Quality Assurance Department and other relevant units, the impact of regulations is determined and addressed. This ensures that we comply with regulations concerning food safety and hygiene measures, testing standards, and the legality of raw materials. Additionally, it helps in the early prevention and defense against food safety risks, thereby enhancing consumer trust.



Act Governing Food Safety and Sanitation identification, collection, notification, and tracking



Ensuring regulatory compliance and taking countermeasures according to unit responsibilities

The Quality Assurance Department releases the latest updates of the "Food Safety and Sanitation Management Act" and related laws and regulations on a weekly and monthly basis. When necessary, a "Food Regulations Response Meeting" is required. In 2023, 13 important regulatory meetings were held, with resolutions on important regulations as follows:

No.	Regulations	Response status
1	Amendments to Standards for Good Sanitation Practices	Complied (Implemented)
2	Enactment of Label Items for Infant and Follow-On Formulas	Complied
3	Enactment of Safety and Health Guidelines for Food Donation	Complied (Implemented)
4	Enactment of Restrictions on the Use and Object of Online Shopping Packaging	Complied (Implemented)
5	Amendments to Toy Labeling Standards	Complied
6	Amendments to Scope of Use, Limitation, and Specification Standards of Food Additives	Complied (Implemented)
7	Amendments to Regulations Governing the Labeling of Health Food	Complied
8	Amendments to the Sanitation Standards for Natural Food Colorants	Complied (Implemented)
9	Amendments to the Regulations Governing the Inspection, Registration, and Permit Documents of Food and Related Products	Complied (Implemented)
10	Enactment of the Standards for Good Manufacturing Practice in Health Food Manufacturing	Implementation in progress (scheduled completion date: January 1, 2025)
11	Amendments to the Methods of Testing Food Microorganisms - Total Bacterial Count Testing	Complied (Implemented)
12	Amendments to certain provisions in the Regulations for the Collection of Commodity Tax	Complied (Implemented)
13	Amendments to the Sanitation Standards for Contaminants and Toxins in Food	Complied (Implemented)
14	Amendments to the Regulations Governing the Labeling of Formulas for Certain Diseases	Implementation in progress (scheduled completion date: January 1, 2025)
15	Amendments to the Regulations on Nutrition Labeling for Prepackaged Food Products	Complied (Implemented)
16	Amendments to the Guidelines for Food Safety Monitoring Plan by Food Manufacturers	Complied (Implemented)
17	Amendments to the Regulations of Categories and Scales of Food Businesses Subject to Compulsory Registration and Dates of Implementation	Complied (Implemented)
18	Amendments to the Guidelines for Evaluation of the Expiration Date of Commercially Available Prepackaged Food Products	Complied (Implemented)
19	Amendments to the Regulations on Nutrition Claim for Prepackaged Food Products	Complied (Implemented)

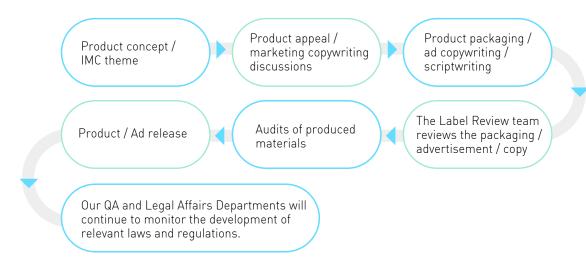
Product Labeling

The Standard Foods Group prioritizes consumer needs, leverages our core competencies to create product value, and communicates with consumers openly and honestly. We adhere to responsible marketing – we have established strict regulations at every stage – from product labeling to post-sales service, and we always strive to protect consumer rights. Our product labeling and marketing creativity provide consumers with first-hand product information. Regarding packaging labels, we adhere to the principles of transparency and accuracy, following national regulations for labeling. During the reporting period, there were 0 instances of products being recalled due to misleading packaging, with a total weight of 0 tons of removed products. There was one violation of advertising and marketing regulations, specifically violating Article 28, Paragraph 1 of the Act Governing Food Safety and Sanitation. The issue was promptly corrected, and a fine of NTD\$50,000 was paid.

The Standard Foods Group's Quality Assurance Department has established a Labeling and Regulations Division in our Group Food Safety Management Department, which is dedicated to packaging labeling and advertising review. In addition to complying with Article 22 of the Act Governing Food Safety and Sanitation and the Packaging Labeling Review Process, the team also reviews trademarks, brands, environmental recycling, and production sources to ensure compliance. In 2023, a total of 830 packaging materials were revised and reviewed in multiple stages, such as in the initial and final drafts, reducing labeling review blind spots and maintaining the quality of labeling.

The Labeling and Regulations team not only conducts packaging label reviews but also examines marketing and advertising copy to ensure that consumers can have an accurate understanding of the products. The team regularly holds educational training on labeling and advertising regulatory changes to enhance the awareness and understanding of relevant personnel, improve the efficiency and accuracy of both review and promotion efforts, protect consumer rights, and enhance brand image and value.

Standard Foods product label and marketing copy review process



Consumer Product Consultation and services

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

The dedicated customer service team regularly receives company training, ensuring that every customerfacing staff member possesses professionalism, sincerity, patience, and good communication skills to properly address consumer inquiries related to our products, nutrition, distribution channels, and promotional 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. We have conducted at least 100 focus groups annually and collected research reports on consumer purchasing behavior every month to better understand the consumers' true needs and thoughts. The toll-free customer service hotline answers hundreds of inquiries from consumers daily in the hopes of resolving the consumers' doubts promptly, truly understanding the consumers' expectations, and making consumers feel our sincere and caring service.

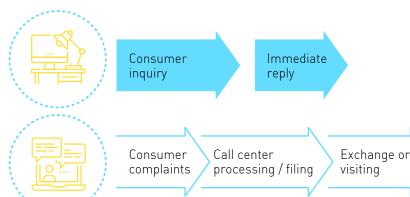
Product examination

and evaluation

Consumer satisfaction

Adhering to the corporate mission of becoming "every family's nutrition and health partner," the Standard Foods Group is dedicated to pursuing good nutrition. We strive to enhance the nutrition and health of Taiwanese consumers through our food products. Continuously grounded in science and aimed at innovation, we seek excellence in the food industry, enabling more Taiwanese consumers to live "a lifetime of well-being." Every year, we conduct brand preference surveys to understand consumer preferences, listen to their voices and suggestions, and continuously improve our services.





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 we collaborate with internal departments to continuously improve ourselves. When feedback from the consumers and our important customers is received, it is immediately sent to relevant units for follow-up actions. At the beginning of each month, we remind the responsible units to track the important feedback from the previous month. We also track product feedback and improvements each quarter and analyze appropriate improvement plans for important products annually, establishing a comprehensive customer demand response process.

Reply to the consumer

appropriate solution(s)

involved / Provide

Case

closed

Consumer Personal Data and Consumer Rights Protection

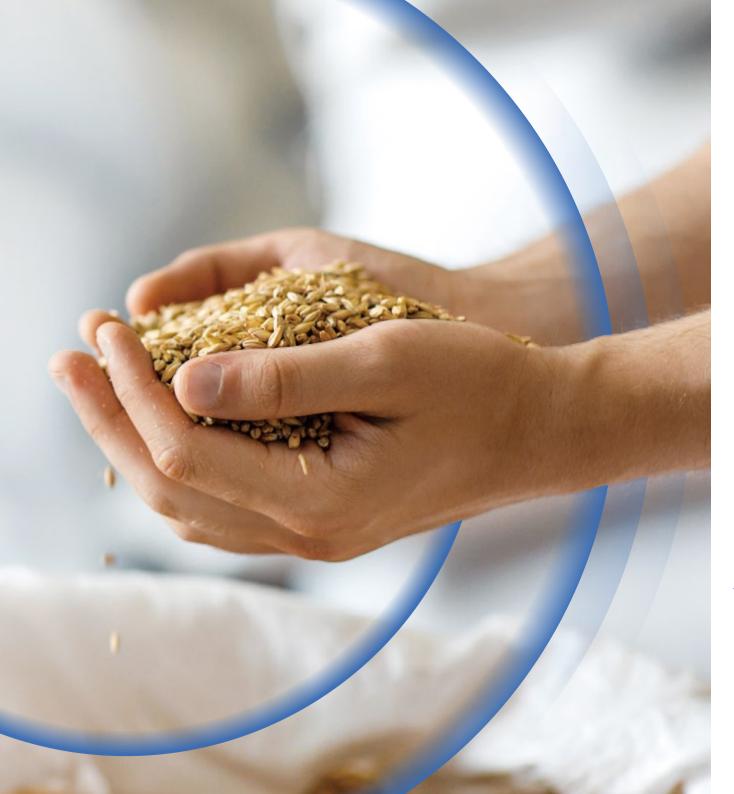
Standard Foods complies with the relevant provisions stipulated by the Consumer Personal Data Protection Act to protect the personal information of consumers and consumer-related rights and interests and has allocated considerable resources to formulate and implement the personal data security maintenance plan. We also hold personal data protection-related training sessions to promote our employees' awareness of laws and regulations. We also formulated privacy policies and legal provisions and published them on our official website / e-commerce platform. Standard Foods will continue to implement personal data security maintenance plans, protecting the personal data protection of our consumers.



Review report /

Strategy discussions

Note: The data in 2023 included the customer service data from our Facebook fan page, and hence the increased number of replies.



03 Supply Chain Management

Sustainable Value Chain	81
Supplier Risk Assessment	84
Supply Chain Evaluation and Auditing	85
Sustainable Procurement	88

Supply chain management

Material topics



Supply chain management

Visions and Commitments



••••

The Standard Foods Group continues to be committed to investing in sustainable corporate development. We have established a solid relationship with suppliers and diversified procurement solutions, practicing responsible production and supply and building a sustainable supply chain.

Corresponding UN SDGs

Short-term goals

 $[2024 \sim 2026]$





Timeline



Goals

Strategy

- To adjust safety stock and find alternative suppliers in response to global changes
- In 2024, we expect to audit 99 manufacturers + (finished product contract manufacturers
- To complete the Standard Foods support programs and introduce the ISO20400. sustainable procurement in 2024
- To continue to support procurement of local raw materials, such as tea, Sweet potatoes (purple sweet potatoes), Chishang Rice, lime Juice, Taitung organic rice
- To increase the direct delivery of items and raw materials, reduce train trips - adding two new bulk raw materials to the list of materials that are directly delivered to production plants; adding one finished product to the list of products that are directly delivered to
- To request carbon emission-related information from key raw material suppliers customers
- To increase the number of suppliers that have signed the Supplier Guidelines, voicing our expectations for supplier business integrity, anti-corruption practices, labor practices, health and safety practices, and environmental management
- To reduce the frequency of shipments or select transportation methods with lower carbon emissions if their impact on inventory costs and inventory level is acceptable

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- Expanding the scope of certification
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- To reduce the frequency of shipments or select transportation methods with lower carbon emissions if their impact on inventory costs and inventory level is acceptable

Mid-term goals $(2027 \sim 2029)$

- To continue to develop environmentally friendly packaging materials and reduce the use of plastic in our products; to collaborate with the R&D team to explore new supplier options and share the industry news and latest information
- To include ESG standards in our audits
- To consider environmental protection issues during new product development
- To transport raw materials using low-carbon emission shipping routes, monitor the real-time status of cargo ships, and then coordinate voyages
- Continuing to develop environmentally friendly packaging materials and reduce plasticization of products, collaborate with R&D team to develop new suppliers and provide feedback to the industry
- Adjustment of audit content to include ESG standards
- New product development incorporates environmental issues
- Transportation of raw materials on low carbon emission routes, tracking of shipowners' conditions and scheduling of voyages

2023 Standard Foods Group

Sustainability Report



We have long been dedicated to managing our supply chain, continually enhancing the transparency and traceability of our food supply chain. Having advanced and comprehensive inspection technologies as the foundation, we collect and analyze data throughout the supply chain, implement comprehensive quality management, and ensure that the information is transparent and connected. This ongoing improvement enhances the overall quality and efficiency of the supply chain. Aligned with sustainability principles, we promote the concepts of human rights, labor rights, environmental protection, and anti-corruption to our suppliers, striving for sustainability in conjunction with the world.

08

To strengthen supply chain sustainability management, we have established "Supplier Management Procedures" and "Contractor Management Policy" for raw material suppliers and contractors respectively. Suppliers and contractors are subjected to annual evaluations and periodic audits according to these standards, conducted by an evaluation team through written or onsite assessments. In 2023, 100% of the suppliers passed our audits and we evaluated 100% of our suppliers.

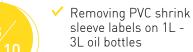
In pursuit of sustainable supply chain development, the Standard Foods Group updated our "Supplier Code of Conduct" in 2023 and incorporated it into contracts, requiring suppliers to commit to compliance.

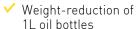
In response to conflicts arising from geopolitical tensions and climate change, the Standard Foods Group formulated and distributed an ESG questionnaire to all suppliers in 2023. The responses from the supplier ESG questionnaire were used to comprehensively analyze the level of concern across various sustainability dimensions, identifying potential risks and contingency measures for the short, medium, and long term.

Committed to sustainability, the Standard Foods Group continues to support local sourcing. In 2023, we reached the highest rate of local raw material purchases in the last three years. Simultaneously, in collaboration with the R&D team's innovative technologies, we successfully implemented projects aimed at reducing packaging weight and plastic use. We utilized eco-friendly materials, initiating a total of 10 projects as part of our continuous effort toward sustainable operation.

Packaging Material Improvement Project









 Standardization of pouch materials for cereal powders



- Reducing bottle weight for 290 ml, 1700 ml, and 1830 ml cereal drinks
- Recycling and replacing shrink sleeves on 290 mL containers
- Removing 1892 ml
 packaging and
 consolidating relevant
 products into the 1830 ml
 product lines



Weight-reduction of 60 ml glass bottles





[Legal Affairs Department Highlights]

For many years, Standard Foods' Corporate Legal, Environmental, Social, and Corporate Governance team has focused on managing operational risks, compliance, and governance. As the external legal landscape evolved, issues such as environmental, social, and corporate governance have become key responsibilities for the legal team, as these areas are underpinned by legal requirements. Over the years, regulatory agencies in developed economies have aimed to increase transparency in environmental, social, and corporate governance. They have tightened regulations for their domestic operations and affiliated enterprises, requiring them to enhance disclosure and reporting on anti-bribery and corruption, anti-money laundering, health and safety, and employment matters.

- This leads to increased risks of activism and litigation as scrutiny of corporate practices becomes stricter. The Standard Foods Group's legal team plays a vital role in helping the corporation navigate these changing conditions and meet the expectations of the market. In this context, the Standard Foods Group legal team will continue to help the corporation manage legal risks related to environmental, social, and corporate governance (ESG) agendas, as well as actively address potential reputational risks associated with our promise and actual performance in these areas.
- The legal team will assist the group in establishing and implementing concrete steps for its ESG initiatives. These steps include conducting materiality assessments of sustainability issues based on domestic and international legal practices, aiding in the development of related plans and strategies and supporting sustainability initiatives with legal expertise. This will promote sustainability efforts, strengthen relationships with various societal stakeholders, and ensure that we are well-prepared to manage and strive for sustainable development.

Sustainable Value Chain

"Quality" is the essence 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 technologies, 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 organizational changes in the scale, structure, or ownership of Standard Foods.

Standard Foods and the industrial value chain

Upstream

Raw Materials

Midstream

Standard Foods

Downstream

Frozen, canned, dehydrated, and pickled foods
Dairy products
Nutrition food products
Food and beverage franchises

Supply chain management policies

We have always adhered to the food safety and environmental sustainability principles. The principles are implemented in "supply chain management," which identifies – at the source – raw materials that are beneficial to the human body and environmentally friendly and subjects them to strict process controls in order to reduce waste and maximize resource utilization during production. We conduct quality tests for every item before the food items leave the plant, to make sure that consumers receive products that meet food safety and sanitation standards, protecting the health of our consumers. We also collaborate with various qualified suppliers to take responsibility and contribute to environmental sustainability.

To ensure the highest quality of essential raw materials, our quality assurance and procurement teams will first assess the external environment of the supply farmland to understand the surrounding conditions and verify the purity of the water source. They will then evaluate whether the quality of the farmland and the planting methods meet our standards. Finally, they will inspect the processing status and the plant environment to ensure compliance with our standards. A supplier can become our supply partner only when all internal and external factors meet our standards. We have implemented source management as a crucial step to ensure food safety and quality.

To strengthen sustainable supply chain management, we have developed "Supplier Management Procedures" for our raw material suppliers and "Contractor Management Regulations" for our contractors. Based on these standards, annual evaluations and random audits are conducted on suppliers and contractors by the evaluation team, which can be either written or on-site assessments. We 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 following our supplier audit procedures. If the audit found serious pollution risks in the supplier's production operations or incomplete tracking or traceability information, the supplier is required to adhere to our regulations, respond within 14 days, and propose corrective and improvement measures for the deficiencies.



Sustainability Clauses Added to Supplier Contracts

In September 2023, Standard Foods Corporation established the "Supplier Code of Conduct," which lays out our expectations for suppliers in business integrity, anti-corruption practices, labor practices, health and safety practices, and environmental management.

The signing methods include renewing contracts upon expiration, sending just the code of conduct for signature to those with ongoing contracts, and incorporating it into new supplier agreements. Currently, both domestic and international suppliers have achieved an 85% signing rate of the Supplier Code Of Conduct.





Professionals in the Quality Assurance Department must strictly check each batch of raw materials before they enter the plant, and they can only be accepted if they meet our 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 our internal professional inspection and go through an independent external third-party organization when necessary, ensuring that every batch of materials we receive is completely safe.

All raw materials must be stored at a specific temperature to maintain their quality and freshness, and their expiration date is strictly monitored. Our raw material warehouses are specially designed to be divided into normal temperature warehouses (room temperature), air-conditioned warehouses (below 30°C,) refrigerated warehouses $(0-7^{\circ}C)$, and frozen warehouses $(-18^{\circ}C)$ 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

Raw materials

Our 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 sole criterion for selecting suppliers. Even if a supplier offers low prices, they will be excluded from the list of qualified suppliers if the quality of their raw materials is not consistent. Only the suppliers who can help to provide consumers with high-quality and stable products can become our long-term partners.



Note: The data came from the raw materials used by Standard Foods' Dayuan, Zhongli, and Hukou plants in 2023. The weight of the materials used was 66,371 tons.

Packaging

The main packaging materials Standard Foods uses are glass, iron, aluminum cans, plastics, cardboard boxes, etc. The packaging materials are selected based on the following four indices:

Quality and safety

All packaging materials that come into contact with food must meet the Sanitation Standard for Food Utensils. Containers, and Packages specifications to ensure that the packaging materials that come into direct contact with food are completely safe.

Environmental protection and recycling

All product packaging is labeled with the Environmental Protection Agency's national recycling logo to remind consumers that the resources can be recycled after use. Standard Foods uses cardboard boxes made of environmentally friendly, recycled pulp for the interests of environmental sustainability.

We carefully select suppliers who pass product testing, and we are committed to reducing the amount of consumable product packaging we use to mitigate the rapid decline of trees caused by human overexploitation.



Environmental friendliness

In response to the rise in eco-friendly shopping, the proportion of paper packaging materials used in Standard Foods and Standard Dairy products that are certified by the FSC (Forest Stewardship Council) is 53.7% ^(note)

Note: Calculation of FSC certified packaging material percentage: (green packaging materials purchased) / (total paper packaging materials purchased.) Specifically, the long-life milk and our refrigerated milk cartons are now all using FSC-certified packaging.



Waste reduction

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

Supplier Risk Assessment

To ensure the highest quality of essential raw materials, our quality assurance and procurement teams will first assess the external environment of the supply farmland to understand the surrounding conditions and verify the purity of the water source. They will then evaluate whether the quality of the farmland and the planting methods meet our standards. Finally, they will inspect the processing status and the plant environment to ensure compliance with our standards. A supplier can become our supply partner only when all internal and external factors meet our standards. We have implemented source management as a crucial step to ensure food safety and quality.

To become a supplier of raw materials for Standard Foods, a continuous improvement mindset and attitude are essential. Standard Foods continuously encourages and requires suppliers to pass relevant quality system certifications, such as ISO22000, SQF (Safe Quality Food,) BRC (British Retail Consortium Global Standard for Food Safety,) FSSC 22000, IFS, etc. Through a systematic and ongoing evaluation mechanism, reputable and excellent suppliers are selected, ensuring the quality of raw and other materials, thus producing products that Taiwanese consumers can trust and safely consume. In 2023, the structure, and suppliers of the supply chain remained stable, with no major changes.

- > To have obtained a legal food plant registration certificate and a 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 must comply with GMP, HACCP, ISO22000, SQF, and other quality verifiers.



2023 Standard Foods Group Sustainability Report

44.44% of our primary raw material suppliers have obtained the ISO 14001 certification

We continue to ask our "primary raw material suppliers" to obtain the ISO14001 environmental management system certification to reduce environmental risk impacts. In 2023, environmental risk assessments were conducted for nine primary raw material suppliers with whom there were actual transactions. Among them, four suppliers have passed the ISO14001 Environmental Management System certification, accounting for about 44.44% of our total suppliers. Risk assessments were carried out for the remaining five suppliers who had not passed the certification, and it was confirmed that all key raw material suppliers had no significant, actual, or potential negative impacts on the environment.



To prevent social risks related to human rights violations within the supply chain, Standard Foods conducted social risk and human rights impact assessments on all 293 raw material suppliers in 2023. Based on their annual supplier evaluation grades, media reports, brand value, and audit performance, it was ensured that they met our requirements on labor rights, safety, and health. Effective measures were taken to prevent negative incidents.



All of our suppliers must pass the initial qualification review, sample tests, on-site supplier audit, and annual evaluation. Every qualified supplier needs to go through all of these stages. For example, suppliers must have a company registration, business registration, plant registration, and other legal registration certificates. Before a purchase is finalized, the relevant departments at Standard Foods, such as R&D, must approve the samples. Before a purchase, complete raw material composition specifications and relevant data must be provided for analysis and comparison. Raw materials imported abroad must have a license; their labels cannot be replaced, and the packaging may not be altered. Suppliers 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 Evaluation and Auditing

85

Supplier Evaluation

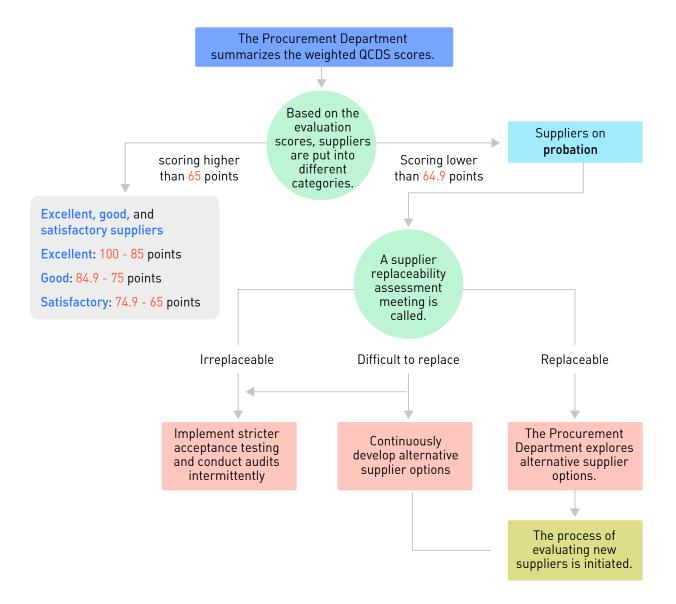
Standard Foods visits and communicates with suppliers and contractors to understand the status of our partners' implementation of laws and regulations and ensure or remind them to comply with the various laws and regulations. Additionally, our company regularly evaluates suppliers and contractors. They are graded excellent, good, satisfactory, or on probation.

Every year, Standard Foods conducts an annual assessment of raw material suppliers, evaluating and grading them in four key areas: Quality (Q,) Cost (C,) Delivery (D,) and Service (S.) This comprehensive evaluation and grading serve as the basis for risk management. We weighed the degree of significance of the operational impacts to adjust the weighted grades. In 2023, the supplier evaluation criteria and their respective weights included: quality assurance (60%,) reasonable prices (15%,) stable delivery times (15%,) and service and technical improvement (10%.) Our supplier evaluation results in the past 3 years are as follows:

Standard Foods 2021-2023 Supplier Evaluation Results

Supplier	Grade	2021	2022	2023
	Excellent	236	254	255
	Good	23	19	31
Suppliers	Satisfactory	0	0	6
	On probation	0	0	1
	Total	259	273	293

Supplier categorization and ensuing action plans



Standard Foods 2023 contractor evaluation results

Standard Foods has established the "Service Vendor Management Standards" for engineering procurement service vendors and contractors in accordance with the above principles. The purpose is to ensure that the services, goods, and processes of external vendors meet the requirements of Standard Foods, and to formulate these standards by evaluating, selecting, and controlling the relevant actions to strengthen and implement the management of external vendors in order to comply with the quality and safety standards of Standard Foods. The service vendors are evaluated and categorized into A (no risk), B (low risk), C (medium risk), and D (high risk), and those who are evaluated to be under observation and those who are categorized as D are considered as substandard vendors, which will be counseled or tightened up depending on the situation, and alternative vendors will be found. The evaluation of service providers is based on Quality (Q), Cost (C) and Service (S).

In accordance with the aforementioned methodology, the risk assessment of service providers and contractors for FY2023 was conducted based on the scoring criteria of provider risk factors (brand value, supply dependence, media coverage, and food safety), and the results are as follows:

Standard Foods 2023 contractor evaluation results

Evaluation results	2023
A (risk-free)	0
B (low risk)	10
C (medium risk)	3
D (high risk)	0
Subtotal	13



- Environment, architecture, and equipment
- Sanitation management
- Incoming materials, storage, and transportation
- Quality systems (laboratory, instrument calibration
- Quality system management

- Factory safety management
- Source Management
- Production process management
- Recall, customer complaints, and traceability management
- Product labeling

Supplier audits

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. In 2023, 89 suppliers were audited, and replaceability assessment or review guidance was conducted for suppliers with a score below 70 points. Additionally, new suppliers, or those who have experienced significant issues, undergo intermittent audits to ensure smooth communication and a shared commitment to food safety and quality, fostering a relationship of mutual trust and benefit.

Standard Foods 2021 - 2023 supplier audits overview

Audit methods		2021	2022	2023
	Number of suppliers transacted with	259	273	293
	Number of audits conducted (Regular)	26	47	89
On-site audit	Audit percentage (note)	10.04%	17.22%	30.38%
	Number of suppliers passing the audits	25	47	84
	Percentage of audit passage	96.15%	100.00%	94.38%

Note: The "audit percentage" denotes the proportion of suppliers who not only successfully passed the audits but also sold materials to Standard Foods within the given year.



Supplier Sustainability Survey

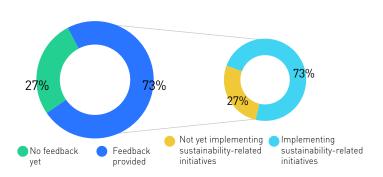
To address sustainability issues and understand stakeholders' interests in environmental, social, and governance topics, an online, non-paperbased survey was sent to suppliers.

To address sustainability issues and understand stakeholders' interests in environmental, social, and governance topics, an online, non-paperbased survey was sent to suppliers. The survey sought to understand the current compliance level of the three sustainability dimensions among suppliers, inquiring about their sustainability reports, dedicated teams, environmental certifications (such as ISO14001, ISO14067, ISO14046, ISO14063,) and written labor management policies.

The survey was sent to 273 qualified and active suppliers, with 202 returning the completed questionnaire, resulting in a response rate of 73%.

Survey results:

Supplier ESG Response Rate (200 out of 273)



In 2022, we had 273 qualified and active suppliers, with an increase expected in 2023.

The content of the questionnaire is scheduled to be revised annually and distributed to suppliers to assess their progress and level of engagement with sustainability issues.

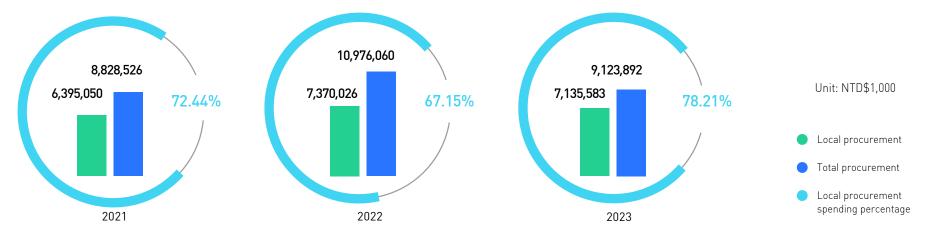
Unit: NTD\$1,000

Sustainable Procurement

At our key operational sites (including those mentioned in this report,) we strive to use local sourcing to reduce carbon emissions from long-distance transport and to support local business development. In 2023, local procurement accounted for approximately 78.25% of total spending. Going forward, the Standard Foods Group will continue to maintain this level of spending and further assess the feasibility of increasing the proportion of local procurement and set concrete targets.

Our local procurement spending in the past 3 years

2023 Standard Foods Group Sustainability Report



Note: The definition of "local" procurement in this table refers to Taiwan.

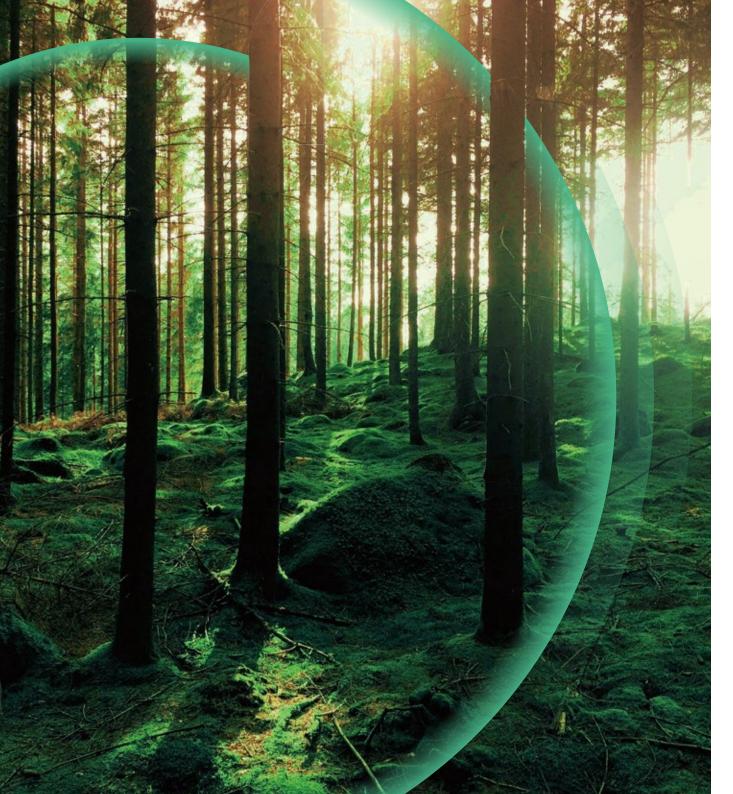
We have been continuously promoting environmental protection policies in recent years. All Standard Foods units are encouraged to use environmentally friendly / green products. We also promote energy-saving and waste-reduction projects. We have promoted green procurement policies, purchased energy-saving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

Note 1: Green procurement is defined as products with domestic or international environmental labels, products labeled as energy-conserving, water-conserving, green building materials, or products with certain labels, such as carbon footprint label, carbon reduction label, or sustainable forestry labels, like FSC, PEFC, and the Taiwan Timber label.

Note 2: Engineering and information disclosures were not made for 2021 and 2022, and therefore only the green procurement percentage for 2023 is disclosed.

	Our green	procurement	percentage	in 2023	
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	Year	
	Engineering	17,348
Green procurement	Packaging	201,031
oreen procurement	General procurement (including IT)	6,168
	Total green procurement amount	224,548
	Engineering	693,230
Total procurament	Packaging	441,875
Total procurement	General procurement (including IT)	10,105
	Total procurement	1,145,209
Green pro	19.61%	



Environmental Sustainability

Climate-Related Financial Disclosures	92
Our Green Value Chain	98
Air Pollution Control	103
Water Stewardship	104
Usage of materials	107
Waste Management	108

Material topics



Response to climate change

Visions and Commitments



....

The Standard Foods Group aims for international environmental standards, promoting daily environmental activities and energy and carbon reduction policies.

In response to domestic regulations, we enhance the identification and assessment of climate change risks and impacts. We develop improvement measures to mitigate climate-related financial risks and identify corresponding financial opportunities related to climate change.

Corresponding **UN SDGs**





Timeline

Short-term goals

 $[2024 \sim 2026]$



Goals

Strategy

To complete, in 2024, the greenhouse gas emission inventory and verification of the group's four major sites and all six business locations in Taiwan

To participate in the CDP Carbon Disclosure Project

The energy management policy states that all employees must participate in energy conservation and carbon reduction efforts

- To complete, in 2024, the greenhouse gas emission inventory and verification of the group's four major sites and all six business locations in Taiwan
- By 2025, complete carbon footprint verification (ISO14067) for two products
- By 2026, complete the ISO14064-1 entire greenhouse gas inventory for the entire group (including our subsidiaries) and establish long-term carbon reduction goals for the group
- By 2026, achieve a 3% reduction in carbon intensity (base period: 2023; unit: tons / NTD\$1 million in revenue)
- By 2026, achieve a 5% reduction in water intensity (base period: 2023; unit: tons / NTD\$1 million in revenue)
- From 2025 to 2026, we plan to coach our subsidiaries to complete the ISO14064-1 greenhouse gas inventory and set the group's long-term carbon reduction goals.

- Follow the energy management policy and involve all staff in energy saving and carbon reduction.
- Setting up an energy inventory team to enhance autonomous management of energy and water sources.
- Establishment of Product Carbon Footprint (ISO14067) project and team.
- Establishment of TCFD Project and Team.

Mid-term goals

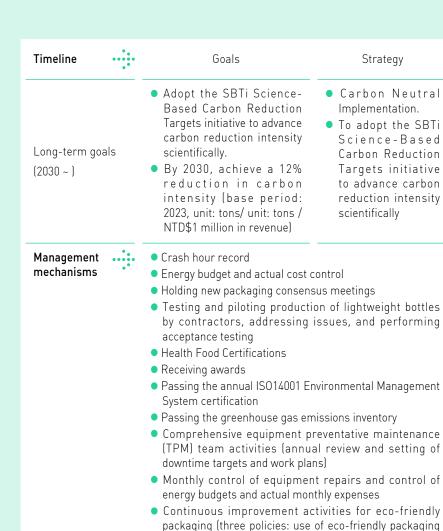
 $[2027 \sim 2029]$

- By 2027, implement the CDP Carbon Disclosure Project
- By 2027, complete the IFRS S1 S2 reports
- By 2028, complete the entire ISO14064-1 greenhouse gas verification for the group (including subsidiaries)
- To obtain the ISO50001 certification
- By 2027, achieve a 5% reduction in carbon intensity (base period: 2023; unit: tons/million NT dollars in revenue)
- By 2029, achieve a 10% reduction in carbon intensity (base period: 2023, unit: tons/million NT dollars in revenue)
- To use green building materials, expand greening around the plant,
- To adopt gravity transportation to reduce power consumption, and plan efficient public equipment
- Improving the energy management team mechanism.
- Improvement of the IFRS S2 team operation mechanism.

2023

Performance

Highlight



materials, reduction in packaging materials, and reuse)

• All three factories passed the ISO14001 Environmental

• In 2023, the group's factories saved 13,937 tons of water.

Management System certification.



[Environment Highlights]

Sustainable water resource management has become a critical element of corporate ESG initiatives. Especially as water resources become increasingly scarce without any substitutes, the global demand for water continues to rise. National economies and social development heavily rely on a stable supply of water, making its value far surpass mere pricing. Compared to other natural resources, water is indispensable, ascending to the status of a critical strategic material at the national level.

The processed food industry requires a substantial supply of water for blending, processing, and cleaning products and equipment. Moreover, the food industry must manage wastewater produced during processing. With Taiwan's stringent water supply conditions and escalating water scarcity, the processed food industry faces increasing operational risks. Faced with production needs or regulatory constraints, rising operational costs and water shortages are challenges that operators must address. Therefore, operators can conduct financial analyses to assess the risk and cost of water conservation projects to enhance operational efficiency and manage risks related to water resources adequately.

Recognizing this, our factories are focusing on how to improve water use efficiency across the supply chain, including manufacturing and distribution. Efforts include completing water recycling facilities and implementing measures to increase the rate of recycled water use to achieve water balance and reduce the risk of water shortages, ensuring sustainable development. Building on this, the Standard Foods Group continues to promote water-saving projects. In 2023, the

Dayuan factory added an LCC-S type watersaving closed-loop cooling tower (LCC-V-125S) to the tonic beverage production line, replacing the old open water-cooling tower, and a water recycling project for the tonic drink production line. The Zhongli factory completed the addition of a 300RT energyefficient and low-noise cooling water tower. The total investment amounted to NTD\$6.749 million, resulting in an actual annual water saving of 13,937 tons.



The Zhongli factory completed the installation of a 300RT energy-efficient, water-saving, and low-noise cooling water tower.



The Dayuan factory completed the addition of an LCC-S type water-saving closed-loop cooling tower (LCC-V-125S) to the tonic beverage line.



(Business Highlights)

Standard Foods Collaborated with Carrefour for the First Time on the Campaign "You Buy Health, We Donate," Aimed at Supporting Remote Areas with Love

Committed to food safety and nutritional health, Standard Foods continuously promotes sustainability and low-carbon strategies, offering popular and sustainable products as the main focus of the campaign. These products are prominently displayed in the "i-themed area" inside Carrefour stores to increase visibility and promote sustainability.

Moreover, this campaign includes a charitable aspect: for every NTD\$299 spent on Standard Foods products, one bottle of Fresh Delight Shelf-Stable "True Milk" would be donated to the Taiwan Food Bank Association, aiming to nourish children in remote areas and focus on the health of more children through practical actions. Through this integration of sustainability and charity, Standard Foods and Carrefour achieved impressive results, with sales growing 43.5% compared to the same period historically, resulting in nearly 80,000 bottles of long-life milk donated. Additionally, Standard Foods and Carrefour selected 21 top-selling sustainable products, including ten products certified with the national Little Green Man (health food) certification, 7 with the green purchasing FSC Paper Selection certification, and 4 with the Tzu Yue Clean Food Label.

- The FSC Paper Selection certification indicates that the product packaging materials are sourced from FSCcertified suppliers, adhering to international standards for legal logging and responsible management, contributing to the preservation of tropical rainforests and ecological balance.
- The Tzu Yue Clean Food Label certifies that products do not contain any of the eight major additives, that they are made from non-GMO ingredients, and that they comply with regulatory standards for pesticide residues, promotina naturally clean products with minimal or no additives.
- The national Little Green Man health food label is awarded to health food products proven effective in clinical trials and officially recognized by the Ministry of Health and Welfare.

In 2024, Standard Foods plans to continue our collaboration with Carrefour on green / sustainable efforts, consistently focusing on environmental protection, promoting social inclusion, and fulfilling corporate social responsibilities to meet consumer expectations.



Climate-Related **Financial Disclosures**

Disasters caused by climate change have become frequent in recent years. We have 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 our coping policies and preventive actions when climate-related risks strike and to appropriately disclose the financial impact caused by them. We strive to become climate resilient. We hope to identify opportunities to ensure profitability following proper climate adaptation and disaster recovery measures, addressing potential climate-related disasters.



Four Core Elements Of TCFD

Core elements of climate-related financial disclosures









- The Standard Foods Group's Sustainability Development Committee and the Environmental Sustainability Team gather various departments periodically to discuss the potential internal and external impacts of various issues, including identifying and assessing climate change risks and responses 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.
- The Sustainability Development Committee and Environmental Sustainability Team report our annual ESG performance to the Board of Directors, who then confirm short-, medium-, and long-term goals, including issues related to climate change.
- We have taken the potential impact of climate change into the overall operation consideration, estimating the probability of risk occurrence and the degree of impact. We have formulated a risk response and mitigation plan and identified concrete and transformation risks and opportunities based on business type, risk strategy, and financial planning status. The goal is to conduct scenario simulation (physical risk: RCP 2.6, RCP 8.5, transition risk: NDCs, domestic regulations) for possible future climate financial impact, plan active 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, comprehensively reducing the carbon footprint of corporate operations, product production, and sales. In response to global climate change and the greenhouse effect on the environment, we have formulated energy-saving and carbon-reduction measures, promoting energy-saving management in offices and public areas and reducing waste. We have also implemented green procurement, purchased products with energy-saving and environmental protection labels, and truly fulfilled energy-saving and carbon-reduction according to government regulations.
- Please refer to the Financial Impact of Climate-Related Risks and Opportunities for our main short-, medium-, and long-term risks and opportunities.
- To identify and assess significant impacts or risks related to operations, the Sustainability Development Committee regularly evaluates climate change risks to understand specific potential financial impacts. This evaluation forms the basis for policy-making and goal-setting and establishes a comprehensive climate management process, including identification, assessment, management, recovery, and adaptation steps, with ongoing monitoring. For details, refer to the "Climate-Related Risk Identification and Assessment, Management Process Diagram."
- We use 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. Energy saving and carbon reduction policies:
 - Short-term planning: We plan to assist all six operational sites across Taiwan to be incorporated into the head office domain, completing the ISO14064-1 greenhouse gas inventory and verification for the entire group by 2024.
 - Medium-term planning: By 2026, We plan to achieve a 3% reduction in carbon intensity (base period: 2023; measured in tons per million NT\$ of revenue)
 - From 2025 to 2026, we plan to coach our subsidiaries to complete the ISO14064-1 greenhouse gas inventory and set the group's long-term carbon reduction goals.
 - Long-term planning: By 2027, we plan to achieve a 5% reduction in carbon intensity (base period: 2023; measured in tons per million NT\$ of revenue

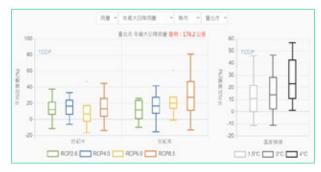
Scenario: Changes in Our Physical Environment

Based on the selected RCP climate scenarios, the Environmental Sustainability Team under the Sustainability Development Committee assessed the potential climate disaster impacts that could occur within a temperature rise of 2.4°C to 4.4°C for the head office in Taipei, and the factories in Dayuan, Zhongli, and Hukou, all located in Northern Taiwan. The assessment utilized public climate models/charts from sources such as the Taiwan Climate Change Projection and Adaptation Knowledge Platform (https://tccip.ncdr.nat.gov.tw/) and the 3D Disaster Potential Map (https://dmap.ncdr.nat.gov.tw/1109/map/,) simulating climate scenarios from RCP2.6 to RCP8.5, showing little variation in results. Estimates of the increase in average annual rainfall and maximum daily rainfall by the end of the century do not exceed the disaster criteria set by the "3D Disaster Potential Map:" 650 mm of rainfall in 24 hours. Thus, the company does not face immediate risks of flood disasters. However, there remains the potential for operational disruptions, transportation difficulties, supply chain interruptions, and employee absence due to typhoons or other natural disasters.

The IPCC RCP climate scenario types and related indices adopted by us

Scenario	RCP 2.6	RCP 8.5	
Temperature rise	~2.0 °C	~4.3 °C	
Climate-related data indices	The maximum daily rainfall is 204.3 mm The average annual temperature is 23.8°C.	The maximum daily rainfall is 259.5mm. The annual average temperature is 25.9°C.	

Standard Foods' maximum daily rainfall forecast



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

Standard Foods' daily maximum rainfall flooding 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 products.

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".) By 2030, with the goal of reducing greenhouse gas emissions by 50% under BAU (Business As Usual,) if Taiwan's renewable energy production share increases from 5.6% in 2019 to the 40% targeted by national energy policy by 2030, due to the higher costs of renewable energy in Taiwan, the Ministry of Economic Affairs called for the first electricity rate review meeting of 2023 on March 17, ultimately deciding to increase the average electricity tariff by 11% for the first half of 2023 (April to September.)

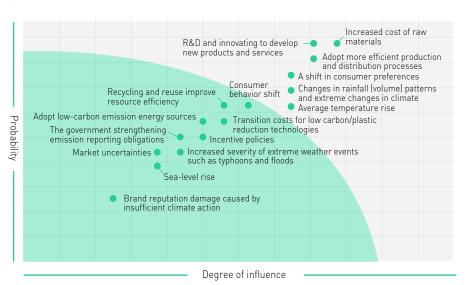
According to the Ministry of Economic Affairs, the actual average unit price of Taipower in 2022 is NTD\$2.8064 NTD/kWh, and the overall average electricity price in 2023 after adjustment based on the summer plan is 3.1154 NTD/kWh, an increase of 11%. The new rates came into effect on April 1, 2023.

For the Standard Foods Group, adding up the total electricity purchased by all major factories and headquarters in 2023, which is 31,554 MWh, the estimated additional annual electricity cost in 2024 with the aforementioned tariff increase will be an additional NTD\$9,750,186. Based on the scenario analysis results, we will continue implementing various energy-saving measures in response to the potential impact of our electricity consumption.

Financial Implications Of Climate-Related Risks and Opportunities

Standard Foods conducts risk assessments for projects with climate risks and opportunities, analyzes them, and ranks them based on the degree of impact and occurrence opportunities. We identify and analyze medium and high-risk projects, and then formulate appropriate response measures to improve our resilience in responding to climate change risks and opportunities.

Climate-related risks and opportunities matrix



List of climate-related risks and opportunities

Risks from climate change

- 1. Higher price on greenhouse gas emissions
- 2. The government strengthening emission reporting obligations
- 3.Increased / changed requirements and regulatory standards for existing products and services
- 4.Low-carbon/plastic-reducing products replacing existing products and
- Transformation risks 5. Transition costs for low carbon/plastic reduction technologies
 - 6. Consumer behavior shift
 - 7. Market uncertainties
 - 8 Increased 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
 - 12. Changes in rainfall (volume) patterns and extreme changes in climate
 - 13. Average temperature rise
 - 14 Sea-level rise

Opportunities

- 1.Adopt more efficient production and distribution processes
- 2.Recycling and reuse improve resource efficiency
- 3.Adopt low-carbon emission energy sources
- 4.Incentive policies
- 5.R&D and innovating to develop new products and services
- 6.A shift in consumer preferences

Climate-Related Risks and Financial Impacts

Transformation risks

Climate-related risks	Impact period	Description	Potential financial impacts	Adaptation and response	
	Policies and regulations				
Laws and standards for energy-efficient products		• According to Provisions for the Heavy Electricity Consumers in the Renewable Energy Act, which took effect in 2021, users with a contract capacity of 5,000 kW or more must self-generate 10% of their electricity from renewable sources within five years.	• Energy costs increase. Based on the announced increase in electricity rates by Taipower, the group's electricity expenses for 2024 are estimated to increase by approximately NTD\$9.75 million. The electricity charges will increase annually according to Taipower's green electricity policy, resulting in significant financial impacts.	 Each plant implementing energy-saving and carbon-reduction measures such as equipment replacement, renewal, or process improvement; In 2023, a total of 4,103 tons of CO2 e were reduced, and electricity consumption was cut by 7,984 thousand MWh. For more detailed information on our energy-saving and carbon reduction measures for 2023, please refer to "Our Green Value Chain - Carbon Reduction and Energy 	
Local regulations	Mid-term	• Taiwan's "Climate Change Response Act"	Carbon reduction costs increasing	Conservation" in Chapter 4: Environmental Sustainability of this report.	
			Technologies		
Costs for transiting to low-carbon technologies	Mid-term	• The R&D of the fermentation process is relatively rigorous.	 Costs of developing new packaging materials R&D and testing costs Investment in new packaging equipment 	 Successfully developed yogurt in larger containers, reducing packaging and plastic use 	
New regulations for online shopping packaging have been implemented	Long-term	In accordance with the Environmental Protection Administration's July 2023 announcement "Restrictions on the Use and Object of Online Shopping Packaging" and global environmental trends, reduction measures are taken	 Increased costs of alternative packaging 	 Product packaging cardboard boxes are used as recycling bins. Providing relevant notes on our e-commerce platform: "We are promoting packaging reduction policies, some of our shipping will be made with recycled cardboard boxes." 	
			Market		
Changes in market demand	Short- term	 Competitors have implemented plastic reduction measures in product packaging design due to changes in market demand. 	 Poor sales leading to reduced profits 	 Investing in R&D funds and increasing marketing efforts for new products and packaging materials so consumers are more willing to accept our products. Promoting lightweight packaging. The Great Day Sunflower Oil product line has reduced product weight by 21.5% (including lighter oil bottles, caps, labels, and the removal of shrink sleeve labels.) 	

Physical risks

Climate-related risks	Impact period	Description	Potential financial impacts	Adaptation and response			
Immediacy							
Extreme weather events such as typhoons and floods	Short-term	 May cause machinery, personnel, plant building, or other equipment losses Staff attendance may be affected. Disruption of transportation or loss of goods 	 An annual budget for insurance premiums is set, with the 2023 fire insurance premium being NTD\$17,654,982. Due to power outages and equipment damage, the production lines may not be restored immediately, and the production capacity is affected. Our factories could be shut down for several days or several weeks, depending on the situation. Loss of machinery, plant building, and personnel Providing typhoon leaves, with the daily salary cost for all workers being NTD\$2,242,000 	system. The construction cost was N1\$3.3 million, and the annual maintenance cost was about NT\$500,000.			
			Longer-term effects				
Changes in rainfall (volume) patterns	Mid-term	• The heat wave and drought in Europe reducing the supply and price of olive oil, making it necessary to purchase early, increasing safety stocks, and finding other production sources	 Due to unstable supply and rising prices of olive oil in specific regions, Standard Foods copes by placing orders early and stocking up early, increasing the raw material cost by approximately NTD\$6,000 - 9,000 per ton. Affecting the quality of raw materials, resulting in increased operating costs (such as the cost of a single urgent item.) The costs of express tests are 1.5 times that of ordinary tests, and the costs of urgent tests cost twice as much. 	 For details, please see Chapter 4: Environmental Sustainability - Water Stewardship. 			
			Policies and regulations				
Average annual temperature rise	Long-term	 Affecting the operation of cooling equipment Reducing raw material supply (e.g. oats) Increasing the energy consumption of logistics air conditioners 	 Electricity bills increasing The cost of raw materials increasing due to reduced production, with an estimated average increase of 5-6% per unit over the next 5 years Rising transportation costs 	 In response to energy conservation and waste reduction efforts, the group is promoting the replacement project for the main water-cooling units in the factory areas, achieving a total energy saving rate of 19.1%. Strengthening partnerships with existing suppliers, looking for alternative sources to stabilize the supply chain, controlling operating costs within a certain range, and reducing procurement risks 			

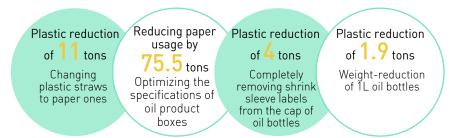
Climate change-Potential financial Risk type Actions we've carried out related opportunities impacts Reduced electricity In response to energy conservation and • Paper and waste consumption and waste reduction efforts, the group is recycling and carbon emission promoting the replacement project for the reusing costs main water-cooling units in the factory Resource Reducing water areas, achieving a total energy saving rate usage Reducing water consumption efficiency consumption costs Circular economy • For details, please see "Carbon Reduction Subsidies for Green plant and Energy Conservation" in Chapter 4: purchasing energybuildings Environmental Sustainability of this report. efficient appliances • The Dayuan factory plans to complete the installment assessment for solar panels in 2024, with the expectation that from 2027-2028, solar panels will be installed in the Use multiple new factory to stabilize the generation of energy sources Using low-carbon Energy renewable energy. to strengthen our energy sources sources energy supply • The construction plan for the second resilience Dayuan factory anticipates the installation of 200 kW solar panels in 2026, with the new factory's renewable electricity proportion being about 5% • The newly launched good-sleep and lowprotein products for non-dialysis are only available in large 24-pack bundles, Providing diverse with a strong message for their long- Developing and services and term benefits and we also strive to reduce Products innovating to products to meet secondary packaging for gift boxes. and develop new market demand • The new products for "Great Day" (11 products and and enhance our services new products and added flavors) include services reputation and Japanese brown rice oil, ready-to-eat popularity home dishes, rich broth soups, and Quaker Blossom Rice & Grain meals, satisfying more home cooking needs. Strengthening • We continue to respond to the impact of Integrating climate corporate climate change on our operations using the change risks and resilience, reducing climate-related financial disclosure (TCFD) handling methods Resilience losses caused by framework, strengthen climate adaptation to improve our climate change, capabilities, and improve organizational resilience and decreasing resilience. customer losses

Our Green Value Chain

Standard Foods attaches great importance to the possible climate change risks on society and the environment. We have started from the value chain and inspected – from the inside and out – our operating activities and proposed various measures and 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 our positive impact on the environment.

To achieve sustainable operations, our factories promote energy-saving, carbon-reduction, and water conservation projects at every stage of operation. During the production processes, we continuously improve and refine the energy consumption measures; during daily operations, we implement energysaving and carbon reduction measures and raise awareness among our employees to enhance energy efficiency. We also rigorously enforce waste categorization, with the Dayuan plant exemplifying strict waste classification, demonstrating a circular economy across the entire value chain, and achieving an annual total of 1,239 tons in recycling and reuse.

We have also launched a range of low-carbon vegetarian products. In 2023, the following initiatives were implemented to achieve "a reduction of 16.9 tons of plastic per year" and "a reduction of 75.5 tons of paper usage per year," gradually expanding our green product line. In the future, Standard Foods will continue to improve our 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



Green production

- In 2023, the Standard Foods Group completed 9 energy-saving and carbon reduction projects and implemented TPM equipment maintenance plans across our three factories, with an investment of NTD\$13,507,000.
- Compared to 2022, the results of these improvements are:

7.984 MWh 13.937 tons Electricity usage was reduced

Water usage was reduced **84.000** M³ **416** tons

Carbon Natural gas emissions saving were reduced



Green products

- Plant foods
- Packaging

Reduction: We completed 4 reduction projects, investing NTD\$2.1 million in new molds and we also implemented a packaging reduction policy, with some e-commerce platform products being shipped in recycled boxes.

Green packaging costs: The introduction of a paper straw project resulted in an increase of NTD\$6.34 million in packaging costs for 2023.

We completed the above projects, achieving a reduction of 16.9 tons of plastic and 75.5 tons of paper consumption.



Green operations

- Eliminating small printers, and promoting the use of multifunction devices to reduce toner usage
- Greening the office and increasing the air-conditioning temperature to 25 or 26°C



Online shopping Packaging

In response to the new regulations on the reduction of online shopping packaging enacted in July 2023, which require a 25% reduction by the end of 2024, 30% by the end of 2025, and 35% by the end of 2026, the Standard Foods Group is collaborating with logistics providers to "reduce logistics box type," "ship in original cardboard boxes," and "reuse dismantled boxes" in order to meet the annual reduction targets set by the packaging reduction regulations.



Energy Management

The primary energy source used by the Standard Foods Group is purchased electricity, accounting for 33.8% of total energy usage; in 2023, the total energy consumption was 336,580 GJ, a decrease of 342 GJ compared to 2022, and the energy intensity also decreased by 0.41 GJ from the previous year.

Standard Foods Group's internal energy usage overview

unit: GJ

2022 (GJ)	2023 (GJ)
114,697	113,616
4,781	3,174
219,236	204,808
1,134	14,937
34	45
339,882	336,580
15,867	16,007
21.42 GJ / NTD\$1 million in revenue	21.03 GJ / NTD\$1 million in revenue
	114,697 4,781 219,236 1,134 34 339,882 15,867 21.42 GJ / NTD\$1

- 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.
- Note 2: Formula for calculating energy intensity: energy consumption/total annual revenue (unit: NTD\$1 million.)
- Note 3: The Group's revenue is the one before write-offs.
- Note 4: The scope of these statistics includes the Taipei Headquarters and 6 business offices of the Standard Foods Group, Standard Foods Group Co., Ltd. Dayuan Plant (including dormitories) Standard Foods Co., Ltd. Zhongli Plant, and Standard Foods Zhongli Factory, and Standard Dairy Products Taiwan Ltd. Hukou Factory of operation of the plant.
- Note 5: Renewable energy usage rate is 0%

Greenhouse gas emissions

We have adopted the methodologies of the Greenhouse Gas Protocol (GHG Protocol) to establish a greenhouse gas inventory procedure document for the group's three major factories (Standard Foods Dayuan Factory, Standard Foods Zhongli Factory, and Standard Dairy Products Taiwan Ltd. Hukou Factory,) Taipei headquarters, and six business locations across Taiwan. The procedure document, approved by the CEO, designates 2023 as the baseline year for the group's greenhouse gas inventory. The scope of the inventory includes our Taipei headquarters, the six business locations, Standard Foods Dayuan Factory (including dormitories,) Standard Foods Zhongli Factory, and Standard Dairy Products Taiwan Ltd. Hukou Factory.

The 2023 greenhouse gas inventory was conducted by the China Productivity Center, a qualified thirdparty institution, which verified the emissions in Scopes 1, 2, and 3. Verification was completed before April 2024, awarding us with the ISO14064-1 certification: 2018 Greenhouse Gas Verification Statement.

For the fiscal year 2023, our company's greenhouse gas emissions were as follows: Category 1 emissions amounted to 12,435 tons; Category 2 emissions were 15,589 tons; and Category 3 emissions totaled 95,523 tons, amounting to a combined total of 123,547 tons.

Standard Foods recent baseline year greenhouse gas emissions

Unit: tons CO₂e

	Tota	2023	
Category 1		Diesel, natural gas, gasoline, liquefied petroleum gas, refrigerant, water fertilizer	12,435.2359
Categ	gory 2	Purchased electricity, purchased steam, etc.	15,588.6567
		Employee commute	461.4315
	Upstream	Fuel and energy-related activities (excluding category 1 and 2 activities)	94,660.8557
Category 3		Waste generated during operations - disposal	331.4331
		Waste generated during operations - transportation	68.7402
		Waste generated during operations - wastewater	0.9766
Tot	al greenhou	se gas emissions (tons)	123,547.3297
Group revenue (Unit: NTD\$1 million)			16,007
Greenhouse gas emission intensity (excluding category 3)			1.7507 tons CO ₂ e/NTD\$1 million of revenue
G	reenhouse g (includ	7.7183 tons CO ₂ e/NTD\$1 million of revenue	

- Note 1: The source of the conversion factors is the Greenhouse Gas Emission Factor Management Table Version 6.0.4 announced by the Environmental Protection Agency.
- Note 2: The operational control method is to integrate the amount of greenhouse
- Note 3: The Global Warming Potential (GWP) of various greenhouse gases is estimated using the IPCC Sixth Assessment Report.
- Note 4: The Energy Bureau announced that the electricity coefficient for 2023 is calculated at 0.494 kg CO₂e per kWh.
- Note 5: The formula for carbon intensity calculation is "total greenhouse gas emissions (tons CO₂e) divided by revenue (in NTD\$1,000.)"
- Note 6: The base period for greenhouse gas emission comparison is 2023. The reason for choosing this year is the addition of 6 new business sites across Taiwan, and according to the procedure, 2023 is the first year we passed the greenhouse gas verification after changes in the inspection sites.
- Note 7: The Group's revenue is the one before write-offs

Energy saving and carbon reduction

2023 Standard Foods Group

Sustainability Report

In 2022 and 2023, our three major factories completed several energy and carbon reduction equipment improvement projects, achieving a total annual reduction of 416 tons of CO2e and saving 7,984 thousand kWh of electricity. Looking ahead, we are implementing a comprehensive TPM (Total Productive Maintenance) system across factories, guiding responsible units in the maintenance, operation monitoring, and continuous improvement plans of production and utility equipment to maximize their efficiency, with an expected further reduction of 1-2% in energy consumption and a 3% carbon reduction. Additionally, energyefficient and environmentally certified products are chosen for lighting fixtures and air conditioning and lights are turned off in conference rooms when not in use or during lunch breaks, only essential lighting is kept on in offices and common areas, aiming for a further annual reduction of 1% in electricity consumption per NTD\$1 million of revenue.

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

2024 goals (short term)

- To complete, in 2024, the greenhouse gas emission inventory and verification of the group's four major sites and all six business locations in Taiwan
- To implement the CDP Carbon Disclosure Project
- To implement improvement proposal projects and conduct carbon emission controls for carbon emission hotspots to effectively reduce carbon emissions

2025-2029 Targets (Medium and long term)

- By 2026, to decrease carbon intensity by 3% (base period: 2023: unit: tons / NTD\$1 million in revenue)
- From 2025 to 2026, we plan to coach our subsidiaries to complete the ISO14064-1 greenhouse gas inventory and set the group's long-term carbon reduction goals.
- By 2029, to decrease carbon intensity by 10% (base period: 2023: unit: tons / NTD\$1 million in revenue)
- To use green building materials, expand greening around our plants, adopt gravity transportation to reduce power consumption, and plan efficient public equipment
- To adopt the SBTi Science-Based Carbon Reduction Targets initiative to advance carbon reduction intensity scientifically

Our factories' energy-saving and carbon-reduction initiatives in 2023

The formula for calculating reduction = Amount of electricity saved * Annual carbon emission coefficient of electricity 0.49400/1000.

Factory	Project	Electricity usage reduction (MWh)		Natural gas usage reduction	Carbon emissions reduced (tons per year)	Base period	Construction expenses (NTD\$1,000)
	Replacement of the old water-cooling machine(s) on the refined oil production line				44.12	2022	3,695
	Replacement of the old water-cooling machine(s) on the refined oil production line	70.66			34.91	2022	-
Dayuan	Optimization management plan for air pressure usage on the tin can packaging line	76.98			38.03	2022	1
Dayuan plant	TPM project for the refined oil line	26.37			13.03	2022	16
·	Addition of an LCC-S type water-saving closed-loop cooling tower (LCC-V-125S) to the tonic drink production line		940.00		-	2022	2,850
	Recycling project for water used for the production line of tonic beverages		12,165.00		-	2022	-
Zhongli Plant	Installation of a 300RT energy-efficient, water-saving, and low-noise cooling water tower	7,488.00	832.30		3,699.07	2022	3,899
	Replacement of two sets of boiler economizers			84.68	159.10	2022	2,956
Hukou Plant	Replacement of two sets of boiler economizers	88.16			43.55	2022	1
riunt	Replacement of the expansion valve of freezer(s) and setting up automatic defrosting	144.57			71.42	2022	90
	Total	7,984.06	13,937.30	84.68	4,103.22		13,508



Replacement of the old water-cooling machine(s) on the refined oil production line

Energy-saving measures at Standard Foods' Chinese factories

Factory	Project
Xiamen factory	 Phase II 539 kW photovoltaic power project Installation of photovoltaic panels on the roofs of facilities, such as the fire pump room, fire water tank, and wastewater workshop to reduce utility electricity usage Renovation of spray tower and blower motor This saves about 31,605 kWh in electricity annually, reducing electricity costs by approximately NTD\$17,699. Air conditioning and fresh air system motor renovation for oil packaging Annually saves about 46,652 kWh in electricity, reducing electricity costs by approximately NTD\$26,125 Automatic start-stop control modification for aerial oil packaging conveyance line Annually saves about 867 kWh in electricity, reducing electricity costs by approximately NTD\$486 Variable frequency control for the oil packaging conveyors Annually saves about 8,716 kWh in electricity, reducing electricity costs by approximately NTD\$4,880 Energy-saving improvements in RO water heat exchange After certification, we ensure the quality of canola oil by reducing the temperature from 230 to 210 degrees Celsius

Factory	Project
Inner Mongolia Plant	 Optimization of the air compression packaging system Using blowers instead of air compressors to cool the bottle bottoms in the bottle blower Replacing standard frequency air compressors with high-efficiency permanent magnet variable frequency air compressors During the peak season, the energy consumption of the packaging air compressor dropped by 13%, and in the off-season, it decreased by 20-30% Clay addition and improvement Before improvement, the vacuum pipeline and collector of the decolorizing tower needed cleaning once a month; after improvement, cleaning is required only once every 3-4 months. The vacuum fluctuation of the decolorizing tower was around 150 millibars before improvement; it has been reduced to approximately 100 millibars afterward. Approximately NTD\$26,000 in electricity costs were saved from the improvement of the low-temperature and room-temperature cooling towers in October and November.
Tae Chang Plant	 In 2023, photovoltaic power generation totaled 1.35 million kWh, reducing electricity costs by approximately NTD\$1.26 million. The refinery's first-floor PU793 (18.5 kW) water cooling pump and PU792 pump (11 kW) pipeline modification saved the electricity consumption of one 11 kW pump (PU792). Installing flow directors on photovoltaic panels on the rooftops of the oil packaging and Happy Run buildings increased power generation efficiency by about 5% Refinery's P01 and P08 crude oil inlet pumps control method and pipeline improvement saved the operational time of one P01 (11 kW) pump Laser coding machines exhaust fans on the L1-L7 oil packaging lines are linked with the common Zabaco line, reducing waste by stopping fans when the line stops Replacing a standard 11 kW motor in wastewater treatment with an 11 kW permanent magnet motor, saving about 25% energy consumption From March 2023 to date, the raw materials (oil packaging) purchasing costs have been reduced by approximately NT\$300,000, and our paper usage has decreased by about 80 tons.

Air Pollution Control

2023 Standard Foods Group

Sustainability Report

Our plants adhere to the strictest standards. We conduct gas emissions and monitoring with approved air pollution prevention and control equipment and report the amount of air pollution emissions quarterly, following the provisions of the Air Pollution Control Act.

Description of the 2023 incidents involving illegal emissions or exceedances:

Dayuan Factory: On March 9, 2023, the Environmental Protection Bureau inspected the M04 operations. The air pollution control equipment was found to be operating within the parameters of the fixed pollution source operation permit. However, odor pollutants sampled from the discharge pipeline (P401) of the scrubbing tower exceeded the permissible levels according to the air pollutant emission standards for fixed sources, resulting in a legal penalty. Subsequently, the factory actively cooperated with

the Environmental Protection Bureau and the Taoyuan City Industrial Environmental Protection Technology Service Team to identify the cause of the odor exceedance and made improvements to the equipment based on their recommendations. By the end of 2023, the modifications were completed, and the emission tests for odors met the emission standards. The cause of this matter is a single occasional abnormal situation of equipment failure. It was not a continuous environmental pollution incident.

The air pollutant emissions from all of our three major factories of the group comply with regulatory standards, showing a stable and slightly declining trend over the past three years. This is due to the complete discontinuation of heavy oil boilers and the adoption of high-efficiency natural gas boilers, which resulted in near-zero sulfur emissions over the past three years.

Air pollutants emitted by Standard Foods

Unit: ton

Factory	Year	Sox (sulfur) emissions	Nox (nitrogen) emissions	VOCs emissions
	2021	0.00	3.52	0.40
Dayuan plant	2022	0.00	3.88	0.38
	2023	0.00	3.36	0.26
	2021	0.00	2.40	0.00
Zhongli Plant	2022	0.00	2.37	0.00
	2023	0.00	2.76	0.00
	2021	0.00	1.74	1.98
Hukou Plant	2022	0.00	2.74	3.03
	2023	0.00	2.50	2.38
	2021	0.00	7.66	2.38
Group-wide	2022	0.00	8.99	3.40
	2023	0.00	8.62	2.64

Note: The emissions from all the factories mentioned comply with the nitrogen oxides (NOx) emission standard of 100 ppm, sulfur oxides (SOx) emission standard of 50 ppm, and the permitted emission limits for VOCs (Volatile Organic Compounds.)

Air pollution control measures in the mainland China factory areas

Factory	Project	Results
Inner Mongolia Plant	 Replacement of 15T coal-fired steam boiler 	 Achieving zero SO2 emissions after replacement Becoming 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 three fewer workers to operate.
Tae Chang Plant	 Replacing the refining vacuum system Lowering the oil inlet temperature of the desoaping centrifuge (from 88°C to 75°C) Renovating the heat exchange plate for finished oils Boiler renovation 	 Natural gas consumption decreased by 10%, gas usage reduced, boiler efficiency increased, and waste gas emissions decreased
Xiamen factory	 Capping and waste gas collection treatment at the wastewater station Waste gas collection treatment in the refining workshop 	 Beautification of the factory area and improvement of the surrounding odors, ensuring waste gas meets standard emissions, and optimizing the working environment for employees Improving the working environment in the workshops and ensuring waste gas meets emission standards

Water Stewardship

The food processing industry is highly water-intensive, requiring substantial water use from raw materials to product processing including dairy CIP processes, rejuvenating pasteurization for tonic drinks, and paste pasteurization drying processes in grain milk powder production, as well as cleaning operations across production lines. All Standard Dairy Products factories are located in the Taoyuan-Hsinchu-Miaoli area of Taiwan. According to the World Resources Institute's "Aqueduct Water Risk Atlas," Taiwan is classified as "Low to Medium (1-2) risk." Standard Dairy Products' major factories primarily utilize groundwater and recycled water for production, ensuring no conflict with domestic water use.

In the Dayuan factory area, two deep wells have been approved. The factory is surrounded by irrigation areas, including the Chilun Top Weir, Chilun Rear Weir, and Lizi Creek Weir, ensuring an abundant groundwater supply. Having operated for over 30 years, the factory has not experienced water shortages during Taoyuan's droughts and has previously provided water to nearby residents during droughts under the directives of regulatory authorities.

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 Hsinchu, but there has been no water shortage. In 2023, 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.

We have formulated a comprehensive management method for water resources to properly manage our 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 our production water, and the water quality and specifications are handled according to the quality assurance water quality management procedures. We have 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 operation

Water purification equipment operation method

Daily inspection work when the water purification equipment is in normal operation

Daily inspection work when the water purification equipment is in normal operation

The plants conduct water quality sampling testing at each workstation (underground water outlet, before manganese sand treatment, and after activated carbon) every day to detect changes in water quality. The inspection items include water hardness, residual chlorine, pH value, turbidity, color, and conductivity. Weekly microbiological culture is implemented to ensure the water quality meets our standards. In 2023, the Standard Foods Group extracted a total of 674.27 thousand cubic meters of water. Of this, 559.66 thousand cubic meters were drawn from groundwater, and 114.61 thousand cubic meters from tap water. The total discharge amounted to 397.78 thousand cubic meters, making the total water consumption 276.49 thousand cubic meters.

Standard Foods Group 2022-2023 Groundwater Extraction Total

Units: thousand cubic meters

Groundwater Use	Total amount	2022		2023		
Statistics of the Standard Foods Group	of groundwater withdrawal applied for	Actual groundwater consumption	Utilization rate of approved water withdrawal	Actual groundwater consumption	Utilization rate of approved water withdrawal	
Dayuan plant	282.51	147.00	52%	126.12	45%	
Zhongli Plant	202.36	148.55	73%	154.83	77%	
Hukou Plant	388.80	248.55	64%	278.71	72%	
Group-wide	873.67	544.10	62%	559.66	64%	

Our total tap water intake volume in 2022 and 2023

Unit: thousand cubic meters

Factory	2022	2023
Headquarters in Taipei and six other offices	1.52	2.64
Dayuan plant	0.00	0.00
Zhongli Plant	116.87	108.97
Hukou Plant	0.05	3.00
Total	118.44	114.61

Our total water discharge in 2023

Unit: thousand cubic meters

Factory	2022	2023
Headquarters in Taipei and six other offices	1.52	2.64
Dayuan plant	86.06	62.88
Zhongli Plant	153.41	144.43
Hukou Plant	208.75	187.83
Total	449.74	397.78

- Note 1: The preceding discharge water volume is based on the water meter records. The Taipei head office is located in a commercial office building and it is not possible to obtain drainage data for Standard Foods alone, so the value is based on water intake
- Note 2: Standard Foods Group's total water consumption (total water intake - total discharge) in 2023 was 276.49 thousand cubic meters
- Note 3: 6 business premises are counted from 2023

Water Conservation Measures

In response to the drought and water shortage in recent years, we have implemented various measures to mitigate the negative or financial impacts of climate change on our operations. In 2023, the overall groundwater usage rate for the three factories of the Standard Foods Group was 65%, maintaining a reasonable margin. During drought periods, the Dayuan and Hukou factories could support the Zhongli factory with water trucks, minimizing the impact of drought on factory operations. Offices and factories continued to implement various water-saving measures, such as water-saving toilets, faucets, and large-scale water conservation projects in the factories.

The Standard Foods Group's major factories continued to promote water-saving projects. In 2023, the Dayuan factory completed the installation of a new LCC-S type enclosed cooling tower (LCC-V-125S) in the tonic drink production line, replacing the old open-type cooling water tower, and implemented a water recycling project for the tonic drink production line. The Zhongli factory installed a 300RT energy-efficient and low-noise cooling tower. The total investment for these projects was NT\$6,749,000, achieving an annual water saving of 13,937 tons.

2023 Annual water conservation performance at Standard Foods Factories

Dayuan plant

Recycling project for water used for the production line of tonic beverages

Water usage reduction: 12,165 (ton)

Addition of an LCC-S type water-saving closed-loop cooling tower (LCC-V-125S)

Water usage reduction: 940 (ton)

Zhongli Plant

Completing the installation of a 300RT energy-efficient, water-saving, and low-noise cooling water tower.

Water usage reduction: 832 (tons)

Wastewater management

We have 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 a 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 legal violations.

We have expanded our output and items each year, but our discharge values are still under effective control and far below the environmental protection standards. The wastewater volume is expected to increase annually due to production line expansions in the future. Therefore, our 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

In recent years, with the growth in production capacity, there has also been an increase in the amount of wastewater treated, leading to more waste biological sludge. In response to this trend and recognizing that the biological content's water content averages 85-87%, it was determined that reducing the water content could directly lessen the weight and density of the sludge transported for disposal. In June and July of 2023, the Zhongli and Hukou factories completed the installation of high-efficiency dryers. Operational results showed that the moisture content of the sludge could be reduced from 85-87% to 42-60%, averaging 50%. Based on actual calculations, it is estimated that this will reduce annual sludge output by 383 tons, effectively improving the environmental sanitation and space requirements for sludge storage.

Cludes maduation posicat	Before improvement project		After improvement	After improvement project Estimated	
Sludge reduction project	2023 sludge output (tons)	Average water content	2024 expected sludge output (tons)	Average water content	Reduction in Sludge (tons/year)
Standard Foods - Zhongli Plant	668.83	0.85	381.23	0.42	287.60
Standard Dairy Products - Hukou Plant	353.84	0.87	258.30	0.60	95.54
Total	1,022.67		639.54		383.13

The 2023 discharge water quality for each Standard Foods plant

water	The 2023 discharge water quality for each plant can be compared to the compare		BOD biochemical oxygen demand emission value (mg/L)	SS suspended solid discharge (mg/L)	Local emission standards
Dayu	an plant	34.0	10.9	6.3	Standards stipulated in the Water Pollution Control Act for discharging to surface water bodies COD=100mg/L BOD=30 mg/L SS=30 mg/L
Zhon	gli Plant	157.7	-	83.7	Regulations for sewage plants in industrial zones COD=480mg/L SS=320mg/L
Huko	Hukou Plant 29.3 –		6.9	Regulations for sewage plants in industrial zones COD=480mg/L SS=320mg/L	



Note 2: The Zhongli and Hukou plants meet the discharge water standard after treating the wastewater in the industrial zone before discharge.

Note 3: The water quality data in the preceding table are all analyzed by qualified testing companies taking water samples from the plant area.



High-efficiency sludge dryer

In our factories in China, the Standard Foods Group also implements various projects. The wastewater from production processes not only meets local discharge standards but also reduces the volume of wastewater discharged, lowering the environmental costs associated with operations and being environmentally friendly to the surrounding areas.

Factory Wastewater Discharge Measures in China

2023 Standard Foods Group

Sustainability Report

Factory	Project	Results	
Xiamen factory	 Water recycling from sewage stations' clear water pool Water recycling from sewage stations' clear water pool 	 Partially recycling the discharge water from the sewage clear water pool to the chemical addition pool and the spray towers used for waste gas treatment, saving approximately 1,250 tons of water annually Due to subsidence causing damage to many parts of the rainwater piping, a complete inspection and repair of the factory's rainwater piping are conducted to eliminate environmental penalty risks and prevent soil erosion. 	
Inner Mongolia Plant	 Reducing the sewage oil content in refining workshops In the preliminary stage of wastewater treatment, processes are enhanced with emulsion breaking and oil driving, as well as chemical primary sedimentation. After raising the wastewater discharge standards, the discharged water is used as a substitute for tap water in chemical preparations. 	 ▶ Significant improvement in discharge water indicators (at -20°C, < = 350; otherwise < = 200) ▶ Use of polyaluminum chloride reduced by more than 80% compared to before improvements. ▶ Daily water savings of 3-5 tons 	
Tae Chang Plant	 Refining water from washing is recycled for diluting spent bleaching earth and soapy stock Based on the condition of the oil, the amount of washing water used is reduced from 5% to 3.5%. Additional valves are installed in the perimeter ditches of the refining area to achieve separation of rainwater and wastewater and improvements in the water used for cleaning in the refining workshop. 	▶ Wastewater volume was reduced by over 40%.	

Usage of materials

We have 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 with a single laminated packaging material to expand the proportion of renewable materials used per unit of product to 100%. The cartons used in our main products are made from recycled environmental paper pulp, with each cardboard box containing over 95% recycled material and 73.8% of the cardboard utilizing FSC-certified sources.

Standard Foods Low-Carbon Packaging Initiatives Overview

Existing packaging	Low carbon packaging	Commercialized items in 2023	Commercialized items in 2024 planned	Commercialized item research in 2024
Plastic bottles	Weight reduction: Reducing the use of packaging materials, logistics weight, and transportation carbon emissions	Weight-reduction of 1L oil bottles	- 290 mL plastic bottle 2. Refrigerated cereal drinks	 Supplements - 60 mL glass bottles Oils - 1.58 L plastic bottles Refrigerated milks - 1,830 mL plastic bottles
Cardboard boxes / Cardboard cards	Weight reduction of oil products: Reducing the use of packaging materials, logistics weight, and transportation carbon emissions	Optimizing the specifications of oil product boxes	No	No
	Weight reduction of yogurt cardboard cards: Reducing the use of packaging materials, logistics weight, and transportation carbon emissions	Weight reduction of yogurt cardboard cards	No	No
Replacing PVC plastics	Supplement products' aluminum caps liner material changed to TPE (eco-friendly) materials	No	Material replacement for neutral products	No
	Completely removing shrink sleeve labels from the cap of oil bottles: Reducing plastic use	C o m p l e t e l y removing shrink sleeve labels from the cap of oil bottles	No	No
Applications of green materials	Standardization of pouch materials for cereal powders: Single-material packaging allows for recycling and waste reduction	No	Standardization of pouch materials for cereal powders	No
	Shrink sleeve labels made from rPET materials: increases rPET content, reducing virgin plastic use	No	rPET shrink sleeve applications	No

Our Use of Recyclable Materials in Products and Packaging

Product	Gross weight of recyclable materials	Gross weight of non-recyclable materials	Gross weight of recyclable materials
Long-life milk (Aluminum Foil Packs, 200 mL)	7.03g	2.19g	76.25%
Long-life milk (Aluminum Foil Packs, 150 mL)	5.81g	1.82g	76.15%

Waste Management

Our 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. We have 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 process 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 complying with legal requirements, the factory's waste management operations involve a comprehensive set of procedures, including thorough waste segregation, designated storage, management by professional waste handling personnel, and procedures for waste cleanup, online reporting, and tracking. We work with professional and legally compliant waste disposal companies, and a designated person from the Health, Safety, and Administration Management department oversees daily waste collection and transportation, ensuring confirmation in the business waste reporting and management system within 84 hours.

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

Beyond promoting waste management within our operations, Standard Foods also mandates that our contracted waste transportation and processing firms physically process and further sort waste for recycling, aiming to minimize waste output across the entire value chain and lead suppliers in promoting energy and waste reduction and a circular economy. Additionally, the office promotes a waste reduction policy, recommending double-sided printing or reuse of the backside of paper. The copy paper used bears a pulp green label, aiming to reduce household waste by 1% annually (ton/NTD\$ 1 million of revenue.)

Standard Foods realizes circular economy for the entire value chain

Start of the value chain

Waste bottle caps are recycled and reused; paper tubs packaging is expected to be used without aluminum frames (metal)

Middle of the value chain

The weight of sludge gradually decreases due to the improvement of dewatering equipment.

End of the value chain

Recycle and reuse regenerated biodiesel and feeds

Recycle and reuse

Reused for

2023 Industry Chain Recycling and Reuse Performance at our Dayuan Plant

Standard			plant realizes circular economy throughout the value chain: Comprehensively implementing recycling in the industry chain.						
Item / Code	Waste cooking oil R-1702	Vegetable scraps R-0120	Animal scraps R-0119	Waste paper R-0601	Metal scraps R-1301	Waste Plastic/Oil Bottles/Caps (PET) R-0201	Waste Plastic/Barrels/ Other Containers (PP) R-0205	Total	
Annual total (T)	14	444	10	629	109	17	16.0		
EPA-approved handling companies	Chant Oi	Chant Oi	Chant Oi	Kung-Lung Cheng	Yuan Sheng	Yunglong	Yunglong	1239(ton)	

Recycle

Recycle

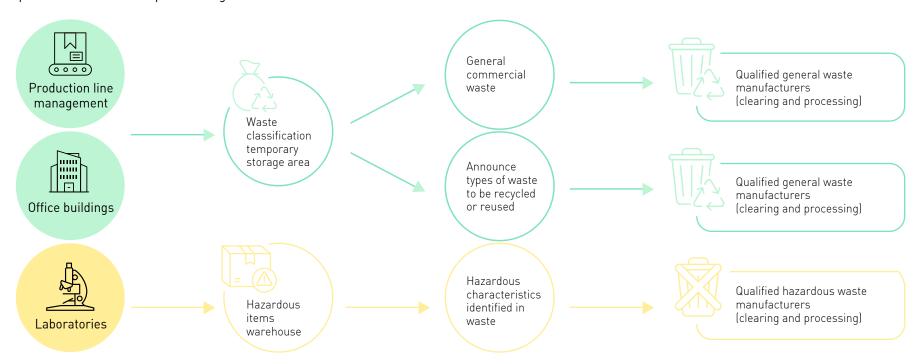
Feeds

In-plant waste treatment process regulations

Regenerated

biodiesel

Feeds



Qualified hazardous waste manufacturers (clearing and processing)

Unit: ton

Actions	Hazardous waste (tons)	Non-hazardous waste (tons)	Total waste (tons)	Percentage
Recycle and reuse	-	5,204	5,204	88%
Incineration	5	260	266	5%
Landfill	-	-	-	0%
Others	-	413	413	7%
Total	5	5,877	5,882	100%

Note 1: Total waste generated this year: 5,882 metric tons, all managed off-site by companies approved by the EPA for compliant transportation and processing.

Note 2: Waste disposal transfer: Recycled and reused waste, totaling 5,204 metric tons.

Note 3: Direct waste disposal: Including incineration, landfill, and other methods, totaling 679 metric tons; incineration and other disposal processes are handled by physical methods by businesses approved by the EPA.

Overview of waste disposal of Standard Foods in the past 3 years

Year			20	021	20)22	2023	
Waste classification	Processing location note 1	Processing method note 2	Output (tons)	Percentage(%)	Output (tons)	Percentage(%)	Output (tons)	Percentage(%)
		Recycle and reuse	-		-		-	
Hazardous commercial	Off-site	Incineration	3	0%	4	0%	5	0%
waste	OII-Site	Landfill	-		-		-	
		Other means of disposal	-		-		-	
		Recycle and reuse	4,924	82%	6,139	90%	5,204	88%
General commercial	Off-site	Incineration	551	9%	348	5%	260	4%
waste	OII-Site	Landfill	-		-		-	
		Other means of disposal	555	9%	301	4%	412	7%
	Total waste (tons)			6,033		6,792		5,882
	Recycle rate note 3		8:	2%	91	0%	88	8%

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

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

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

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



05 Workplace Well-being

Enterprise Workforce Profile	113
Employee Rights and Benefits	117
Human Resource Development	120
Worry-free workplace environment	123

Workplace well-being

Material topics



Talent development and recruitment; Health and food safety

Visions and Commitments



Standard Foods is committed to fostering a people-centric, ESG-friendly workplace, advocating for diverse recruitment and comprehensive training, promoting fair and inclusive employment opportunities, and prioritizing the needs, rights, and welfare of employees to create a happy, healthy, and safe work environment.

Corresponding **UN SDGs**





Timeline	



Goals



Short-term $(2024 \sim 2026)$

Mid-term

 $[2027 \sim 2029]$

- A thorough training program has been completed, including the establishment of a Starter Guide for new hires.
- Construction and continuous improvement of the Occupational Safety and Health Management System

- Establishment of smooth employee communication channels
- Comprehensive training planning, constructing Standard Foods e-Academy's learning blueprints across various departments and functions
- Promotion and participation in health and safety workplace awards
- Deepening employee engagement and identification with corporate culture.
- Continuously creating a learning and development-focused work environment to foster team and talent development
- Aiming for a zero occupational hazard workplace
- Strengthening employee identification with the employer brand

- Complete all department starter guide builds by mid-2025.
- Finalize TOSHMS requirements and complete ISO45001 certification by mid-2025 at the latest
- 2024 Completion of staff complaint and reporting channels and awareness training by the end of the year
- Planning of functional training to meet needs on an annual basis
- 2025 Goal to achieve the Badge of Accredited Healthy Workplace Standard Diary
- Organize employee health promotion activities and corporate culture related promotions annually

- Long-term $[2030 \sim]$

- Continuous implementation of diversified recruitment and nurturing of key
- Continuously implement ISO45001 requirements to achieve zero occupational hazards
- Enhancement of Employee Well-being through Continuous Attention to Employee Needs

Management mechanisms



- Training course satisfaction
- Satisfaction with health consultations
- Employee grievance and whistleblowing channels
- Quarterly employer and employee meetings
- Quarterly union employer and employee negotiation meeting
- Annual communication appointment with the General
- Occupational safety and health management system certification

2023





- We added over 300 new online courses to the Standard Foods e-Academy.
- Certified as a "Taiwan I Sports Enterprise" by the Sports Administration, Ministry of Education.
- 2023 Healthy Workplace certification obtained from the Health Administration of the Ministry of Health and Welfare



(Highlights from the Human Resources Department)

The Standard Foods Group's business philosophy is "living a lifetime of well-being" and we uphold the belief that "eating a balanced diet is the foundation of health." In our eyes, each employee is our most valuable asset, treated like family, and we care for every employee and their family with the same regard as our own. We are committed to providing a healthy and safe working environment and actively organize activities to promote the physical and mental health of our employees. Regularly, we identify hazards in the workplace, implement employee health management, and organize various health-promotion activities, such as health talks, stress relief events, and fitness programs, to protect and enhance the overall health of our employees.

Standard Foods conducts employee health screenings biennially, surpassing regulatory requirements and integrating the National Health Agency's screenings for four types of cancer. The screenings are analyzed and managed by a dedicated nurse, with follow-up for highrisk employees, offering health consultations and guidance from occupational physicians and nurses. Based on the results, we plan health lectures and courses, including promoting smoking cessation, nutritional knowledge, and exercise.

In 2023, the organization of sports season activities led to the Taiwan I sport Corporate Certification awarded by the Sports Administration, Ministry of Education. This is a significant achievement for us. It recognizes our commitment to the physical and mental health of our employees and affirms our efforts toward creating a friendly and healthy environment. We strive to foster a work environment that prioritizes the well-being of our employees. This includes providing comprehensive facilities such as fitness areas and shower rooms, allowing employees to engage in physical activities outside of work hours to maintain their health. We have also established lactation rooms to support the needs of nursing mothers and offer a bright and comfortable office environment with an open workspace design to enhance work comfort and efficiency.

Additionally, we have set up a health consultation room (healthcare center) where employees can receive professional health advice when needed. We also have equipment such as body weight and fat analyzers and blood pressure monitors, enabling employees to monitor their health status at any time. Our focus on employee health has also been recognized with a Workplace Health Promotion Badge awarded by the Ministry of Health and Welfare, Health Promotion Administration. This recognition is not only a testament to our commitment but also a pledge to the health of our employees. We will continue to strive to improve the wellbeing and health of our employees and remain committed to creating a healthy and happy work environment.

Enterprise Workforce **Profile**

We are committed to fostering a welcoming workplace culture of diversity and equality, emphasizing inclusion 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.

Workforce Distribution

By the end of 2023, the total number of employees at the Standard Foods Group was 1,391, an increase of 64 people from the previous year, primarily due to filling vacancies during the year. The proportion of employees by location, from highest to lowest, was as follows: Dayuan Factory 42.77%, Taipei Head Office 23.01%, other office locations 12.08%, Zhongli Factory 10.5%, and Hukou Factory 11.65%. The gender distribution was 955 male employees (68.66%) and 436 female employees (31.34%.) 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 our overall competitiveness.



			Employee type breakdown				Grand total			
ltem	Employee type									
		Number	Percentage		Percentage	Number	Percentage		Percentage	
Employed	Permanent employees	955	100.00%	436	100.00%					
Employed	Temporary employees	0	0.00%	0	0.00%		68.66%	436	31.34%	
	Full-time employees	954	99.90%	435	99.77%	_				
Contract	Part-time employees	1	0.10%	1	0.23%	955				
	Employees with non-guaranteed hours	0	0.00%	0	0.00%	700				
	Taiwanese nationals	785	82.20%	435	99.77%					
Nationality	Foreign nationals (white-collar workers)	0	0.00%	1	0.23%	•				
	Foreign nationals (blue-collar workers)	170	17.80%	0	0.00%					

Note 1: Permanent Employees: Includes foreign employees.

Note 2: Full-time Employees: Defined under Taiwan's Labor Standards Act as employees who work 40 hours per week.

Note 3: Part-time Employees: Employees whose work hours do not meet 40 hours per week.

Note 4: Employees without quaranteed hours: Employees with no specified minimum or fixed hours, such as temporary or on-call workers.

Our employee numbers over the past three years



Note 1: The number of employees is calculated based on the actual number of employees.

Note 2: Based on the figures as of December 31, 2023

Note 3: Non-employee workers: Not directly employed by us, generally refers to dispatched workers through manpower agencies.

Diverse and Abundant Job Opportunities

Standard Foods responds to SDGs Goal 8, "Decent work 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 year-end employee data statistics, the proportion of female employees was 31.34%, the proportion of female managers at the level of deputy manager and above was 38.36%; the proportion of middle-aged and older workers aged 50 and above was 15.96%; in compliance with government regulations, 9 employees with disabilities were employed, making up 0.65% of the total workforce.

To promote local prosperity, we actively employ local residents at "major operational sites" including the Taipei Head Office, Dayuan Factory, Zhongli Factory, and Hukou Factory as part of the "senior management," such as deputy directors and directors, totaling 14 people, accounting for 56% of all senior management positions.

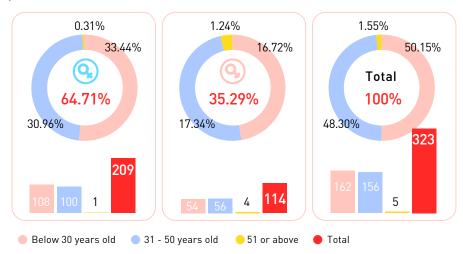
Distribution of Standard Foods Group Employee Job Categories

Job category / DEI category		Sex		Age			Others		
Job category / DEI	category	Male	Female	Below 30 years old	31 - 50 years old		Indigenous people		Disabled
Working staff members	Number	466	347	148	526	139	2	0	4
(Total: 813)	Proportion	57.32%	42.68%	18.20%	64.70%	17.10%	0.25%	0.00%	0.49%
Employee	Number	489	89	194	301	83	4	170	5
(Total: 578)	Proportion	84.60%	15.40%	33.56%	52.08%	14.36%	0.69%	29.41%	0.87%
DEI worker co	unt	955	436	342	827	222	6	170	9
Percentage of total employees		68.66%	31.34%	24.59%	59.45%	15.96%	0.43%	12.22%	0.65%

New employees

In 2023, a total of 323 new employees were hired to meet our growing talent needs. Of these, 209 were male and 114 were female, with employees under the age of 30 making up 50.15% of new hires.

Gender and age distribution of new employees

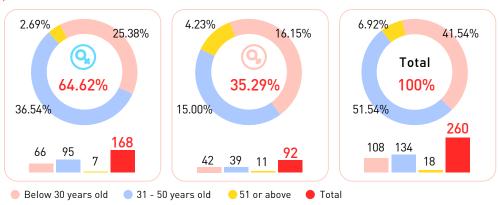


Note: New hire rate = "Number of new hires in each category" divided by "Total number of new hires"

Employee Retention and Turnover

In terms of employee retention, 260 employees left the company, including 168 men and 92 women. The annual turnover rate was 18.69%, with employees aged 31-50 accounting for 51.54% of separations, which is the largest group. Overall, the turnover rate has decreased by 1.95% from 2022. We will continue to enhance work-life balance, employee care, supervisor capabilities, and provide career development opportunities for employees to promote retention.

Statistics on the gender and age distribution of employees who left the company



Note 1: Turnover rate = Number of employees who left in each category / Total number of employees who left.

Note 2: Resigning employees include those who voluntarily resigned, retired, or left the organization upon contract expiration.

Unpaid Parental Leave

We comply with the "Act of Gender Equality in Employment," advocate the gender equality promoted in SDG 5, support the rights and interests of employees to give birth to the next generation, and protect employees' right to parental leave and raise babies. After our employees serve for 6 months and before their child reaches the age of three, the employees are entitled to apply for unpaid parental leave until their children reach the age of three but this is subjected to a maximum of 2 years. Employees can continue participating in social insurance during the unpaid parental leave.

Statistics on parental leave numbers from 2021 to 2023









Note 1: Estimated based on employees who applied for maternity or paternity leave in the last 3 years [2021-2023.]

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

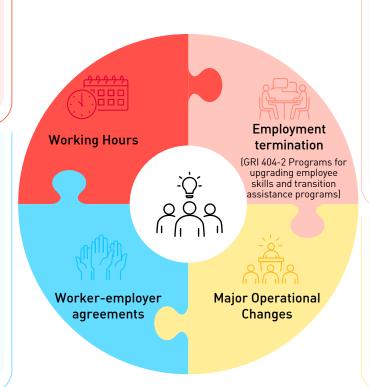
Employee Rights and Benefits

Human and Labor Rights Protection

We prohibit the employment of child laborers under the age of 16, prohibit 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. We protect various labor rights and interests, such as minimum wages, working hours (including overtime,) insurance, vacation, pension, contract termination notice period, freedom of association, and union negotiation rights, etc. We provide equal job opportunities and treatment regardless of differences based on race, color, gender, religion, political, national, or social origin. In 2023, there were no significant risks or instances of discrimination, child labor, forced labor, or other violations of labor rights within the company and our suppliers.

Description of Standard Foods labor rights-related measures

- 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 over 8 hours a day, and employees shall not be forced to work overtime.
- We have established a union organization, which holds consultation meetings quarterly. Regular worker-employer 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 worker-employer cooperation, relationship coordination, two-way communication, and negotiation regarding labor condition improvement and labor welfare planning.
- In 2023 no collective agreements were established with the union (the main reason being that we had not yet signed a collective agreement with the union in 2023.)
- We hold union worker-employer consultation meetings and worker-employer meetings every quarter, and we set up the plant manager's mailbox to deal with feedback from workers in real-time.
- To strengthen corporate governance and facilitate employee communication, ensuring that workers' voices are heard and appropriately responded to, in addition to the existing daily communication channels, we set up a mailbox at the General Manager's office.



- If there is a need to terminate an employment relationship with the employee, we 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.
- We provide retired workers with a fixed amount of free shopping credit for products on our e-commerce platform.
- Significant business changes affecting employee rights and the corresponding measures are implemented after discussion in the worker-employer meeting.
- Before the implementation of major operational changes, the affected employees and their representatives are notified in advance for the number of days, as specified by relevant regulations.
- We 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 adjustments in the industry, strive for equal pay for equal work, and eliminate the gender gap for the overall salary.

Our male-female salary ratio for each worker category in the past 3 years

Year	2021		2022		2023	
Employee type	Male			Female		Female
Working staff members	1.10	1	1.15	1	1.10	1
Employee	0.90	1	0.91	1	0.98	1

- Note 1: Calculation method: Average salary of males in each category / Average salary of females in each worker category
- Note 2: Remuneration: the worker's current annual salary, including basic salary, food allowance, year-end bonus, performance bonus, overtime pay, other allowances and
- Note 3: Employee statistics include those from foreign migrant workers.

Salary levels of entry-level staff in our important operating bases in the past 3 years

Year	Average stan entry-leve	dard salary of el workers	Average standard salary of entry-level workers / Local minimum salary			
				Female		
2021	40,781	40,976	1.70	1.71		
2022	41,602	44,987	1.65	1.78		
2023	42,903	46,798	1.62	1.77		

- Note 1: The "important operating base" defined by us is the operating boundary disclosed in this report.
- Note 2: We refer to the Ministry of Labor's annual minimum salary announcement to formulate the salary of employees and other workers to ensure that it is not lower than the minimum salary.
- Note 3: Entry-level personnel: This refers to plant operators.
- Note 4: Standard salary: including basic salary, food allowance, shift allowance, full attendance bonus, production bonus, overtime pay, and other regular wages.
- Note 5: From 2021 to 2023, the local minimum wages were NTD\$24,000, NTD\$25,250, and NTD\$26,400 respectively.

Benefits

To protect employee rights and increase company cohesion, our company provides a comprehensive benefits system for full-time employees. In addition to statutory labor and health insurance, annual leave, maternity leave, and paternity leave, we offer a variety of additional employee benefits. These include group insurance for employees and their spouses and children, financial support for marriage, bereavement, and celebrations, employee discount purchases, birthday gifts, annual travel activities, seasonal festivals, health promotion activities, employee club activities, free parking at the factory, priority parking for pregnant employees, breast-feeding rooms, and subsidies for baby formula for newborns, all aimed at enhancing employee welfare and creating a happy workplace.

Standard Foods Group Employee Benefits

Basic benefits	Insurance	 All employees participate in labor insurance and national health insurance. Employees and their family members (including spouses and children) have access to group insurance that is fully paid for by us (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	 In accordance with the "Labor Standards Act", we provide national holidays, annual leave, marriage leave, bereavement leave, sick leave, and parental leave. Relevant leave is granted according to the Labor Standards Act In response to the traffic situation in Neihu, the headquarters has put in place flexible working hours.
	Pension	 For those who the old "Labor Standards Act" apply: 3.7% of the workers' 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 2023, the combined balance of the special accounts for the Labor Pension Supervisory Committee for Standard Foods and Standard Dairy Products Taiwan Ltd. totaled NTD\$352,407,091. For those covered under the new "Labor Pension Act," contributions are made at a rate of 6% of the employee's monthly salary, according to the wage bracket table approved by the Executive Yuan, and deposited into the individual labor pension accounts. The pension expenses recognized by Standard Foods and Standard Dairy Products Taiwan Ltd. for the year 2023 amounted to NTD\$50,880,646.
	Employee discounts	• Employees can purchase our products at a price lower than the market rate within a monthly limit to care for their health and their family's health.

Remuneration	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 and received no 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. The total employee bonuses for Standard Foods and Standard Dairy Products Taiwan Ltd. amounted to NTD\$24,991,624.
and benefits	Group performance bonus	Despite the tight global supply chain constraints, rising costs, and consolidation of channels due to the Russo-Ukrainian War, the performance of Taiwan's Standard Foods Group has continued to grow steadily. To show appreciation for the contributions of all workers in these challenging circumstances, bonuses were still distributed based on the proportion of the year worked, with a total of 1,056 employees receiving this bonus.
		Annual employee health checks are routinely held (better than regulatory standards).
	Health	• On-site/resident (full-time) medical staff are available, conducting regular health consultation services every month.
	services	• At the Dayuan Plant, additional health services are provided, including on-site administration of publicly funded influenza vaccines and screening services for four types of cancer.
Health promotion	Health	 Health Activity Seasons are organized, with a total of 105,807,786 steps accumulated, workers burning 3,190,918 calories, equivalent to walking 74,041 kilometers. Each workplace regularly evaluates and conducts health-related lectures based on the health situation of employees. Each workplace also provides specific health activity services.
	promotion activities	 At the Taipei office: In addition to monthly health consultations, a themed health consultation is provided once a month, and health promotions are held to enhance health awareness. Additionally, a physical therapist is employed to assess the health of the employees. Dayuan Plant: Two weekly health reports per month and noise protection education and training sessions
		Nursing rooms, first aid kits, and fire extinguishers
	Health-	• The following additional health-related equipment is provided according to the needs of each workplace.
Comprehensive facilities	related	Dayuan plant is equipped with AED automatic external heart defibrillator emergency equipment.
lacilities		► Taipei office: Sports equipment and showers, as well as a health consultation room, are available. ► At the Dayuan and Zhongli Plants, priority parking spaces are arranged for pregnant women.
	C+-tt+	
	Stan Canteen	• The plants have a staff canteen, providing a bright and clean dining environment for the staff.
		• Source of funds: 0.5% of each employee's monthly salary, 0.15% of our total monthly operating income, and 40% of the income from scraps are deposited in the special "Employee Welfare Committee" account established by the employer and the employee for management. In 2023, Standard Foods and Standard Dairy Products Taiwan Ltd. allocated a total of NTD\$28,897,235 to employee welfare expenses.
	_ ,	Three festival gifts: Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival gift bonus
Employee	Employee welfare fund	Birthday gift bonus: Birthday gift bonus for the month of the birthday
Welfare	Wellare raila	• Welfare bonuses and subsidies: marriage, childbirth, bereavement, hospitalization, funerals, etc.
Committee		Travel subsidies: Domestic and foreign travel subsidies and intermittent company activities
		Club subsidies: Various club activities and office fitness equipment
		Others: Festivals or year-end banquets to enhance the relationship among workers
	Annual events	We encourage employees to participate in club sports, including badminton, table tennis, basketball, softball, and road running clubs, to promote employee physical fitness and enhance inter-departmental relationships.

Talent is the most important asset of a company and key to achieving sustainable growth. We have long been committed to enhancing the quality of our talent and building excellent teams to establish a competitive edge. To more effectively nurture new talent, we provide comprehensive support as new workers join us. We aim for every new colleague to feel our support and companionship as they start their new journey.

To help new employees get up to speed guickly, we offer a corporate general knowledge course to help them integrate into our culture quickly. Additionally, we provide new employees with professional basic courses related to their positions, taught by supervisors to help them adapt to their roles more swiftly. To enable new workers to learn more quickly and systematically, in addition to physical training for new employees, we have also set up an online course "Newcomer Go" for each unit to help them adapt to the work environment faster.

Diversified Training Channel

Each employee's professional skills, communication, management, and leadership abilities are the key to our 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 workshops 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 workshops not only contributes to employees' personal growth but also helps enhance the competitiveness and sustainable development of the Standard Foods Group.

The 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 us, and our success 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

The "Sustainability School" and Sustainability Workshops at the Standard Foods e-Academy

Completed in 2023, the Standard e-Academy is an internal learning platform within the Standard Foods Group. Focused on our sustainability goals and enhancing employees' awareness of ESG, the same year saw the addition of the training course "Sustainability School" and the module "Understanding ESG," with a total of 269 people registered for online learning. The courses are rich and substantial, they include the introduction of GRI standards, RE100, and corporate



carbon reduction, allowing employees to comprehensively track their learning progress and align with international trends in environmental, social responsibility, and corporate governance. In addition to the online learning platform, the Standard Foods Group also actively organizes hands-on sustainability workshops, fostering discussions among workers and sparking sustainable thinking. This approach aims to create better operational performance and corporate value.

Overview of our 2023 employee workshops:



Leather ID Cover Handicraft Class

We invited the Tainan City Rehabilitation Youth Advancement Association to lead workers in an in-depth experience of leather craftsmanship. Under professional guidance, participants learned to cut and sew leather, creating personalized ID holders and unleashing their creativity to design unique pieces.



How to Tell a Good Story - From Theater Performance to Expression Skills

Exploring the essence of expressive ability from the perspective of theater performance, this session opens new doors to expression by sharing story structure, emotional expression, and body language skills. It helps participants become excellent storytellers, inspiring creativity and enhancing communication skills.



Essential Communication Skills for the Workplace

This session explores emotional management techniques and teaches effective observation and listening skills while fostering empathy, promoting teamwork, and developing leadership. Through role-playing and case analysis, participants learn strategies to address various communication challenges, which helps in building better relationships with workers, clients, and superiors in the workplace, thereby enhancing overall work efficiency and satisfaction.



Home-made Essential oil and Perfume

We invited a professional aromatherapist to teach fragrance blending techniques. Participants can experience different natural essential oils through scent, choose their favorite top, middle, and base notes, and create their own unique perfume.



Strength Training without Equipment

Teaching equipment-free muscle training methods that integrate a variety of movements like push-ups, sit-ups, and squats to challenge physical limits and sculpt a fit physique. Under professional guidance, participants learn to effectively train major muscle groups using their body weight, improving strength and endurance while enjoying the benefits of healthy exercise in a relaxed and joyful atmosphere.



Office Workers' Spinal Care Strategies

A physical therapist is invited to delve into common spinal issues faced by office workers and provide solutions. Starting with reading bodily signs and testing spinal movements, adjustments are made to office seating postures to cultivate good habits that prevent stiffness and pain. By making necessary adjustments, the office environment is improved to reduce spinal issues and enhance comfort at work.



Speak Nicely, Ask Good Questions

Learn three key methods to quickly get to the point in your communication and engage your audience so they are willing to listen. Explore the bad guestions you should avoid in professional, romantic, parental, and self-dialogues, and learn to ask good questions that can solve issues and improve moods. By improving communication skills, participants become more confident and effective in expressing themselves, thus building better interpersonal relationships.



A zero-barrier mobile photography course that everyone can learn!

From basic functions to practical applications, master the essence of mobile photography. Dive into the five key points of photography in different scenarios and introduce basic composition techniques to offer practical skills, allowing participants to capture beautiful moments with their phones and enjoy the fun of photography.



Wool felt handicraft class

Through professional guidance, master the basic techniques of felting, from creative design to actual production, to create unique handmade crafts. Whether for craft enthusiasts or beginners, this experience offers a pleasurable crafting session that helps relieve stress and achieve a sense of balance.



Leverage emotional intelligence to live a smoother life

Explore the power of emotions to enhance your quality of life. Learn how to appropriately express feelings, manage stress, and establish healthy relationships through emotional intelligence. From understanding emotions to utilizing them, we will explore how emotions impact various aspects of life, empowering you to better handle challenges and live a richer, smoother life.



The Ultimate Universal Picture Composition Technique

Through professional guidance, learn to explore the power of composition. From highlighting focal points to conveying ideas, delve deep into the rules of composition, including techniques such as simplification and beautification of the main subject

Pictures from 2023 employee workshops



2023 Standard Foods Group Sustainability Report







122

Standard Foods 2023 Employee Training Overview

Employee type	Calculation	Male	Female	Subtotal
	The actual number of staff members during the reporting period (A1)	466	347	813
Working staff members	Hours of training during the reporting period (B1)	11,936.65	9,009.44	20,946.09
	Average hours of training received per worker during the reporting period (B1/A1)	25.62	25.96	25.76
	The actual number of employees during the reporting period (A2)	489	89	578
Employee	Hours of training during the reporting period (B2)	6,736.17	1,274.24	8,010.41
	Average hours of training received per employee during the reporting period (B2/A2)	13.78	14.32	13.86
	Total hours during the reporting period (Q)	18,672.82	10,283.68	28,956.5
Total	Total number of employees at the end of the reporting period (R)	955	436	1,391
	Average hours of training received per employee (Q/R)	19.55	23.59	20.82

2023 Standard Foods on-job training courses and participation

Category	Number of participants	Learning hours	Completion rate
Training for new recruits	1,218	1,427.10	94.33%
General courses	1,311	1,076.44	91.23%
Competence courses	3,401	6,333.94	97.24%
Professional courses	1,650	3,009.79	96.18%
Management courses	222	1,504.00	97.30%
Product knowledge courses	1,549	293.00	95.35%
IT courses	83	22.99	89.16%
Sustainability courses	421	826.55	97.62%
Legal comliance courses	141	162.91	98.58%
Information security courses	199	306.33	92.46%
Occupational safety and health courses	4,432	8,671.28	99.68%
Food safety and sanitation courses	3,967	4,635.05	99.87%
Corporate Governance	1,808	1,052.59	98.17%
Grand total	20,402	29,321.97	97.51%

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 workers in the office must set annual personal goals and integrate the requirements of core functions, management functions, and professional skills to better facilitate their career development. In 2023, 100% of our employees will receive regular performance and career development reviews.

Overview of our 2023 employee performance evaluation

Employee type	Calculation	Male	Female	Subtotal
	Total number of workers at the end of the reporting period (A1)	440	328	768
Working staff members	Number of workers receiving regular performance and career development reviews (B1)	440	328	768
	Percentage (B1 / A1)	100%	100%	100%
	Total number of employees at the end of the reporting period (A2)	314	86	400
Employee	Number of employees receiving regular performance and career development reviews (B2)	314	86	400
	Percentage (B2 / A2)	100%	100%	100%
	Total number of employees at the end of the reporting period [R]	754	414	1,168
Total	Total number of employees receiving regular performance and career development reviews (Q)		414	1,168
	Percentage of employees receiving regular performance and career development reviews (Q/R)	100%	100%	100%

- Note 1: Standard Group's annual performance review period runs from March to February of the following year, with evaluations conducted every January and February. Therefore, the total number of employees at the end of the period is 1,424 as of February 29, 2024.
- Note 2: Number of employees who regularly undergo evaluations (systematic methods:) 1,168.
- Note 3: Number of employees who regularly undergo evaluations (non-systematic method): 211, including 26 senior managers (department head level and above) who report directly to the General Manager for performance and career development reviews, and 185 foreign workers who are also evaluated monthly on their work performance.
- Note 4: Workers not included in performance reviews:11 employees planning to resign or retire, 3 contract employees, and 31 new recruits.

Worry-free workplace environment

Occupational health and safety management system

We have 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. The Dayuan Plant passed the ISO/CNS45001 Occupational Health and Safety Management System certification audit in 2020. By implementing the ISO/CNS45001 Occupational Health and Safety Management System, the plant effectively applies the environmental and safety management systems. It consistently passes the audits for these systems each year, ensuring that the system functions well, meets requirements, and serves as a management standard for the Zhongli and Hukou Plants.

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.

Factory	Workers covered by the Occupational Health and Safety Management System				Coverage		
Taipei office	0	0	0	320	3	323	0%
Dayuan plant	595	72	667	595	72	667	45%
Zhongli Plant	146	14	160	146	14	160	11%
Hukou Plant	162	6	168	162	6	168	11%
Office	0	0	0	168	0	168	0%
Total	903	92	995	1,391	95	1486	67%

- Note 1: The number of non-employees includes contracted and dispatched personnel working long-term in the plant.
- Note 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



Legal compliance

To comply with all health and safety regulations and other requirements



Consulting and Communication

To communicate and discuss with relevant personnel, understand personal work management and responsibilities, and participate in the management system's implementation



Control risks

To provide appropriate protective equipment or operating controls to prevent disasters such as falling, fire, electric shock, entering confined spaces, getting involved, and chemical exposure



Pollution Prevention

To implement various pollution prevention and control equipment according to applicable laws and regulations, and continue to develop and use low-environmental-load raw materials to reduce pollution and other accidents



Continuous Improvement

To come up with safety and health work goals and continuously improve working conditions to prevent and reduce injuries and diseases

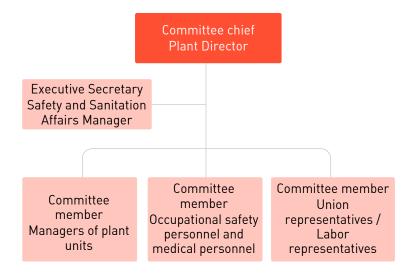
Occupational Health & Safety Committee

We have a Safety and Health Committee in each plant area. The committee meets once every three months. The plant manager is our chairperson, 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 overview of the safety and health committees in each plant area is as follows:

Our Occupational Safety and Health Management Committee Organizational Structure	Committee chief	Executive Secretary	Unit supervisor/ Occupational safety personnel/Medical personnel	Trade Union Member / Labor Representatives
Dayuan Plant_Occupational Safety and Health Management Committee	Plant Director	Safety and Sanitation Department managers	8 people	8 people (union representatives)
Zhongli Plant_Occupational Safety and Health Management Committee	Plant Director	Safety and Sanitation Department managers	6 people	5 people (union representatives)
Hukou Plant_Occupational Safety and Health Management Committee	Plant Director	Safety and Sanitation Department managers	7 people	7 people (union representatives)

2023 Standard Foods Group Sustainability Report

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, we also provide regular accident education and training, as well as accident investigation and analysis methods, to help workers understand the true cause of accidents, reduce the occurrence of industrial safety accidents, and strengthen employee health and safety.

Category	Course title
Safety and Sanitation	 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 Type-1 pressure container operator training On-the-job education and training for operators operating forklifts with a payload of one ton or more Heat hazard prevention education and training
Firefighting	Fire emergency response drills such as fire extinguishing and evacuationFire Prevention Manager Coaching Training
Environment	 Chemical and oil spill emergency response drill Emergency response to liquid ammonia leakage Class B waste (sewage) water treatment specialist training

125

2023 Occupational safety and health training for Standard Foods Group personnel



2023 Occupational Safety and Health Training and Contractor Management Training - Standard Foods Group

Worker type	Training type	Training	Number of hours	Number of participants	Training hours
Recruits	General training	C 11	- · · ·	178	1,068
Recruits	Special training	See the information	See the information	178	178
Working	General training	of each	of each	1,552	2,132
employees	Special training	factory below	factory below	235	1,425
Labor contractors	_abor contractors In-plant construction safety training		Delow	679	679
	1,516	2,673			

126

Occupational safety and health training for Dayuan Plant personnel in 2023

Sustainability Report

Worker type	Training type	2023 Occupational Safety and Health Training and Contractor Management Training - Dayuan Plant	Number of participants	Number of hours	Total number of participants	Total number of hours
New	General training	Labor safety education and training for new recruits	105	6		
recruits		Food Sanitation and Safety Education and Training for New Recruits	105	1		
		Occupational Safety and Health Officer and Occupational Safety and Health Management Personnel On-the- Job Training Classes	2	12		
		Type A Safety and Health Officer License Refresher Training	1	6		
		Factory Fire Emergency Response	88	4		
	General training	Sanitation and Disinfection Operation Training	19	1		
		Sanitation management	535	1		
		Sanitation and Disinfection Operation Training	532	0.5		
		Sanitation Management Workshop cum Cleaning, Disinfection, and Chemical Supply Management	215	1		
		On-the-job Education and Training for Hazardous Substance Work (Hypoxic Operations) Supervisors	3	6		
		Chemical Solvent Spill Handling	15	3		
		Chemical Education and Training for Packaging Personnel	20	2		
		Operation Instructions and Operating Safety Regulations for Packaging Personnel	21	1	3	
		On-The-Job Education and Training for Operators of Hazardous Equipment (Type 1 Pressure Vessels)	7	3		
Working employees		Dangerous Equipment (Ultra-High Pressure, High-Pressure Capacity, Hydraulic Pressure, and Boiler) Operators - Retraining	t (Ultra-High Pressure, High-Pressure Capacity, Hydraulic Pressure, and Boiler)	1,770	5,436	
employees		Dangerous Equipment Operator (Class B Boiler) Refresher Training	8	4		
		Safety and Health On-The-Job Education and Training Courses for Hazardous Equipment Operators	1	3.5		
	Special training	Dangerous Machinery (Fixed Type, Mobile Type), and Hanging Operations of 3-, over 3-, and less-than-3-ton payload	7	3.5		
	·	First Responders Retraining	6	3		
		Level B Training Course for Professional Technical Management Personnel on Toxic Substances and Chemical Substances of Concern	1	42		
		Forklift Operator Beginner's Training	6	21		
		Cleaning, Disinfection, and Chemical Management Education and Training	8	1		
		Disinfection Chemicals Education and Training	30	2		
		Abnormal Situation Prevention	24	2		
		The 112,003rd Specific Chemical Substances Operation Supervisor Safety and Health Education and Training				
		Operation of Forklifts with a Payload Over One Ton				
		Practical Toxic and Chemicals of Concern Specialist Response Personnel Training Course	1	16		
Labor contractors	In-plant construction safety training	Contractor Application for Plant Access and Hazard Disclosure Training	584	1	584	584

127

Occupational safety and health training for Zhongli Plant personnel in 2023

2023 Standard Foods Group Sustainability Report

Worker type	Training type	2023 Occupational Safety and Health Training and Contractor Management Training - Zhongli Plant	Number of participants	Number of hours	Total number of participants	Total number of hours
NI 'I	General training	General Safety and Health Education and Training	23	6		
New recruits	Special training	Food Sanitation and Safety Education and Training for New Recruits	23	1		
	General training	Occupational Safety and Health Manager and On-Job Training for Safety Personnel	1	14		
	e ee. e. e. eg	Occupational Health and Safety Manager	2	115		
	Special training	Indonesian Forklift Operators Handling Payloads of One Ton or More	1	24		
		Dangerous Equipment (Ultra-High Pressure, High-Pressure Capacity, Hydraulic Pressure, and Boiler) Operators - Retraining	2	3		
		Hazardous Operations (Organic, Specialized, Dust, Lead, and Hypoxic Operations) Supervisor Retraining	5	7	77	614
Working employees		Fire Prevention Manager Refresher Course	1	7		
		Fire Prevention Management Personnel Beginner Training Course	2	14		
		First Responder (Retraining)	1	3		
		First Responder - Beginner's Course	1	16		
		Education and Training for Forklift Operators with a Payload of One Ton or More	3	18		
		On-the-job Education and Training for Forklift Operators with a Payload of One Ton or More	12	3		
Labor contractors	In-plant construction safety training	Contractor Application for Plant Access and Hazard Disclosure Training	49	1	49	49

Occupational safety and health training for Hukou Plant personnel in 2023

Worker type	Training type	2023 Occupational Safety and Health Training and Contractor Management Training - Zhongli Plant	Number of participants	Number of hours	Total number of participants	Total number of hours
New recruits	General training	General Safety and Health Education and Training	50	6		
New recruits	Special training	Food Hygiene and Safety Education and Training	50	1		
	General training	General Safety and Health Education and Training	157	3		
		Fire Prevention Management Personnel	1	6		
		Hypoxic Operation Supervisors (Beginner's Course)	2	18		
		On-the-job Training for Hypoxic Work Supervisors	3	6		1,358
	Special training	On-the-job Training for Supervisors of Specific Chemical Substances	1	6	296	
		Beginner's Course for Class B Boiler Operators	1	52		
Working		Class B boiler On-Job training	2	3		
employees		Type 1 Pressure Vessel Operators	2	35		
		Safety and Health On-the-job Education and Training For Type 1 Pressure Vessel Operators	3	3		
		Training for Forklift Operators with a Payload of One Ton or More	1	18		
		On-the-job Education and Training for Forklift Operators with a Payload of One Ton or More	16	3		
		Dedicated Personnel for Waste (Sewage) Water Treatment	1	74		
		Class B Waste Disposal Professional Technicians	1	74		
		Indonesian Forklift Operators Handling Payloads of One Ton or More	5	24		
Labor contractors	In-plant construction safety training	Contractor Application for Plant Access and Hazard Disclosure Training	46	1	46	46

Occupational Safety Hazard Risk Management

2023 Standard Foods Group

Sustainability Report

We have 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 our 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" due to 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 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 our personnel's safety and health, the operation, process, and activities of the environmental safety and health management system, or changes in raw materials, applicable legal requirements concerning risk assessment and implementing necessary control methods, design of work areas, processes, installations, machinery, operating procedures, and work organization.

We have established a proactive environmental safety and health factor identification and risk assessment mechanism and identified the priority of risk management based on risk assessment criteria and control method applications. When establishing environmental safety and health goals, we must consider the evaluation results and the control effectiveness.

We will keep the environmental safety and health factor documents up-to-date, and conduct environmental safety and health factor identification and risk assessment at appropriate times to meet the "Management Procedure Revision" 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 [light,] and 1 (low.) Those with moderate or higher risks shall be listed as unacceptable risk items, and immediate improvement measures or annual improvement plans shall be implemented to prevent and reduce the likelihood of disaster occurrence and reduce 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 our improvement target plan.

Hazard identification, analysis, and improvement measures of our occupational safety and health management

Hazard identification	Hazard Determination	Risk level	Improvement Measures
Machinery Hazards	 Unsafe Environment or Facility Machinery without a complete safety protection mechanism Entrapment hazard 	Medium	 Implement improvement plans and engineering controls and add safety protection mechanisms Implement chemical leakage disaster prevention drills, emergency protective equipment checklists, and comprehensive equipment management A qualified environmental testing company is entrusted once every six months to conduct physical and
Chemical Hazards	 A work environment where employees are exposed to hazardous chemicals/organic solvent leakage 	Medium	chemical hazard environmental testing in the plant area, make relevant improvements based on the test report, and announce the results according to the relevant regulations.
Physical Hazards	 Hazards caused by high-temperature operations, noise, and repetitive operations 	Medium	 Wear earplugs, waist support, and related protective gear Ventilation improvement work and labor-saving devices such as robotic arms Annual health checks are performed regularly, and plant doctors are stationed at the plants monthly
Human Factor Hazards	 Musculoskeletal injury hazards from repetitive work postures 	Low	to provide health consultation services Carry out a rotation or temporary change of responsibilities based on the judgment of the plant doctor

Standard Foods Occupational Safety and Health Protection Measures List

Trolley Alarm Signal and Interlock Stop Safety Device

The device adds alert signal lights and interlock stop safety devices to the trolley track to ensure that the trolley can stop running immediately when someone enters its track by mistake but the trolley is not stopped. It sends out warning signals to ensure personnel safety.



Warning Lights Surrounding Forklifts

The plant's forklifts are fully equipped with surrounding warning lights to mark the alert area when in motion, reminding operators to maintain a safe distance and prevent collision risks.



Light Grating Protection Device for Bottle Unloaders

The light 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.



Aerial Work Vehicle

We train operators to perform aerial operations with our self-purchased aerial work vehicles to ensure their safety.



Designated lanes for separating pedestrians and vehicles within factory areas

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





Bottle Cleaning Machine Shield Opening Interlock Stop Device

A shield opening interlocking stop device is added to the bottle cleaning machine to ensure that when the machine is not stopped due to personnel misoperation when any part of the human body enters the bottle cleaning operation area, the machine can be stopped immediately and send out a warning signal to ensure personnel safety.



Fall Prevention Lifeline Systems for Tank Car Operations and Roof Work

An anti-fall lifeline 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 operations at heights.



Contractor Occupational Safety and Health Management Measures

We have 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 our 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 for their specific 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 Post" for inspection by the labor safety personnel.

The construction personnel employed by the contractor must comply with the relevant labor laws and regulations, such as the Occupational Safety and Health Law, the Labor Standards Law, and the Employment Service Law. Those who fail to comply with the regulations after inspection shall be refrained from entering the plant for construction.

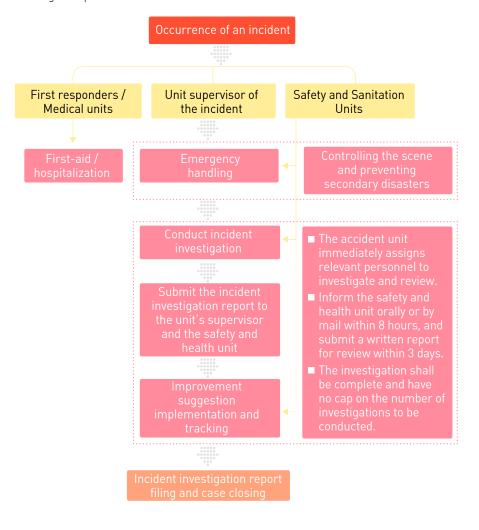
The relevant operation and control forms of the Contractor Management Policy are as follows:

- Contractor Plant Entry Application and Hazardous Factor Disclosure Notice
- 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 and Rigging Permit Application Form
- Aerial Operation Permit Application Form
- Dangerous Substance Entry Application Form for the Guard Post
- Construction Personnel Early or Late Plant Entry Notice
- Standard Foods Incoming Contractor
 Breach of Contract Form

Response to Occupational Incidents

In case of an occupational accident, we shall conduct first-aid and rescue work according to the "Operational Procedures for Investigation and Handling of Public Injury Accidents" and cooperate 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 incident recurrence, and the relevant investigation process is as follows:



Occurrence of an incident

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 cause

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 leader of the said team, and they shall go to the site for investigation and inspection together with the department supervisors. After submitting the "Incident Prevention Report" to the General Manager, a major occupational disaster investigation report review meeting shall be held within one week, and the director of occupational safety and health operations shall serve as the leader. The department heads and labor representatives shall be asked to attend, and the Labor Safety Office shall explain the process and handling of major occupational accidents.

Incident review and improvement plan formulation

Every 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 incident scene, 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 incident statistics and analysis

In 2023, the total working hours for the three main factories of the Standard Foods Group were 20.35 million hours. The recorded occupational injuries for the year were 9 cases, with a rate of approximately 0.44, a significant decrease from 19.58 million working hours in 2022 with 12 recorded occupational injuries and a rate of approximately 0.61. In 2023, there were 0 severe occupational injury incidents, and there were also 0 incidents resulting in death due to occupational injuries.

Analysis of the accident types throughout the year revealed that unsafe personal actions and inappropriate actions without complying with SOP accounted for the largest number of occupational injuries (60%.) Most of them occurred in unconventional situations, such as car washing, troubleshooting, and failure to comply with the SOPs. In 2024, we will continue to promote hazard assessment for control of this situation. At the same time, we will run the CIT project to find out those situations with a high occurrence rate of anomalies that are related to personnel hazards in all production lines of the plant, and evaluate and reduce their anomalies through elimination, replacement, and engineering improvements. It is expected to reduce the probability of major disabling injuries in the plant and continue to strengthen the safety supervision system.

Occupational Injury Statistics at Standard Foods Dayuan Factory in the recent three years

Year	2021	202	2	2023		
Worker type						
Total working hours	1,099,136	164,672	1,103,568	165,336	1,141,440	166,000
Death	0	0	0	0	0	0
Death rate	0	0	0	0	0	0
Number of serious occupational injuries	2	0	0	0	0	0
Serious occupational injury rate	1.81	0	0	0	0	0
Recordable number of occupational injuries	9	0	9	1	7	1
Recordable occupational injury rate	8.18	0	8.15	6.04	6.13	6.02
Injury Types	Object collapse, cave-in, being caught or entangled, falls, cuts, abrasions, contact with extreme temperatures, and items rolling or falling.	NA	Cuts, abrasions, falls, trampling, being caught or entangled	Falls	Falls, improper movements, cuts, abrasions, contact with hazardous substances	Falls

Occupational Injury Statistics at Standard Foods Zhongli Factory in the recent three years

2023 Standard Foods Group

Sustainability Report

Year	2021		2022		2023	
Worker type						
Total working hours	59,052	315,018	62,604	322,344	65,712	329,448
Death	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	0	0	1
Recordable occupational injury rate	0	0.63	0	0	0	0.60
Injury Types	No	Falls	No	No	No	Impact

Occupational Injury Statistics at Standard Foods Hukou Factory in the recent three years

Year	2021		2022		2023	
Worker type						
Total working hours	289,712	7,856	298,224	5,688	325,384	7,224
Death	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	0	2	0	0	0
Recordable occupational injury rate	0	0	1.44	0	0	0
Injury Types	No	No	Improper movements, falls	No	No	No

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 work.

- Note 3: Severe occupational injuries: Injuries due to occupational accidents that result in disability or inability to return to pre-injury health within 6 months (excluding deaths).
- Note 4: Death rate = number of deaths caused by occupational injuries \div total hours worked \times 1,000,000.
- Note 5: Serious occupational injury rate = number of serious occupational injuries \div total working hours \times 1,000,000.
- Note 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 hours.
- Note 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 a full-time worker works 2,000 hours in one year.

Note 2: Total working hours: This is the total number of working hours of all workers every year. Hours for 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.

Disability and injury frequency and severity statistics at Standard Foods Dayuan plant

2023 Standard Foods Group

Sustainability Report

Year	Worker type	Workdays lost due to disabling injuries	Disabling Injury Frequency Rate(FR)	Disabling Severity Rate(SR)	Total injury index(FSI)
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
2023 -	Employees	87	6.13	76	0.67
	Non-employee	31	6.02	186	1.05

Disability and injury frequency and severity statistics at Standard Foods Zhongli plant

Year	Worker type	Workdays lost due to disabling injuries	Disabling Injury Frequency Rate(FR)	Disabling Severity Rate(SR)	Total injury index(FSI)
2021	Employees	0	0	0	0
2021	Non-employee	15	0.63	9	0.07
2022	Employees	0	0	0	0
	Non-employee	0	0	0	0
2023 -	Employees	0	0	0	0
	Non-employee	30	0.60	18	0.10

Disability and injury frequency and severity statistics at Standard Foods Hukou plant

Year	Worker type	Workdays lost due to disabling injuries	Disabling Injury Frequency Rate(FR)	Disabling Severity Rate(SR)	Total injury index(FSI)
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
2023 -	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 includes occupational accident and public injury leave, excluding sick and menstrual leave.

Note 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 a full-time worker works 2,000 hours in one year.

Note 2: Disabling Frequency Rate (FR) = number of disabled injuries \div total working hours \times 1,000,000.

Note 3: Disabling Severity Rate (SR) = Days lost due to disability \div total hours worked \times 1,000,000.

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

Workplace Health Services

The operating philosophy of the Standard Foods Group is to enable everyone to "live a lifetime of well-being." Our belief is that "eating a balanced diet is the foundation of health." Every employee is a valuable asset to us, and employees are considered "family." The Standard Foods Group takes care of each employee and their families with the same care as family, ensuring every colleague's mental and physical health and a safe work environment is both our responsibility and our commitment. Therefore, the Standard Foods Group is committed to providing a healthy and safe work environment and organizing activities that promote the physical and mental health of employees. Every year, based on employees' work patterns and health check-up reports, we continue to identify workplace hazards, implement employee health management, organize various health promotion activities, and promote comprehensive health and joyful living, in order to maintain the physical and mental health of employees, while continuing to improve the overall health performance, as outlined below:

• Conducting employee health checks

Providing biennial health checks at medical facilities, with test items exceeding regulatory requirements, and integrating four cancer screenings from the National Health Administration.

Z. Implementing employee health management

Health check reports are analyzed and evaluated by contracted medical staff and dedicated nurses, helping employees manage abnormalities according to various criteria. High-risk cases are included in the employee health tracking project. At the same time, based on the overall health check report, health workshops and smoking cessation management activities have been organized.

Executing the Employee Health Protection

Combine annual health checkups with health surveys to analyze results, track high-risk cases of abnormal workloads and musculoskeletal pain, and arrange health consultations and guidance. Maternity health care assessments are conducted for pregnant and breastfeeding employees, and consultations are arranged.



Occupational health care consultation

4. Conducting health promotion activities

Diet and exercise are always included in the annual health promotion activities at the company. Nutrition and sports-related competitions are organized, encouraging employees to develop healthy eating habits and regular exercise routines for overall health.

5. Promoting health and career growth

We organize various health promotion courses based on employee needs and utilize an extensive internal personal-growth training system to learn about health, stress relief activities, and sports medicine We encourage employees to achieve a balance between health, work, life, and a healthy family.



6. Creating a friendly and healthy environment

Our office is equipped with fitness spaces and shower rooms, breastfeeding rooms, a bright and comfortable office environment with open workspace design, employee kitchen islands and dining areas, and a health consultation room (healthcare room) equipped with body weight and body fat scales, and blood pressure monitors.



Health Consultation Room (Health Room)









In 2023, we received the Health Promotion certification from the Health Promotion Administration, Ministry of Health and Welfare



Occupational Injury Prevention Management

2023 Standard Foods Group

Sustainability Report

We have always actively promoted and focused on workplace health environments. To protect the physical and mental health of workers, we conduct regular health checks for all employees every year, including general health exams and special health exams for workers exposed to specific hazards. Special health checks are performed for workers involved in 12 categories (including exposure to noise, ionizing radiation, hexane, chromium and its salts, benzene, formaldehyde, carbon disulfide, nickel/manganese/ arsenic/cadmium and their compounds, and mercury and its inorganic compounds,) with legally mandated special examinations. Graded health management is also established according to relevant regulations. 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 in the health management categories 3 and 4 shall be followed up once every other year. Special professional physicians shall provide health consultation and guidance to Category 4 management. By the end of 2023, there were seven individuals in the company under Category 3 health management due to special operations causing abnormal medical exam results, and six individuals under Category 4 health management due to noise-related operations, with hazard control measures and noise protection education, training, and protective equipment in place. In 2023, there were no occupational diseases in the company.

Overview of health management categorization from special health exams from 2021 - 2023

Unit: number of people

Year	Total number of people examined	Health management - Category 1	Health management - Category 2	Health management - Category 3	Health management - Category 4
2021	263	184	76	0	3
2022	378	263	99	12	1
2023	316	246	63	1	6

- Note 1: Category 1 management: those judged normal based on comprehensive inspection results.
- Note 2: Category 2 management: the inspection results are comprehensively judged as abnormal and unrelated to work.
- Note 3: Category 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.
- Note 4: Category 4 management: those whose inspection results are comprehensively judged abnormal and work-related.

Health Promotion and 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 our health promotion measures

Equipment

Services

- Health maintenance: fire extinguishers, AEDs, and first-aid boxes are set up in our offices. We have also established breastfeeding rooms that surpass regulation requirements and provide related equipment and care for women who have breastfeeding needs or are pregnant. In addition to breastfeeding rooms, we provide priority parking spaces for pregnant women.
- Health promotion: We purchase fitness and sports equipment for employees to use independently, promoting the health awareness of workers. Showers are provided in addition to fitness equipment for employees to exercise and for field employees to use after their duties.
- Education and training: We hold diversified employee workshops every month on topics such as office yoga and presentation making, providing employees with various knowledge after work and skills required at work and personal learning-related resources.
- Health Services: We provide health checkups that surpass regulatory requirements, including screenings for four major cancers. In addition to subsidizing the cost of these checkups for employees, we also offer additional self-paid testing options at prices more favorable than market rates, allowing employees to comprehensively assess their health. Beyond regular health checkups, we assist employees in accessing public health vaccines administered on-site. We also regularly coordinate with medical professionals to provide health consultations, allowing employees to review their health issues based on the analysis and recommendations of the professional medical team and make adjustments between employees and management. Additionally, the Taipei office provides monthly themed consultations with occupational health professionals, covering various health topics (such as eye care, gastrointestinal care, and prevention of sports injuries,) with 63 participants in 2023. We also send monthly health
- newsletters to enhance employees' health awareness.
- Health Activities: We organize annual large-scale health events with incentive-based motivations to encourage employee participation. These events promote health awareness with the aim that, beyond work, Standard Foods not only becomes a health partner for every consumer but also for every employee working with the company.



Standard Foods 2023 Sports Event

Online team sports competitions

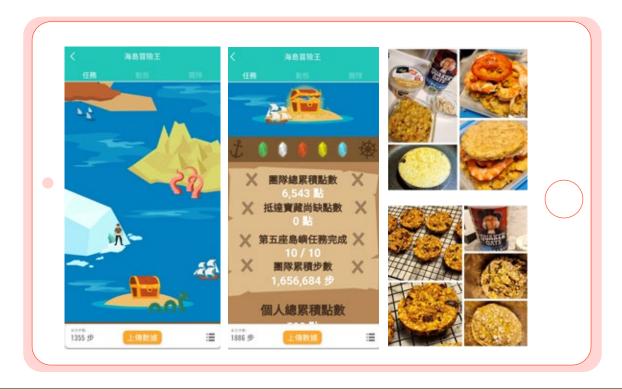
Through a sports app, employees are not limited by space and can form teams across regions for online sports competitions. To enrich the activities, challenges such as step counting, motion-sensing exercises, and sports photo sharing were designed, allowing employees to accumulate points through various tasks to achieve team sports goals and foster interaction and team cohesion. The results of this event were impressive, with a total of 3,190,918 calories burned, and 105,807,786 steps taken, equivalent to 74,041 kilometers. Teams that achieved their goals during the event received an NTD\$1,000 7-11 point card per team.

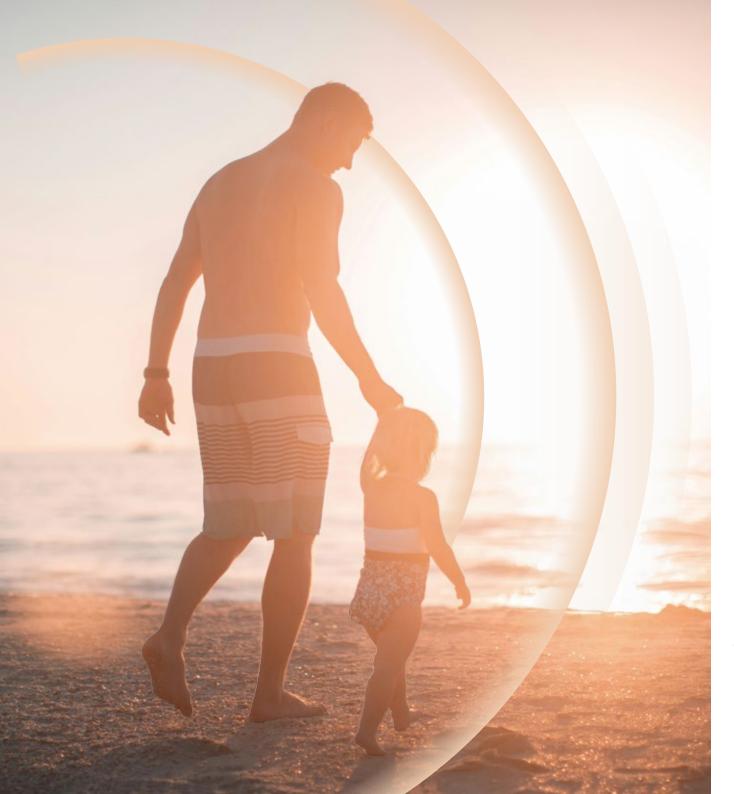
Encouragement of Participation in External Competitions

To encourage workers to maintain exercise habits and actively participate in various sports events and activities, team members who achieve their sports goals are eligible for subsidies. Workers can register independently for external sports events and, upon completion, submit payment and proof of completion to receive an NTD\$600 reimbursement for the registration fee. Workers who received subsidies enthusiastically participated in events across the island and outlying islands, covering 10 counties and cities in Taiwan, including a one-day double-tower bicycle event, swimming across Sun Moon Lake, and various local running events.

Promoting Healthy Eating

To encourage workers to reduce body fat by improving their eating habits, we invited them to try having oats every day. All workers that registered for the activity received a can of Quaker oatmeal. Those who shared oatmeal dish photos for at least five days during the event received an additional colorful grain crisp and high oleic sunflower oil. A creative oatmeal recipe contest was also held, with the top three contributors receiving an NTD\$200 voucher each. The event had 179 participants, with 140 completing the challenge, achieving a participation rate of 78%. The event collected 940 photos of various oatmeal dishes, with enthusiastic workers sharing delicious and healthy creative oatmeal recipes.



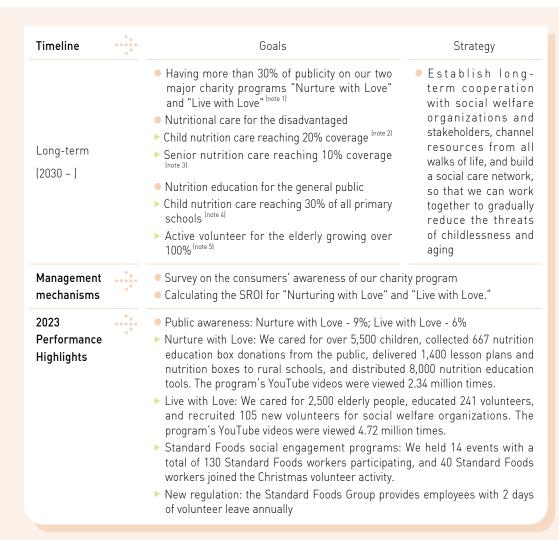


06 Societal Goodwill

Social Engagement and Mutual	141
Benefits	
Charitable donations	149

Societal Goodwill

Material topics Rooted in the brand promise of becoming "every family's nutrition and health partner," with nutrition and health at our core, we deepen social care actions to Visions and Commitments enhance connections internally, externally, and with society, building our sustainable social impact. Corresponding 2 ZERO HUNGER **UN SDGs** Timeline Goals Strategy Having more than 10% of publicity on our two major charity programs Linking up with more stakeholders to achieve synergy and synergies "Nurture with Love" and "Live with Love" [note 1] • Continuing to utilize nutrition education tools and material assistance to Nutritional care for the disadvantaged establish nutrition education ► Child nutrition care reaching 10% coverage (note 2) Calling on consumers to respond to the public "you buy, I donate" Short-term campaign ► Senior nutrition care reaching 4% coverage (note 3) $(2024 \sim 2026)$ Nutrition education for the general public ► Child nutrition care reaching 5% of all primary schools [note 4] ► Active volunteer for the elderly growing over 30% [note 5] Having more than 15% of publicity on our two major charity programs • Collaborate with the government, the business sector and the academia "Nurture with Love" and "Live with Love" to conduct joint deliberations and provide in-depth care for the nutritional health of children and the elderly Nutritional care for the disadvantaged • Optimize projects for greater impact based on SROI calculations ► Child nutrition care reaching 13% coverage [note 2] Mid-term ► Senior nutrition care reaching 6% coverage (note 3) $(2027 \sim 2029)$ Nutrition education for the general public ► Child nutrition care reaching 10% of all primary schools (note 4) ► Active volunteer for the elderly growing over 80% [note 5]



- (Note 1) Awareness data are from Kantar survey results.
- [Note 2] Child nutrition care coverage rate = Number of children reached / number of children in remote areas: 66,207 [source: https://stats.moe.gov.tw/files/analysis/112professional.pdf.]
- (Note 3) Standard Foods care coverage rate for vulnerable elderly = number of vulnerable elderly cared for by Standard Foods / total number of elderly in hardship, 128,965 (Source: 2022 Elderly Condition Survey Report, Taiwan)
- [Note 4] Child nutrition education coverage rate = Number of schools participating in our nutrition education / Total number of elementary schools in the country: 2,027 (Source: Ministry of Education, Taiwan https://stats.moe.gov.tw/files/analysis/111_all_level.pdf)
- (Note 5) Volunteer recruitment growth rate = Number of volunteers recruited by the Standard Foods Group in the year / Total number of volunteers recruited in the base year: 2016 [2023 as the base year]



【Highlights from the Sustainable Development Department】

Amid escalating climate change, global inflation, and economic instability, sustainable ESG management has become a crucial corporate responsibility. In May 2023, the Standard Foods Group established the Sustainability Department, committing as "every family's nutrition and health partner" to integrate and promote core brand values and products actively, leading societal progress towards mutual benefits.

Our initial focus was on philanthropy, merging the "Nurture with Love" and "Live with Love" programs to collaborate with more stakeholders, allowing everyone a chance to actively participate and assist those truly in need in society. Specifically, we recognize the heavy burden of the aging population, elderly individuals facing issues like solitude, bereavement, or being abandoned by their children. They face severe challenges in obtaining proper nutrition. In 2023, with our nutritional expertise, we strengthened the "Live with Love" elderly nutrition program in collaboration with partners such as the Taiwan Food Bank Association, Hong Dao Senior Citizens' Welfare Foundation, and the Elderly Foundation, calling for public support for the mental and physical health of the elderly, integrating volunteer matching, nutrition education, and material donations to help seniors in need with nutrition and local care, donating 22,500 cans of supplies and caring for 2,500 elderly individuals, gradually establishing a comprehensive health protection platform for seniors.

Moreover, targeting child nutrition, we enhanced the "Nurture with Love" program, hoping to embed nutritional knowledge deeply in every family. In 2023, in partnership with the Boyou Social Welfare Foundation, our nutritionists designed nutrition education boxes according to six major food groups and combined them with "Nutrition Camps" to educate children in a fun way about food ingredients and DIY meal preparation, giving them foundational nutrition knowledge. Throughout the year, we distributed 5,000 nutrition education boxes, meeting the daily nutritional needs of children in various social circumstances. We also designed "Nutrition Education Class Plans" to educate children on making nutritious food choices three times a day, distributing 8,000 sets of education toolkits across elementary schools nationwide in 2023 and helping them develop independent nutritional habits.

Looking ahead, Standard Foods will continue to root nutritional knowledge deeply across all townships in Taiwan and integrate it into educational systems and communal meal nutrition workshops, enriching the understanding of diverse, healthy local ingredients among the elderly and children, teaching them to take care of themselves and influence others, and becoming practitioners of a healthy lifestyle.

Social Engagement and Mutual Benefits

As a leading brand in the food industry, we are dedicated to exercising enterprise influence and fulfilling our social responsibilities. More people are paying attention to the nutrition and health of various ethnic groups due to the power of enterprises, and philanthropy synergies fill society with love and warmth.

2023 Standard Foods Community Engagement Overview

The Dayuan plant volunteered in the local community, focusing on improverished families and solitary elderly.

Investment

We sponsor 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.

Annual budget is NT\$200,000-NT\$300,000

Results

During the three major holidays in Taiwan (Dragon Boat Festival, Mid-Autumn Festival, and the Lunar New Year,) the plant visited 195 households in the community, including 35 households of impoverished and solitary elderly, demonstrating our commitment to the community and vulnerable families.

195 35 households households of impoverished in the and solitary community elderly

Impact

Maintain caring relationships between our staff and the local people and enhance our local image.





The Dayuan plant also visited the Dayuan Branch of the Taoyuan City Fire Department to offer support and boost firefighter morale, promoting unity and collective awareness in society.

Investment

We sponsored 18 boxes of 16-pack Quaker 5X Vitamin B Complex Ginseng Essence Drink and 30 more 18-pack boxes of the same product. The administrative staff sent the gifts to the firefighting team.

Results

The activity aimed to boost the morale of firefighters, who are on the frontline of disaster rescue, allowing them to feel the corporate care and support. Together, we serve as a solid backing for firefighters, striving to build a safe and beautiful city.

Impact

We express gratitude to the firefighters for their selfless dedication to protecting the lives and properties of residents, and safeguarding our beautiful homes, and sincerely invite the public to join this event to support our city heroes.



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



Starting with love, care for underprivilege d groups in remote areas Carrefour and Standard Foods collaborate to care for children's health in remote areas.

For every purchase of Standard Foods products amounting to NT\$299, a bottle of long-life milk is donated to the Taiwan Food Bank Association, totaling nearly 80,000 bottles and 3,333 boxes distributed across 6 partner organizations, reaching more children.



Love in Finance -Food Banks We have collaborated with A.mart for a long time to echo food banks' original intention of sharing love and cooperating with distribution channels on preferential terms to make it easier to spread love and care. The products included in this project are as follows:

- Quaker Complete Meal 50 Chromium Formula:
- Quaker Complete Meal Original Flavor with Fiber, Gift Box, 695 boxes
- Quaker Complete Meal Original, non-sweetened, 716 boxes
- Quaker Original Oats, 668 boxes
- Quaker Probiotic 3x Children's Formula, 338 boxes
- Quaker 3-in-1 Wheat, 748 boxes
- Quaker No-Soak Multi-Grains Rice, 506 boxes
- Fresh Delight High Calcium Long-Life High Calcium Low-Fat Milk, 1396 boxes



Donations to charity organizations

PX Mart invited
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 Diabetic Powder 900 g, 50 boxes
- Quaker Complete Meal Dialysis Formula 237 mL, total 100 boxes
- Quaker Complete Meal Nutrition Food Low Residue Formula, 80 boxes
- Quaker Complete Meal Vegetable Protein Formula, 80 boxes
- Quaker High Calcium Low Fat Milk Powder 1650g, 10 boxes
- Quaker Complete Meal Original, 250 mL, 65 boxes

Nurture with Love

We have been committed to caring for children and we have donated over a million bottles of milk to remote areas over the past three years. Starting in 2023, this initiative was upgraded to the "Nurture with Love" program, focusing on comprehensive nutritional care. The Standard Foods Group launched the "Nurture with Love Nutritional Box" project, donating over 5,000 nutritional boxes to remote families. These boxes were distributed through the Bo-You Foundation and were also available for remote schools to apply for. 1,400 boxes were claimed in just one day, highlighting the substantial nutritional needs in these areas.

To raise public awareness about nutritional issues among children in remote areas, the Standard Foods Group highlighted the issue with the theme, "Rice with soy sauce, snacks as meals: Four in ten disadvantaged children worry about their next meal." We also produced a video for the "Nurture with Love" campaign, which accumulated 2.34 million views. Through the Standard Foods Health GO platform, the campaign inspired consumers to act, ultimately gathering 667 "Nurture with Love Nutritional Boxes" to fill the nutritional gap for disadvantaged children during the summer holidays.

Moreover, aiming to maximize the impact of the "Nurture with Love" initiative, the Standard Foods Group is committed to rooting nutrition education in every home. We designed educational materials based on the six major food categories, distributing 8,000 children's nutritional knowledge pads and lesson plans to help children make nutritious meal choices independently. Furthermore, in collaboration with the Bo-You Chicken Fund Sharp Front Center, the first nutrition education demonstration base in Hsinchu County was established. Working with local food and agriculture teacher Chien Chia-hui, a two-day "Nutrition Education Camp" was organized, allowing older children to introduce younger kids to the concepts of the six major nutritional categories through nutrition games.

2023 Standard Foods Group

Sustainability Report

The camp included various hands-on cooking activities for the children, utilizing local specialty products from Jianshi Township, such as mountain litsea and ashitaba. From simple snacks like QQ sweet potato balls and quinoa nut mochi to more complex dishes like creamed chicken rice, the children were quided to complete these independently.

The camp encouraged a sense of community identity and locality, integrating Hsinchu's specialty products into the cooking activities. The courses not only introduced children to the nutritional values of local ingredients but also incorporated mountain litsea, ashitaba, alder wood shiitake mushrooms, and wild ginger flowers into dishes like wild ginger flower grain and bean rice balls. Using whole grains and legumes as a base, combined with the unique aroma of local wild ginger flowers, the camp trained the children to choose nutritious ingredients from their hometown. This experience helped to reshape the children's connection to the land and to the joy of hands-on activities, empowering them to cook their meals at home after returning from the camp, thereby fostering their independence in nutrition.

Students from the Bo-You Center applied their learning in practice, gaining knowledge about the six major nutritional categories.



Standard Foods Nurture with Love Food Education Boxes

143



34 students from the Bo-You Center joyfully completed the two-day Nurture with Love Nutrition Education Camp



Children from the Bo-You Center happily participated in the "Nurture with Love Nutrition Education Camp," preparing nutritious meals by themselves.



Standard Foods Group Nurture with Love Nutrition Education Boxes





Calling on consumers to nurture children in remote areas with love and good nutrition



Teacher from remote township

Not every student has breakfast, and the nutrition education boxes can serve as their breakfast; they are convenient and healthy to prepare.



Normally, my child skips breakfast, but now they are telling me that they need boiled eggs for breakfast!

After-school tutoring centers don't provide dinner, and students often attend hungry, waiting until late to have dinner at home. Standard Foods provides nutrition education boxes, helping children focus better during tutoring sessions.



Bo-You



Children from rural areas

My nickname is "the Buddha," but I'm actually just chubby... After attending the nutrition camp and eating healthy foods, I've grown taller and slimmer!



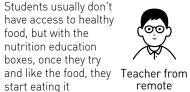
schools

Standard Foods supplies nutritional materials to tutoring centers, reducing hunger among students and making parents more willing to Outreach to let their children attend these sessions!



Administrator at Bo-You Center

I wasn't particularly focused on nutritional knowledge before, but now when preparing meals, I pay special attention to the dietary needs of the students.



voluntarily and share

it with their elders.

remote township

	New Taipei City	01
	Yilan County	02
	Taoyuan City	03
	Hsinchu County	04
	Miaoli County	05
	Taichung City	06

Changhua County	07
Nantou County	80
Yunlin County	09
Chiayi County	10
Tainan County	11
Kaohsiung City	12

6

10

12

9

11

8

Pingtung County	13
Taitung County	14
Hualien County	15
Penghu County	16
Kinmen County	71
Lianjian County	72

Live with Love

As Taiwan approaches a super-aged society, the Ministry of Health and Welfare reports a record high in registered low-income elderly, making the stable daily living of vulnerable elderly in their native communities a critical issue! In 2023, the Standard Foods Group implemented the "Live with Love" nutritional care for the elderly program, in collaboration with the Taiwan Food Bank Association, Hong Dao Senior Citizens Welfare Foundation, and the Elderly Welfare Foundation, inviting the public to jointly protect the nutritional health of vulnerable seniors. Standard Foods observes that social welfare organizations for the disadvantaged in Taiwan have long suffered from a shortage of manpower and resources. When faced with lots of people asking for help, these social welfare partners were unable to strengthen their public welfare mission due to numerous difficulties. To establish a comprehensive health protection network for the elderly, the Standard Foods Group donated 22,500 cans of supplies as additional nutritional support for vulnerable seniors, benefiting 2,500 elderly individuals (7,500 instances.)

On the eve of International Day of Older Persons, October 1st, the Standard Foods Group released for the first time the "Survey on the Nutritional Support Status of Vulnerable Elderly in Taiwan," aiming to understand the service conditions supervised by front-line social workers. Conducted across 105 social welfare locations nationwide through the Taiwan Food Bank Association, Hong Dao Senior Citizens Welfare Foundation, and the Elderly Welfare Foundation, the survey covered 4,960 vulnerable seniors across Taiwan. The results revealed three major issues that require societal attention: 1) On average, vulnerable seniors have only one meal every two days, 2) Over sixty percent of vulnerable individuals experience hunger, with more than half feeling tired or uncomfortable due to hunger, and 3) Social welfare organizations face a dual crisis of lacking manpower and resources, with nearly eighty percent reporting a shortage of volunteer manpower.

Based on the results of the survey, the Standard Foods Group not only donated supplies but also assisted three major social welfare systems in recruiting volunteers. We invited public welfare ambassador Chyi Yu to advocate for volunteer recruitment, actively encouraging retirees to join the effort to connect with society through helping others, thus enhancing their sense of selfworth. To date, the annual promotional video has accumulated over 4.72 million views. Additionally, six nutrition workshops were conducted across Taiwan, educating 241 volunteers on nutritional knowledge, linking community power with professional dietitians, and conveying correct dietary concepts to help the elderly feel the companionship of community life. According to survey results, 95.7% of volunteers were very satisfied with the event. At the same time, the "Live with Love" website was established along with plans for periodic distribution of nutritional supplies, assisting charity partners in volunteer recruitment and promotion. The website has gotten over 200,000 visits, aiding in the recruitment of 92 sites and successfully recruiting 105 new volunteers. The Standard Foods Group is committed to listening to the voices of each disadvantaged elderly person and working with more social welfare organization partners to practice elderly care and create a healthy and beautiful life together.

"Two days, one meal," these meals are partly or even entirely the most crucial source of nutrition for some vulnerable elderly.



On the eve of International Day of Older Persons, the Standard Foods Group announced the "Live with Love Nutrition for the Elderly Program," committing to promote local elderly care for vulnerable elderly people.



In the "Live with Love Nutrition Workshop" by the Standard Foods Group, through nutrition consultations, we help the elderly establish correct nutritional concepts.

The "Live with Love Nutrition Workshop" engages the elderly with interactive games to understand what's on "their plate."





The "Live with Love - Nutrition for the Elderly Program" prepared 22,000 cans of supplies focused on elderly nutritional needs, such as protein, calcium, and glucosamine.

The "Live with Love Nutrition Workshop" tour has completed 6 sessions, empowering 241 volunteers.







Nutrition Education Box: Live with Love – echoed by every field in the society



The elderly have responded positively to the nutrition courses; they find them understandable and practical, with effective learning outcomes. Given the Foundation positive feedback, is it possible to increase the number of sessions?

I hope to continue bringing our products to more meaningful Nutritionist places.

Live with Love by the Standard Foods Group aids community nutrition centers' dietitians in quickly establishing relationships with unfamiliar communities to achieve the annual goal of 300 nutrition classes.





Foundation

The Standard Foods Group's long-term delivery of charity nutrition kits, which provide ongoing supplies, assists volunteers in promptly preparing for elderly visits!

Through collaboration, more people become aware of the Honadao Elderly Service.



After the nutrition courses, cooking habits have changed, with less fried food being prepared. All the grandchildren said, "Grandma, your cooking has gotten worse!" But actually, this is healthier.



Senior volunteer

Community Nutrition Promotion Center

Many elderly keep their bone density information from the nutrition workshop day handy for over three months, asking dietitians about proper nutrition!



Previously, corporate collaborations mostly involved one-time donations of goods or money. This is the first time a company has Foundation helped recruit long-term volunteer manpower!

In rural areas where many elderly reside, access to nutritional knowledge is limited, which is beneficial for everyone's health.



Volunteering Activities

2023 Standard Foods Group

Sustainability Report

The Standard Foods Group hopes to promote a culture of health and benevolence, actively planting the seeds of social participation in our employees' hearts. In 2023, combining the three main pillars of "Child Companion," "Environmental Education," and "Material Care," 14 corporate volunteer activities were organized, with a total of 132 participations, encouraging workers to give back and move towards sustainable well-being.

Among these, the Standard Foods Group employees visited the Dandelion Hope Base, assisting a group of children with disabilities to experience an ecological garden tour and plant DIY class. They learned about the diversity of farm plants and agricultural knowledge, integrating AR technology onsite for a deeper exploration of life education and ecological cycles, and transmitting environmental education principles. Moreover, the Standard Foods Group also partnered with the "Toy Library" to invite workers to help clean and recycle secondhand toys, such as dolls and wooden blocks, giving these toys a new lease on life. Through volunteer activities, they put into practice concrete actions for sustainable love for the planet.

Standard Foods Volunteers: Dandelion Hope Base for children's guided tours



Standard Foods Volunteers: 1919 Food Bank for material packaging



Standard Foods Volunteers: Toy Library for toy cleaning



Standard Foods Volunteers: Mustard Seed Mission for Christmas gift wrapping



Standard Foods Volunteers: Taoyuan Anjia Physical Bank for material packaging



Christmas Volunteering Event

Christmas is the most anticipated holiday for children every year. In 2023, the Standard Foods Group held the "Better Together, Love to the Countryside" Christmas care event in partnership with the "Boyou Social Welfare Foundation". The event encouraged children to share the Christmas spirit of their communities through drawing and creating Christmas trees. Their artworks were displayed in the Standard Foods Group office building as an art exhibition, together experiencing the warmth and blessings of "Better Together". We also enhanced their Christmas warmth initiative by planning a "Christmas Pen Pal Gift Collection". Forty Standard Foods Group workers claimed children's Christmas wish gifts and prepared gifts valued between NT\$300 to NT\$500 based on the list. This included combining gift wrapping with Christmas cards for interactions, allowing Standard Foods Group workers to engage deeply with rural children. In total, 55 Christmas gifts were distributed, providing the children with substantial positive support.



Standard Foods Group Christmas Month Care Actions - Christmas With You, Better Together



Standard Foods Group workers carefully wrapping gifts



Rural children's artwork displayed in the Standard Foods Group office



Standard Foods Group and children at the Boyou Foundation become pen pals



Charitable donations

The Standard Foods Group not only conducts child and elderly care through charitable projects but also provides long-term support to various charitable organizations such as the 1919 Food Bank, United Way, and Taiwan Food Bank Association. On the other hand, materials are donated to various units from time to time according to the needs of all parties. In 2023, we donated to a total of 30 charitable organizations, contributing goods like oatmeal, long-life milk, complete nutrition supplements, and Standard Foods Select Rich Full Cream Milk Powder, totaling over 61,000 boxes with a market value exceeding NTD\$40 million. Major donations/sponsorships to non-profit organizations include:

Objects	Type of charitable organization	Examples of receiving organizations
Children and teenagers	Caring for the disadvantaged	 Taiwan Fund for Children and Families The Mustard Seed Mission Boyou Social Welfare Foundation Taiwan Association for Children and Adolescents' Hope Child Welfare Alliance
Children and teenagers	Care facilities	Miaoli County Private Haiqing Elderly Care Center
The elderly	Caring for the disadvantaged	 Entrust Foundation Taipei City God's Love Communication Association (Ageless Riders) Hongdao Elderly Welfare Foundation Republic of China Ageing Life Planning Association
All ages	Caring for the disadvantaged	 Chinese Christian Relief Association United Way of Taiwan Andrew's Charity Association, Taiwan Taiwan Food Bank Association Hope Foundation Taipei City Yu Yang Charity Foundation Zhen Ji Xiang Social Service Association Taiwan Remote Smart Love Public Welfare Alliance Settled in Physical Banking

Caring for the disadvantaged	 Corporate Legal Person Taitung County Aboriginal Ebenezer Holistic Care Development Association
Caring for the disadvantaged	• Greater China Women and Children's Care Growth Association
Caring for the disadvantaged	 Hengshan Foundation Santa Ana's Home Jia-ai Education Center Taoyuan City Private Guanyin Loving Home Chiayi Private Jia Ai Intellectual Development Center
Care facilities	 Longevity Lung Association, Taiwan
Caring for the disadvantaged	Kaohsiung City Social Welfare Charity FederationChanghua Honorary Citizens Home
Cultural development	Taiwan Literature Development Foundation
	Caring for the disadvantaged Caring for the disadvantaged Caring for the disadvantaged Caring for the disadvantaged Care facilities Caring for the disadvantaged Cultural

Appendix

GRI 1 Request 7 Publication of the GRI Content Index

General Disclosures

GRI coding	Disclosed items	Corresponding chapters	Page number			
GRI General Principles	GRI General Principles Version: GRI General Principles 2021					
Applicable industrial g	uidelines: N/A					
GRI 1: Our January 1, 2	2022 to December 31, 2022 report follows the GRI standard.					
GRI 2: General Disclos	ures 2021					
GRI 2-1	Organizational details	About Us	P.32			
GRI 2-2	Entities included in the organization's sustainability reporting	About this Report	P.8			
GRI 2-3	Reporting Period, Frequency, and Contact Information	About this Report	P.8-P.9			
GRI 2-4	Restatements of information	About this Report [No restatements]	P.8			
GRI 2-5	External assurance	About Us	P.9			
GRI 2-6	Activities, Value Chain, and Other Business Relationships	Sustainable Value Chain	P.32 \ P.81			
GRI 2-7	Employees	Workforce Distribution	P.114			
GRI 2-8	Workers who are not employees	Workforce Distribution	P.114			
GRI 2-9	Governance structure and composition	Composition of the Board of Directors	P.46			
GRI 2-10	Nomination and selection of the highest governance body Board Member Nomination & Selection		P.47			

GRI coding	Disclosed items	Corresponding chapters	Page number
GRI 2-11	Chair of the highest governance body	Conflict of Interest Recusal	P.47
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Functional Committees	P.49
GRI 2-13	Delegation of responsibility for managing impacts	Crisis Management Team	P.55
GRI 2-14	Role of the highest governance body in sustainability reporting	About this Report	P.46
GRI 2-15	Conflicts of interest	Conflict of Interest Recusal	P.47
GRI 2-16	Communication of critical concerns	Composition of the Board of Directors (There were no key major events that needed to be communicated with the Board of Directors this year)	P.46
GRI 2-17	Collective knowledge of the highest governance body	Training for the Board of Directors	P.47-P.48
GRI 2-18	Performance Evaluation of the Highest Governance Body	Board Performance Evaluation	P.48
GRI 2-19	Remuneration policies	Remuneration Policy for Directors and Managers	P.48
GRI 2-20	Process to determine remuneration	Remuneration Policy for Directors and Managers	P.48
GRI 2-21	Annual total compensation ratio	Reason for Omission: Confidentiality Agreement	-
GRI 2-22	Statement on Sustainability Strategy	Message from our General Manager and Chair of the Sustainability Development Committee Commitment to Sustainable Policies	P.7 \ P.22
GRI 2-23	Policy Commitments	Commitment to Sustainable Policies	P.19
GRI 2-24	Embedding policy commitments	Sustainability Management Structure	P.18
GRI 2-25	Processes to remediate negative impacts	Complaint & Advice Channels	P.53
GRI 2-26	Mechanisms for seeking advice and raising concerns	Complaint & Advice Channels	P.53
GRI 2-27	Compliance with laws and regulations	Compliance with laws and regulations	P.51
GRI 2-28	Membership associations	Public Association Qualification	P.20-P.21
GRI 2-29	Stakeholder Engagement Guidelines	Stakeholder Engagement	P.24
GRI 2-30	Collective bargaining agreements	Human and Labor Rights Protection (No additional group agreement is signed this year)	P.117

Disclosure of Material Topics

GRI coding	Disclosed items	Corresponding chapters	Page number
GRI 3: Material Topics 2021			
GRI 3-1	Process for Determining a Material Topic	Identification and Prioritization of Material Topics	P.24
GRI 3-2	List of material topics	Identification and Prioritization of Material Topics	P.27-P.28

GRI coding	Disclosed items	Corresponding chapters	Page number			
Health and food safety	ealth and food safety					
GRI 3-3	Management of material topics	Management of 2023 material topics Chapter 2 Food Safety	P.29-P.30			
GRI 416-1	Assessment of the Health and Safety Impacts of Product and Service Categories	Chapter 2 Food Safety	P.64			
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Chapter 2 Food Safety	P.74			
Supply chain managem	nent		1			
GRI 3-3	Management of material topics	Management of 2023 material topics Chapter 3 Supply Chain Management	P.29-P.30			
GRI 308-1	New suppliers that were screened using environmental criteria	Chapter 3 Supply Chain Management - Supplier Risk Assessment	P.85			
GRI 414-1	New suppliers that were screened using social criteria	Chapter 3 Supply Chain Management - Supplier Risk Assessment	P.85			
Response to climate ch	nange					
GRI 3-3	Management of material topics	Management of 2023 material topics Chapter 4 Environmental Sustainability	P.29-P.30			
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Chapter 4 Environmental Sustainability - Financial Implications Of Climate-Related Risks and Opportunities	P.95			
Talent development and	d recruitment		,			
GRI 3-3	Management of material topics	Management of 2023 material topics_Chapter 5 Workplace Well-being	P.29-P.30			
GRI 401-1	New employee hires and employee turnover	Chapter 5 Workplace Well-being - Turnover	P.115			
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Chapter 5 Workplace Well-being - Benefits	P.118-P.119			
GRI 401-3	Childcare leave	Chapter 5 Workplace Well-being - Unpaid Parental Leave	P.116			
GRI 404-1	Average hours of training per year per employee	Chapter 5 Workplace Well-being - Diversified Training Channel	P.122			
GRI 404-2	GRI 404-2 Programs for upgrading employee skills and transition assistance programs	Chapter 5 Workplace Well-being - Diversified Training Channel	P.120			

GRI coding	Disclosed items	Corresponding chapters	Page number
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Chapter 5 Workplace Well-being - Performance and Career Development	P.123
Operational	performance		
GRI 3-3	Management of material topics	Management of 2023 material topics Chapter 1 Corporate Governance	P.29-P.30
GRI 201-1	Direct economic value generated and distributed	Chapter 1 Corporate Governance - Economic Performance	P.43
Businesss i	ntegrity		
GRI 3-3	Management of material topics	Management of 2023 material topics Chapter 1 Corporate Governance	P.29-P.30
GRI 205-1	Operational locations that have undergone corruption risk assessments	Chapter 1 Corporate Governance - Business Integrity	P.50
GRI 205-2	Communication and training on anti-corruption policies and procedures	Chapter 1 Corporate Governance - Business Integrity	P.50
GRI 205-3	Confirmed incidents of corruption and actions taken	Chapter 1 Corporate Governance - Business Integrity	P.53
GRI 206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	Chapter 1 Corporate Governance - Business Integrity	P.50
Occupation	al health and safety		
GRI 3-3	Management of material topics	Management of 2023 material topics Chapter 5 Workplace Well-being	P.29-P.30
GRI 403-1	Occupational Health and Safety Management System	Chapter 5 Workplace Well-being - Occupational Health and Safety Management System	P.123
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Chapter 5 Workplace Well-being - Occupational Safety Hazard Risk Control	P.129 • P.132
GRI 403-3	Workplace Health Services	Chapter 5 Workplace Well-being - Occupational Injury Prevention and Management	P.136
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Chapter 5 Workplace Well-being - Occupational Safety Hazard Risk Control	P.124
GRI 403-5	Worker training on occupational health and safety	Chapter 5 Workplace Well-being - Occupational Safety and Health Education and Training	P.125
GRI 403-6	Promotion of worker health	Chapter 5 Workplace Well-being -Health Promotion	P.136
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter 5 Workplace Well-being - Occupational Safety Hazard Risk Control	P.129 • P.131
GRI 403-8	Workers covered by an occupational health and safety management system	Chapter 5 Workplace Well-being - Occupational Health and Safety Management System	P.124
GRI 403-9	Occupational hazard	Chapter 5 Workplace Well-being - Occupational Injury Incident Statistics and Analysis	P.132
GRI 403-10	Occupational Injury	Chapter 5 Workplace Well-being - Occupational Injury Prevention and Management	P.136
Information	security		,
GRI 3-3	Management of material topics	Management of 2023 material topics Chapter 1 Corporate Governance	P.29-P.30
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data 7	Chapter 1 Corporate Governance - Information Security and Personal Data Risks	P.59

SASB Guideline Index

Food processing industry

Topic	No.	Accounting indices	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) 336,580 GJ / NTD\$1 million revenue (2) 33.8% (3) 0%
Water stewardship	FB-PF-140a.1	(1) Total water withdrawal, (2) total water consumption, percentage of areas with high or very high baseline water stress	(1) 674.27 thousand cubic meters, 0% 0 % (2) 276.49thousand 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	For details, please see Chapter 4: Environmental Sustainability.
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 2023, the total number of SQF deficiencies in the three plants is 0 major deficiencies, 0 major deficiencies, and 6 minor deficiencies. Therefore, there are an average of 2 minor deficiencies per plant. (2) There are no major non-conformities. A total of 6 general non-conformities have been improved, and the implementation rate of corrective measures is 100%.
	FB-PF-250a.2	Percentage of ingredients supplied by key suppliers accredited by the GFSI food safety certification scheme > = According to the data of the SQM system, by April 2024, the percentage of our raw materials used in obtaining GFSI certification was 34.55% (339/981).	The percentage of raw materials certified by suppliers is omitted due to the difficulty of internal statistics. According to the data of the SQM system, by April 2024, 34.55% of Standard Foods used raw materials and obtained GFSI certification.
	FB-PF-250a.3	(1) Total number of food safety violation notices received, (2) Percentage of violations corrected (1) The number of recall incidents and (2) The total amount of food recalled and removed from the shelves.	0 food safety violation notices
	FB-PF-250a.4	(1) The number of recall incidents (2) The total amount of food recalled and removed from the shelves	In 2023, there were 0 recall incidents.
Health and Nutrition	FB-PF-260a.1	Proceeds from labeling or marketing products that promote health and nutritional attributes (e.g. health foods)	Unable to respond because of sales figures, hence no disclosure for the time being.
	FB-PF-260a.2	Discuss identifying and managing product and ingredient sources relevant to consumer nutrition and health concerns.	100% product traceability. (Please refer to Food Traceability Management for details.)

Topic	No.	Accounting indices	Corresponding chapters and pages
	FB-PF-270a.1	(1) Ads targeting children in general (2) Ads targeting children for products that meet dietary guidelines.	(1) The rate of general advertising exposure to children is 3.9% (including Fresh Delight, baby-related, and some cereal products)(2) Unable to disclose due to this being operational figures
Product labeling and	FB-PF-270a.2	Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMOs	(1) NTD\$0 (2) NTD\$ 530,088,954
marketing	FB-PF-270a.3	The number of incidents that violate industry norms or relevant labeling or marketing regulations provided by regulatory agencies	In 2023, there were 0 labeling violations and 1 marketing regulation violation.
	FB-PF-270a.4	Total financial losses due to legal proceedings or litigation related to labeling or marketing practices	In 2023, the property loss caused by violating advertising labeling was NTD\$50,000.
Product packaging lifecycle management	FB-PF-410a.1	(1) The total weight of the packaging, (2) the percentage made from recycled or renewable materials, and (3) the percentage that is recyclable or compostable	Please refer to "Chapter 4. Environmental Sustainability - Usage of Materials" [1] Total package weight 23,203,567 KG [2] As the upstream raw material data is yet to be confirmed, this data cannot be provided at this time. [3] 93.7%
	FB-PF-410a.2	Discuss strategies for reducing packaging's environmental impact throughout its lifecycle	Please refer to "Chapter 4. Environmental Sustainability - Usage of Materials"
Influence of equipmental	FB-PF-430a.1	Percentages of food ingredients certified using third-party environmental or social standards, and percentages by self-set standards	Due to the large number of products, complete statistics are not currently available and will not be disclosed for the time being.
Influence of environmental and social factors on the raw material supply chain	FB-PF-430a.2	Review (1) the nonconformity rate and (2) the associated (a) serious nonconformity items and (b) general nonconformity project implementation rate for corrective measures according to the supplier's social and environmental responsibility regulations.	In 2023, the total number of SQF deficiencies in the three plants is 0 major deficiencies, 0 major deficiencies, and 6 minor deficiencies. Therefore, there are an average of 2 minor deficiencies per plant.
Matarial programment	FB-PF-440a.1	Percentage of food ingredients originating from high or very high baseline water stress areas	0%
Material procurement	FB-PF-440a.2	Operators must discuss the food ingredient priority list and the ingredient procurement risks due to environmental and social factors	For details, please see Chapter 3 Supply Chain Management - Raw Material Management
	FB-PF-000.A	Weights of Sales Products	Standard Foods:123,599 tons Standard Dairy Products: 82,291 tons
Activity Indicator	FB-PF-000.B	Number of production plants	3 Standard Foods: Zhongli and Dayuan plant Standard Dairy Products - Hukou plant

156

Sustainability Disclosure Indicators

Sustainability Report

No.	Index	Indicator type	Annual disclosure status	Unit
1	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 descriptions	100% of our products For details, please see Chapter 2 Food Safety - Food safety management Food Safety Responsible Units Worry-free Production Processes - Operation Site Inspections For details, please see Chapter 2 Food Safety - Food safety training For details, please see Chapter 2 Food Safety - Food safety management	Percentage
2	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 descriptions	For product information, there were 0 violations of labeling regulations and 2 marketing violations. 0 tons of products recalled For details, please see Chapter 2 Food Safety - Product Labeling	Quantity, tons
3	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	For details, please see Chapter 3 Supply Chain Management - Raw Material Management	Percentage
4	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% of our plants have passed the ISO22000 Food Safety Management System (ISO22000) certification. For details, please see Chapter 2 Food Safety - Food safety management	Percentage
5	The number and percentage of suppliers audited, audit items, and results	Quantitative and Qualitative descriptions	Audited 89 suppliers in 2023; Completed 100% of our supplier audit plan There were no major defects found in the audits. For details, please see Chapter 3 Supply Chain Management - Supply Chain Evaluation and Auditing Supplier audits	Percentage
6	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 descriptions	100% of our products can be traced. For details, please see Chapter 2 Food Safety - Food Traceability Management	Percentage
7	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 descriptions	The testing expenses accounted for 1.25% of our revenue. For details, please see "Worry-free Production Processes" in Chapter 2 Food Safety - Food safety management Testing Processes Items tested And Chapter 2 Food Safety - Food Traceability Management	Percentage

No.	Index	Indicator type	Annual disclosure status	Unit
8	Total energy consumption, percentage of purchased electricity, and utilization rate of renewable energy	Quantitative	For details, please see Chapter 4: Environmental Sustainability - Energy management	GJ, %
9	Total Water Withdrawal and Consumption	Quantitative	Total water withdrawal: 674.27thousand cubic meters Total water consumption: 276.49thousand cubic meters For details, please see Chapter 4: Environmental Sustainability - Water stewardship	(m³)
10	Weight of Products Sold, Number of Production Facilities	Quantitative	Standard Foods: 123,599 tons Standard Dairy Products: 82,291 tons Three production facilities - Standard Foods: Zhongli and Dayuan plant - Standard Dairy Products - Hukou plant For details, please see "About Us"	Quantity, tons

Climate-related Information of TWSE and TPEx Listed Companies

Risks and opportunities for Standard Foods brought about by climate change and related responses

No.	ltem	Implementation overview
1	Describe the board of directors' management oversight and governance of climate-related risks and opportunities	
2	Describe how the identified climate risks and opportunities will affect our business, strategy, and finances in the short-, mid-, and long-run.	
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	For details, please see
5	If scenario analysis is used to assess resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and major financial impacts used.	Disclosures" in Chapter 4: Environmental Sustainability
6	risks and transition risks.	of this report. We have not planned our
7	If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	carbon prices, so no related statements are made.
8	If climate-related goals are set, explain the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress achieved. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet these goals, the report should specify the source and amount of the carbon reduction credits or the quantity of Renewable Energy Certificates (RECs.)	
9	Greenhouse Gas Inventory Check and Assurance Status (filled in separately in 1-1.)	

Accountant's LimitedAssurance Report



安侯建業解合會計師重務府 KPMG

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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 ("the Subject Matter Information") on the 2023 Sustainability Report of Standard Foods ("the Report") for the year ended December 31, 2023.

Applicable Criteria of the Subject Matter Information

Standard Foods shall prepare the Subject Matter Information in accordance with applicable 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 Rules") as set forth in Appendix I.

Management's Responsibilities

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 applicable 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 in Taiwan 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.



Summary of Work Performed

As stated in applicable 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 is 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, 2023 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 applicable criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

The engagement partners on the assurance resulting in this independent auditors' report is Yu Ting Huang.

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Taipei, Taiwan (Republic of China) Aug 7, 2024

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.



2023 Standard Foods Group Sustainability Report

Appendix I : Summary of the Subject Matter Information

No Corresponding Section	Subject Matter Information	Applicable Criter
Section Ch2 Food Safety/ Appendix: Sustainability Disclosure Indicators	■ Food Safety Responsible Units ➤ To maintain a robust flood safety and quality system, demonstrating our commitment to food safety and quality. We have established a "Food Safety and Quality Management Committee" under the "Food Safety Committee and Operations Management Procedures." This committee, reporting directly to the General Manager, is responsible for ensuring comprehensive food hygiene and safety evaluations and management of the plant and its produced foods, safeguarding consumer food safety rights. The Executive Director of the Food Safety and Quality Committee, who is the highest-ranking officer in the Quality Assurance unit, is responsible for issuing food quality and safety policies and approving annual food safety and quality objectives. The committee also holds annual management review meetings to discuss the achievement of various quality objectives, compliance with food regulations, and other issues, and reports the execution results to the senior management team. This ensures the tracking of the achievement rate of food safety management objectives and reflection on areas for sustainable improvement. ➤ To implement the food safety control system, "Food Safety Teams" are established at each factory to analyze potential hazards that may arise during the production process, define critical control points, and ensure that the products produced meet food safety and quality requirements. In addition to their professional duties, members of the Food Safety Team have undergone relevant professional training in food hygiene management, such as food regulation compliance identification, hygiene management, that one and food testing. Through effective collaboration among team members, the Standard Foods Group consistently maintains high standards in food safety and quality.	Apprendix 1-1 No. The evaluation an improvement regarding the company's personnel, work environment, hygiene management of facilities and qual control system to improve food sanitation, safety and quality, as we as the significant product and service categories and the percentage affected.
	➤ Covers 100% of products ■ Operation Site Inspections > Layout Design - To effectively maintain the cleanliness and sanitary in the food plants and prevent external pollution sources, the plants' layouts are designed to prevent pollution from general areas with low cleanliness requirements from entering the production areas with high cleanliness standards. Therefore, the layout setup of personnel and machines, the direction of airflow, the direction of drainage, and the transportation route of raw materials are designed to move from the highly clean areas to the less clean areas in a single direction, or shelter buffer areas are set up at the entrance. Cleaning operations are also implemented to maintain clean and hygeinic conditions in each area.	
	> Production Line Cleanliness - 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 operations 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 production lines do not meet the hygiene standards, their layout design is reviewed again to see if there is room for further improvement and to continuously optimize the manufacturing environment's cleanliness.	
	> Field Operators - All employees who come in contact with food on the production lines must ensure that there are no relevant infectious diseases as stipulated in the regulations. Health checks must be performed on employees at least once a year to ensure food safety and employee health. According to the regulations, before entering the cleaning operation area, on-site operators must wear hair nets, masks, overalls, and shoe covers 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 regularly checks microorganism cultures from the hands of personnel to verify that the cleanlines of their hands after sanitation meets the control standards. > Machines and Equipment - If the purchase and installation of various machinery and equipment in contact with food	



No Correspond Section	Subject Matter Information	Applicable Criteria
	The products must undergo appropriate cleaning and disinfection according to their properties before production. This includes wiping and disinfecting with disinfectant alcohol, cleaning with detergent and water, and confirming the cleanliness of the surface and that there is no residue detergent after cleaning. Then we adjust the machine according to the parameter setting of the production specifications and start the production after confirming that the machines operate normally. > Covers 100% of products	
	- Class C Baking Technician: Dayuan and Zhongli - Class C Chinese Rice Processing Technician: Dayuan - Class C Chinese Noodle Processing Technician: Zhongli - Pest Control Operations Applicators: Dayuan, Zhongli, and Hukou ➤ Covers 100% of products	

2023 Standard Foods Group Sustainability Report

N	No	Corresponding Section	Subject Matter Information	Applicable Criteria
	2	Chapter 2 Food Safety	■ Product Labeling ➤ During the reporting period, there were 0 instances of products being recalled due to misleading packaging, with a total weight of 0 tons of removed products. There was one violation of advertising and marketing regulations, specifically violating Article 28, Paragraph 1 of the Act Governing Food Safety and Sanitation. The issue was promptly corrected, and a fine of NTD\$50,000 was paid.	The Rules Appendix 1-1 No.2 The types and number of incidents of violation against the applicable food safety and sanitation laws and noncompliance with product and service information and labeling laws.
	3	Chapter 3 Supply Chain Management	■ Standard Foods and Standard Dairy products that are certified by the FSC (Forest Stewardship Council) is \$3.7% (note) Note: Calculation of FSC certified packaging material percentage: (green packaging materials purchased) / (total paper packaging materials purchased) / Specifically, the long-life milk and our refrigerated milk cartons are now all using FSC-certified packaging.	The Rules Appendix 1-1 No.3 The percentage of the purchased volume in accordance with internationally recognized responsible production standards, categorized by standards.
	4	Chapter 2 Food Safety	■ Food Safety Management The vision of the Standard Foods Group is to become a trusted food company in Taiwan. To enhance quality control, we manage from the source and implement quality checks in all aspects; in addition to complying with national regulatory standards, we have obtained various certifications trusted by consumers and we have third-party verifications to realize corporate governance and ensure compliance with food safety standards. Adhering to the Act Governing Food Safety and Sanitation, setly, and quality management, whose scope includes all employees, workplaces, facility hygiene management, and quality assurance systems. Following the ISO 22000 management standard, we established food safety manuals and HACCP procedures. 100% of our products are produced in accordance with the aforementioned management system standards, and hygiene and safety management documents for each production line were produced. We regularly follow a hygiene and safety checklist to thoroughly inspect environmental hygiene, workplaces, personnel cleanliness, and equipment. Both Standard Foods and Standard Dairy have obtained the ISO 22000 Food Safety Management System certification, with the Zhongli Jant, the Hukou Jant, and the oil production line at our Dayuan plant also obtaining the highest level of SQF certification, proving that our products meet internationally recognized food safety management system standards, further ensuring consumers of the high standards of the food hygiene, safety, and quality management products.	The Rules Appendix 1-1 No.4 The percentage of the production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards.
	5	Chapter 3 Supply Chain Management	■ Supply Chain Management Policies ➤ To strengthen sustainable supply chain management, we have developed "Supplier Management Procedures" for our raw material suppliers and "Contractor Management Regulations" for our contractors. Based on these standards, annual evaluations and random audits are conducted on suppliers and contractors by the evaluation team, which can be either written or on-site assessments. We 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 following our supplier audit procedures. If the audit found serious pollution risks in the supplier's production operations or incomplete tracking or traceability information, the supplier is required to adhere to our regulations, respond within 14 days, and propose corrective and improvement measures for the deficiencies.	The Rules Appendix 1-1 No.5 The number and percentage of suppliers audited, and the audit items and results.

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No	Corresponding Section	Subject Matter Information	Applicable Crite
		■ 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. Additionally, our company regularly evaluates suppliers and contractors. They are graded excellent, good, satisfactory, or on probation.	
		Every year, Standard Foods conducts an annual assessment of raw material suppliers, evaluating and grading them in four key areas: Quality (Q.) Cost (C.) Delivery (D.) and Service (S.) This comprehensive evaluation and grading serve as the basis for risk management. We weighed the degree of significance of the operational impacts to adjust the weighted grades. In 2023, the supplier evaluation criteria and their respective weights included: quality assurance (60%) reasonable prices (15%,) stable delivery times (15%,) and service and technical improvement (10%). Fatandard Foods 2023 Supplier Evaluation Results	
		- Excellent: 255 - Good: 31 - Satisfactory: 6 - On probation: 1 - Total: 293	
		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. In 2023, 89 suppliers were audited, and replaceability assessment or review guidance was conducted for suppliers with a score below 70 points. Additionally, new suppliers, or those who have experienced significant issues, undergo intermittent audits to ensure smooth communication and a shared commitment to food safety and quality, fostering a relationship of mutual trust and benefit.	
		Supplier audit items Environment, Architecture, and Equipment Sanitation management Incoming materials, storage, and transportation Quality System (Laboratory, instrument calibration) Quality system (management Factory Safety Management Source Management Production process management Production process management Recall, customer complaints, and traceability management	
		Product Labeling Standard Foots 2023 supplier audit overview Number of suppliers transacted with: 293 Number of suppliers transacted with: 293 Audit percentage (Note): 30.38% Audit percentage (Note): 30.38% Number of suppliers passing the audits: 84 Percentage of audit prassage: 94.38% Note: The "audit percentage" denotes the proportion of suppliers who not only successfully passed the audits but also sold materials to Standard Foods within the given year.	
6	Chapter 2 Food Safety	■ Food Traceability Management ➤ The Standard Foods Group established a product traceability system ahead of regulations requiring food industry operators to implement such systems by the Ministry of Health and Welfare. In addition to fully uploading product-related production information to the "Food Traceability Management Information System (FTM)" every month as required by law, we also follow our internal "Finished Product Recall and Disposal Procedure" annually, conducting at least two recalls and drills. Relevant investigations and records were completed within the stipulated time frame, enhancing self-management efficiency and ensuring rapid and comprehensive tracking of product flow during food safety incidents. We can assure consumers that all Standard Foods products are traceable. We 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. We also record the production history. The main items on the tracking record include: Information on the source of raw materials	The Rules Appendix 1-1 No The product trace and track management conducted voluntarily or according to the applicable laws, the percentage of such relevant products to the whole products.

2023 Standard Foods Group Sustainability Report

No Corresponding	Subject Matter Information	Applicable Criteria
Section	Product Information - Identification marks - Product Flow Information - Others (Please see **ses*) Notes: Other information includes the names, total weight or volume of raw materials and products in stock, the names, total weight or total volume of raw materials and products scrapped (including those past the expiration date), treatment measures, reasons for occurrence, and other necessary traceability management information or records that effectively link product origins and flow. All related information has been uploaded to the Ministry of Health and Welfare's "Food Traceability Management Information System" (https://fireabook.fda.gov.tw).	хурпсане Спета
	> Source traceability login process - STEP 1: Set up database - Product construction - Transaction counterparts - List of raw materials - Basic raw material information - STEP 2: Receipt, production, and flow information are uploaded monthly 1.Upload raw material receipt information 2.Upload product production information 3.Upload shipment flow information	
7 Chapter 2 Food Safety	■ Investment in Food Safety Equipment ➤ The Standard Foods Group sparse no effort in maintaining food safety and invests in high- specification precision instruments that are rare among domestic food manufacturers. These include High-Performance Liquid Chromatography (HPLC), Inductively Coupled Plasma Mass Spectrometry (ICP-MS), Gas Chromatography-Mass Spectrometry (GC-MSMS), and Liquid Chromatography-Mass Spectrometry (LC-MSMS), among others. In addition to regular annual maintenance and calibration of these sophisticated devices, our laboratory features automatic temperature and humidity control and monitoring devices to ensure the accuracy and stability of the instruments. Furthermore, technicians performing the tests regularly receive professional training. They follow Article 7 of the "Act Governing Food Safety and Sanitation" and guidelines for food businesses setting up laboratories, and carrying out various analytical operations to ensure the quality of testing. The Standard Foods Group also regularly verifies that the test values meet recognized standards and compares testing results with other industry laboratories. In 2023, we participated in 65 profesency tests, obtaining 100% satisfactory results in all. > Standard Foods high specification equipment list - Dayuan Plant - Microwave Digestion System - Autoclave - Gas Chromatography - Flame Ionization Detector (GC-FID) - Fluorescence Spectrophotometer - High-Performance Liquid Chromatography (HPLC) - Liquid Chromatography- Tandem Mass Spectrometer (LC-MS/MS) - Gas Chromatograph - Tandem Mass Spectrometer - (GC-MS/MS) - Inductively Coupled Plasma-Mass Spectrometer - Ahongil Plant - Rapid Analyzer of Total Bacterial Count of Raw Milk - Automatic Raw Milk Cell Analyzer - Multi-Function Fast Dairy Composition Analyzer (MilkoScan FT1) ■ Testing Processes - We have established standardized testing procedures, maintained the accuracy and comparability of the results, and effectively controlled the quality of our products. We also comply wi	The Rules Appendix 1-1 No.7 The food safety Inhoratories established voluntarily or according to the applicable laws, testing items, testing results, relevant expenses, and the percentage of such expenses to the net revenue.



No	Corresponding Section	Subject Matter Information	Applicable Criteria
		instructed by the system to ensure that the inspection operations are carried out according to the established items and frequency. After the inspection, the results are registered, and 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 tests have been completed, and an anomaly notice shall be shown 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 ahomalities are confirmed and handled.	
		Standard Foods also keep improving our capacity for testing 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. We also comply 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 samples with a concentration above 1 pm). The goal is to check the inspection methods with high standards to ensure credible inspection values. Maintaining a relentless attitude toward the testing of raw materials, processes, and finished products, we spent NTDS 198,396,000 on testing in 2023, accounting for 1.24% of our total sales (see note for details). Note: The testing expenses to turnover ratio is calculated as inspection expenses/operating income before write-off.	
		> Pre-testing - Hazard Analysis: Identify hazard risks, critical control points (CCP), and effective control measures based on the production process of each product.	
		 Risk Assessment: Evaluate the risk level of hazards based on the likelihood and impact of their occurrence to determine the severity of the risk. 	
		 Testing Plan: Plan the necessary testing items, sampling plans, testing methods, and compliance standards for products with significant hazard risks. During Testing 	
		During Testing and Labeling: Conduct sampling according to the sampling plan's methods and specified sampling ratio, and appropriately label sample information, such as system number, sampling date, time, batch, handling personnel, and other relevant identification information. Additionally, provide a brief description of the sample's appearance to confirm if there are any observable anomalies.	
		 Conducting Testing: Perform relevant testing according to the testing plan and create technical records of the testing process (including raw data). 	
		Post-Testing - Recording and Sample Retention: All process and quality testing-related control operations must be documented and retained for reference. Testing reports should be kept for at least 5 years, and the samples should be retained until the indicated expiration date.	
		■ Items tested ➤ The quality assurance team uses the most cutting-edge testing apparatus and adheres to the FDA's or other recognized international testing protocols. The testing procedures carried out by our food safety laboratory, the accuracy of the inspection procedures, and the inspection instruments all comply with regulations. ➤ Standard Foods - List of tests conducted internally - Davuan Plant	
		 Tests using physical methods, such as those for testing density, residual oxygen, vacuum, etc.: Total 42 items Tests using chemical methods, such as those for testing moisture, protein, fat, saponin, vitamins, minerals, plasticizers, heavy metals, pesticide residues, phosphatide in grains, benzene in edible oil, acytamide in grains, etc. Total 126 items Tests using microbiological testing methods, including total bacterial count, Enterobacteriaceae, Salmonella, Listeria, etc.: Total 22 items Zhongil Plant 	
		 Tests using physical methods, such as those for testing temperature, specific gravity, total solids, freezing point, inclusions, and flavor. Total 6 items Tests using chemical methods, such as those for testing animal drug residues, sugar content, acidity, fat, pH value, ATP swab test, non-fat solids, protein swab test, milk protein, hardness, residual chlorine, somatic cell count in raw milk, aflatoxins, alcohol test, and 	



No	Corresponding Section	Subject Matter Information	Applicable Crite
		hydrogen peroxide test.: Total 15 items - Tests using microbiological inspection methods, such as those for testing Listeria, Salmonella, Staphylococcus aureus, Enterobacteriaceae, mold/yeast, total plate count, lactic acid bacteria, thermophilic spores, coliforms, microbial microscopy, and bacterial activity.: Total 11 items	
		- Hukou Plant - Tests using physicochemical methods, such as those for testing sugar content, viscosity, solids, pH value, WPMI (Whey Protein Nitrogen Index), acidity, and gelation. Total 7 items - Tests using microbiological inspection methods, such as those for testing total bacterial count, Enterobacteriaceae, coliforms, Escherichia coli, mold/yeast, Listeria, Salmonella, Staphylococcus aureus, Iactic acid bacteria and heat-resistant spores. Total 10 items - Before regulatory requirements, each Standard Foods Group factory established testing laboratories voluntarily. As new products launched and government regulations evolved, we have continuously enhanced our laboratory testing capabilities and test types in compliance with these regulations. For example, with sunflower oil, we voluntarily adhere to over 20 oil testing standards and have passed 619 pesticide residue tests, animing to exceed regulatory requirements and ensure food safety and health for consumers. We regularly participate in proficiency tests held by third-party certification laboratories and FAPAS to ensure the correctness and quality of inspection data: - Dayuan Plant - Taiwan-US (6): Salmonella, Enterobacteriaceae, Bacillus cercus, Staphylococcus aureus, mold, and yeast. Food Industry Research and Development Institute (3): Total viable bacterial count, coliforms, Escherichia coli. Fapas (30): 8 mycotoxins, 10 multi-residue pesticide test on grains, 4 tests for oils (AV, POV, X-232, X-237), and 8 minerals (Ca, Cu,	
		Mg, Mn, Mo, K, Se, Zn.). Total 39 items - Zhongli Plant - Zhongli Plant - Taiwan-US (7): Salmonella, Enterobacteriaceae, total lactic acid bacteria, Staphylococcus aureus, mold and yeast count, Listeria monocytogenes in dairy products. Food Industry Research and Development Institute (3): Total valbe bacterial count, coliforms, Escherichia coli. Animal Industry Research Institute (6): Total solids, non-fat solids, protein, somatic cells, milk fat, lactose: Total 16 items - Hukou Plant - Taiwan-US (7): Dairy - Salmonella, Enterobacteriaceae, mold and yeast, Listeria monocytogenes in dairy products, total lactic acid bacteria, Staphylococcus aureus. Food Industry Research and Development Institute (3): Total viable bacterial count, coliforms,	
		Escherichia coli: Total 10 items Standard Foods - List of tests conducted externally Dayuan Plant Multiple pesticide residues, polar pesticide residues, livestock pesticide residues, animal drug residues, water quality testing, packaging material and dissolution testing, plasticizers, heavy metals, bisphenol a, melamine, monochloropropanediol, glycidyl esters, mycotoxins, aflatoxin m1, artificial colors, preservatives, sweeteners, antioxidants, maleic acid, sulfur dioxide, nutrients, non-nutrients, minerals kenozofapyrene, pad4, total polar compounds.	
		copper chlorophyll, dioxins, polychlorinated biphenyls, hygiene indicator bacteria, pathogenic bacteria, etc.: Total 402 items - Zhongli Platat - Multiple pesticide residues, animal drug residues, dioxin, benzopyrene, plasticizers, heavy metals, etc.: Total 67 items - Hukou Plant - Multiple pesticide residues, animal drug residues, dioxin, benzopyrene, plasticizers, heavy metals, etc.: Total 87 items	
		Bource Management Before raw milk enters he plant, it must undergo multiple stringent tests to ensure it meets the national standards (CNS3055) and strict self-inspection standards. These tests include acidity, alcohol test, milk protein, somatic cell count, hydrogen peroxide, veterinary drug residues, total baterial count, and over 15 other tests. Only when the raw milk meets these standards	



No	Corresponding Section	Subject Matter Information	Applicable Crite
9	Section Chapter 4 Environmental Sustainability Chapter 4 Environmental Sustainability	Energy Management The primary energy source used by the Standard Foods Group is purchased electricity, accounting for 33.8% of total energy usage; in 2023, the total energy consumption was 336,580 GJ Standard Foods Group's internal energy usage overview (unit: GJ) Purchased Electricity: 113,616 GJ Dissel: 3,174 GJ - Natural Gas: 204,808 GJ - Gasoline: 14,937 GJ - Liquefied Petroleum Gas: 45 GJ - Total Energy Consumption: 336,580 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 amnounced by the Environmental Protection Agency. - Renewable energy usage rate is 0%. In 2023, the Standard Foods Group extracted a total of 674.27 thousand cubic meters of water. Of this, 539 66 thousand cubic meters were drawn from groundwater, and 114.61 thousand cubic meters from tap water. The total discharge amounted to 397.78 thousand cubic meters, making the total water consumption 2023 Groundwater Extraction Total (Units: thousand cubic meters) - Actual groundwater consumption 2023 Groundwater Extraction Total (Units: thousand cubic meters) - Actual groundwater consumption 2. Zhongli Plant 154.83 - Hukou Plant: 278.71 - Group-wide: 559.66	The Rules Appendix 1-1 N Total energy consumption, percentage of purchased electricity, and r of use of renewa energy. The Rules Appendix 1-1 N Total water withdrawn and t water consumpti
		- Ordop-wide: 399.78 Our total tap water intake volume in 2023(Unit: thousand cubic meters) - Headquarters in Taipei and six other offices: 2.64 - Dayuan plant: 0.00 - Zhongli Plant: 108.97 - Hukov Plant: 3.00 - Total: 114.61 > Our total water discharge in 2023(Unit: thousand cubic meters) - Headquarters in Taipei and six other offices: 2.64 - Dayuan plant: 62.88 - Zhongli Plant: 144.43 - Hukov Plant: 187.83 - Total: 397.78	
10	Chapter 1 About Us	Company name: Standard Foods Corporation Main Products: Biotechnology Health Products, Edible Oils, Cereal Drinks (Instant/Ready-To-Drink), Adult Nutrition, Dairy Products, and Beverages Main Product Amount Sold: 123,599 tons Company name: Standard Dairy Products Taiwan Limited Main Products: Nutritional Drinks, Dairy Products, and Beverages Main Product Sales: 82,291 tons	The Rules Appendix 1-1 N Weight of produ sold and number production venu
	Appendix: Sustainability Disclosure	■ 3 production facilities ➤ Standard Foods: Zhongli Plant and Dayuan Plant ➤ Standard Dairy: Hukou Plant	

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Standard Foods Group