

2024

Sustainability Report



Official Website



ESG Website



CONTENTS

1 Our Commitments	02	4 Products and Services	33	7 Employee Care	79
1.1 Words from Management	03	4.1 Food Quality and Safety	34	7.1 Employee Composition	81
1.2 Sustainability Strategy Roadmap	04	4.2 Supply Chain Management	41	7.2 Compensation and Benefits	84
1.3 Sustainability Performance	05	4.3 Customer Service	45	7.3 Occupational Safety and Health	87
1.4 Editorial Policy	12	4.4 Innovation Research and Development	46	7.4 Talent Cultivation	98
				7.5 Participation in Public Welfare Activities	100
2 Stakeholders Engagement	14	5 Integrity Governance	49	8 Appendix	102
2.1 Stakeholder Identification	15	5.1 Governance Practices	51	8.1 GRI Index	103
2.2 Stakeholders Engagement and Materiality Issues	16	5.2 Risk Management	56	8.2 United Nations Global Compact (UNGC)	111
2.3 Materiality Identification	18	5.3 Legal Compliance	58	8.3 Task Force on Climate-related Financial Disclosures (TCFD)	112
2.4 UN SDGs	24	5.4 Information Security	59	8.4 TWSE Disclosure Guidelines Index Table	113
				8.5 Sustainability Accounting Standards Board (SASB) Index	114
3 About THC	26	6 Green Sustainability	61	8.6 Human Rights Due Diligence Management Table	118
3.1 Milestones	27	6.1 Climate Change	65	8.7 Independent Verification Statement and Assurance Report	119
3.2 Mission and Vision	27	6.2 Air Pollution Control	73	8.8 Greenhouse Gas Emissions Verification Statement	121
3.3 Strategy and Deployment	28	6.3 Water Resources and Wastewater Management	73		
3.4 Products and Services	29	6.4 Waste Management	76		
3.5 Industry Supply Chain	30	6.5 TNFD	78		
3.6 Financial Performance	31				
3.7 Participation in External Organizations	32				

CH1

Our Commitments

- 1. 1 Words from Management
- 1. 2 Sustainability Strategy Roadmap
- 1.3 Sustainability Performance
- 1.4 Editorial Policy



1.1 Words from Management 2-22

Confronted with the risks of rising electricity prices, extreme weathers, and an impending carbon-fee regime—as well as stakeholders' expectations—Hon Chuan deepened its ESG governance structure in 2024, demonstrate our steadfast commitment to sustainable development through action.

Environmental Dimension

We have completed greenhouse gas inventories for all ten plants in Taiwan and will release a Self-determined Reduction Plan in 2025. Solar-power systems are being installed, and energy-saving equipment continues to be upgraded, laying the foundation for achieving Net Zero by 2050.

Social Dimension

Hon Chuan fosters a diverse and inclusive workplace. We fully absorb migrant-worker placement fees, provide prayer rooms and multi-faith dining options, and maintain an equitable promotion mechanism that embodies workplace equality and inclusion. These efforts earned wide recognition in 2024, including the TCSA "Outstanding Sustainable Enterprise Award" and "Gold Award for Sustainability Reporting," the SGS Social Sustainability Award, Golden Diamond Award" of the Ministry of Labor Workforce Development Agency and "Happy Workplace Award" of Taichung City Government.

Governance Dimension

We elevated the Sustainability Committee to the "Sustainability and Risk Management Committee," strengthening our integrated capabilities in climate risk oversight, information-security governance, and regulatory compliance. A Personal Data Protection Policy safeguards employee and customer information, while a newly implemented Intellectual Property Management Program and platform enhance the protection of key R&D assets—forming a comprehensive intellectual-asset protection system. These adjustments and innovations reinforce transparent, resilient, and responsible governance.

Guided by the core values of "Integrity, Innovation, and Sustainability", Hon Chuan embeds ESG strategy and risk control through systematic governance and engagement, creating new shared value for business, environment, and society.



Chairman
CHENG YA-WEN



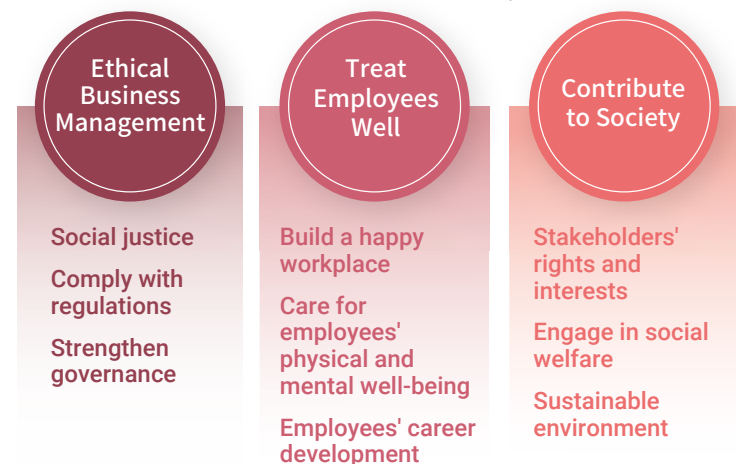
General Manager
TSAO HUNG-YU

1.2 Sustainability Strategy Roadmap

Sustainability Development Policy

Hon Chuan has formulated its sustainability policy by assessing global and local sustainability trends and how they align with the company's core business, evaluating the impacts of the company and its overall operations on stakeholders.

Anchored in our corporate mission, these considerations shape the strategic pillars that drive all of Hon Chuan's sustainability initiatives.

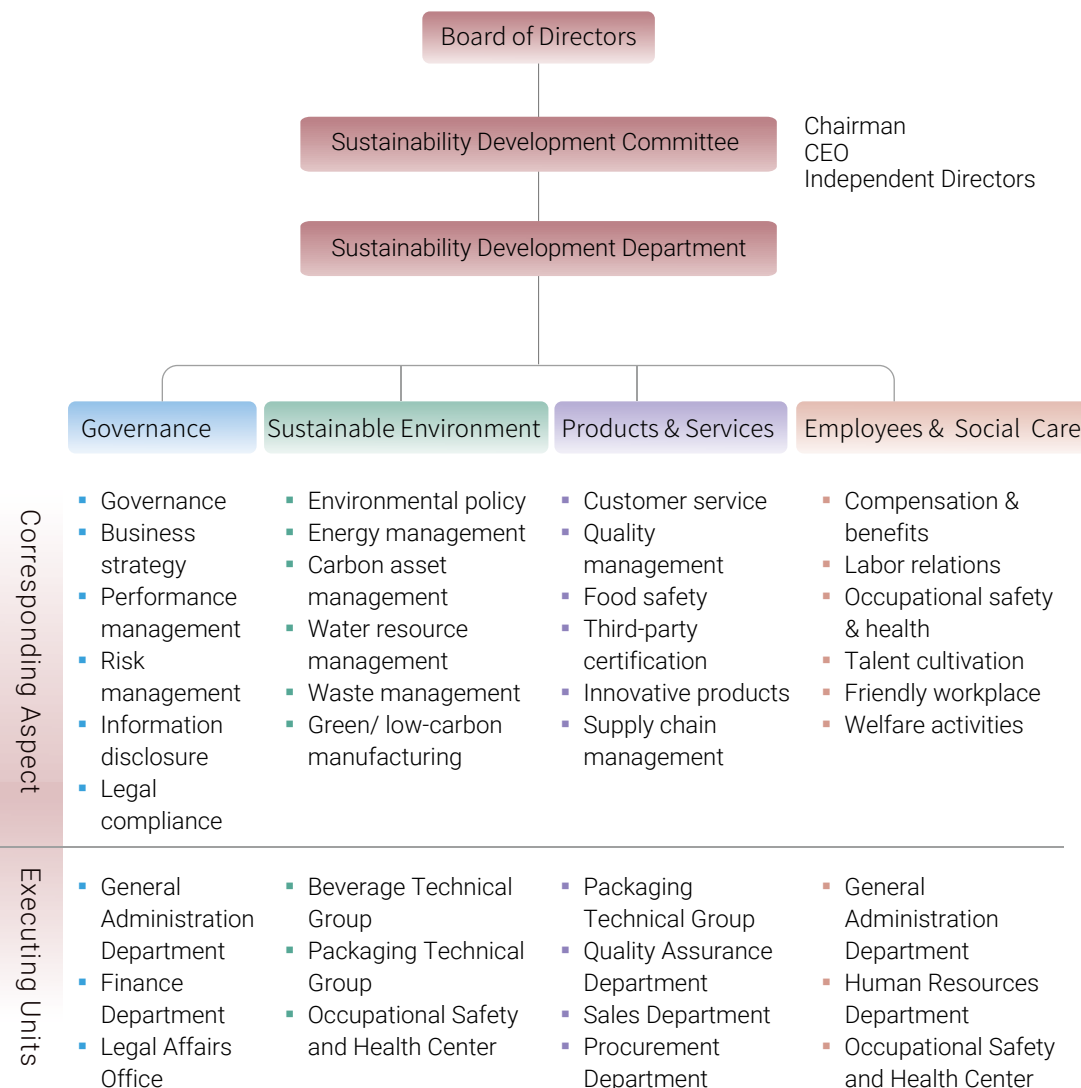


Sustainability Development Committee

2-14 2-22 2-23 2-24

Hon Chuan established a Corporate Social Responsibility Committee in 2019, renamed it the Sustainability Development Committee in 2021, and established Sustainability Development Department in 2023. Reporting to the Board of Directors, the committee consists of five directors—including three independent directors—and is charged with formulating and supervising the company's ESG strategy, sustainability reporting, greenhouse gas inventories, and supply-chain management.

In 2024 the committee met five times, concentrating on climate-risk management, occupational safety and environmental management, stakeholder engagement, TCFD questionnaire oversight, preparation of the annual sustainability report



Social



1.3 Sustainability Performance

Up to **40,428**
employee training hours.



Hon Chuan **fully covers**
the agency fees for
foreign workers in Taiwan.



Collaborate with **98** interns.
(60 during the summer term,
38 during the senior spring semester)



Recruit **32** socially disadvantaged individuals,
including **19** people with disabilities
and **13** Indigenous employees.



9,224 hours
of occupational safety, health,
and environmental training.



Zero violations related to
product liability, marketing/labeling,
or trade-secret protection.

Zero customer-privacy breaches
or data-loss incidents.


Governance



Consolidated net income:
NT\$ **2,833,665,000**

Integrity and ethics courses
(including insider-trading prevention):
369 hours

Corporate Credit rating by Taiwan Ratings:

twA, rated as "Stable" 

Sustainalytics ESG risk rating:

"Medium Risk" 

Directors' self-assessment

score: **4.8** out of 5



Completed

- The Sustainability Development Committee Charter
- Issued the Guidelines for the Preparation and Filing of the Sustainability Report

Environment



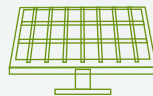
Environmental improvement investments:

NT\$ **161,031,000**



Investment in energy-saving: NT\$

42,240,000



Electricity conserved: **2,688.72** GJ
(≈ 741.31 MWh)

reduced **366.21** tCO₂e of
greenhouse gas emissions

Water recycled:

250.62 million liters



Overall waste

recycling rate: **98** %



Public Welfare

4

QUALITY
EDUCATION



13

CLIMATE
ACTION



16

PEACE, JUSTICE
AND STRONG
INSTITUTIONS



Participate in Taichung

Volunteer Day and activities with the
Dementia Care Association for caregiving.



94 Units of blood **donation.**



Donate scholarships to
local disadvantaged students
and university students



64 visits with **2,535** attendees
from industry, government, and academy
to Hon Chuan's Packaging Museum and
Aseptic filling line.



2024 Awards & Honors

Sustainability



17th TCSA
Sustainability Report
Gold Award



17th TCSA
Sustainability Performance
Excellence Award



SGS
Sustainable Social Award



E.SUN Bank
Sign the Net Zero Initiative

Customer / Product



TAFST
Innovation Gold Award



TAFST
Innovation Bronze Award



Taichung Industrial
Association
Innovation Excellence Award



Coca-Cola
ESG Supplier Award

Environment



Common Wealth Magazine
1.5 °C Climate
Leadership Label



Air-Quality Purification -
Special Excellence Award
(Taichung City, Gong-7 Park)



Air-Quality Purification -
Excellence Award (Taichung
City, Gong 1-3 Greenbelt)

2024 Awards & Honors

Employee



Taichung City
"Happy Workplace" Award



1111 Job Bank
"Happy Enterprise"
Recognition



Ministry of Labor
Gold Award for Workforce
Training



Taichung City
Outstanding Contribution
Award

Community Engagement



Taichung City
Participate in Corporate
Volunteer Day



Dementia Care Association
Participate in International
Dementia Activities



Ganlin Foundation
Participate in the Lunar New
Year Meal Delivery of Love
Event



Ministry of Labor
Visit by the ESG Talent
Training Program



Overseas Community
Affairs Council Visit by
Overseas Study Program



Organic Association
Green Enterprise Award

Scholarship Donation



Anhe Junior High School



Xiehe Elementary School



Xiehe Elementary School
Art Activities



Taichung Deaf-Mute School



NCUT



NFU

2024 Awards & Honors

International Professional Certifications Obtained



FSSC 22000 Food Safety Management System



ISO 9001 Quality Management System



ISO 14001 Environmental Management System



ISO 45001 Occupational Safety and Health Management System



TOSHMS Taiwan Occupational Safety and Health Management System



ISO 14064-1 Greenhouse-Gas Inventory



Taiwan Quality Food



Food and Drug Administration



HALAL



U.S. Food and Drug Administration



Non-GMO Project Verified

1.4 Editorial Policy 2-2 2-3 2-5

Hon Chuan has published a sustainability report every year since its inaugural edition in 2019; this is the sixth volume. Core topics—corporate governance, food safety, environmental sustainability, employee care, and public welfare—were identified through a stakeholder questionnaire, and the report discloses the corresponding goals and results.

Disclosure frameworks

The report is prepared in accordance with the GRI Sustainability Reporting Standards and the Taiwan Stock Exchange "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE-Listed Companies." A detailed GRI Index is provided in the appendix; the full report is simultaneously available for download on the company's ESG website.

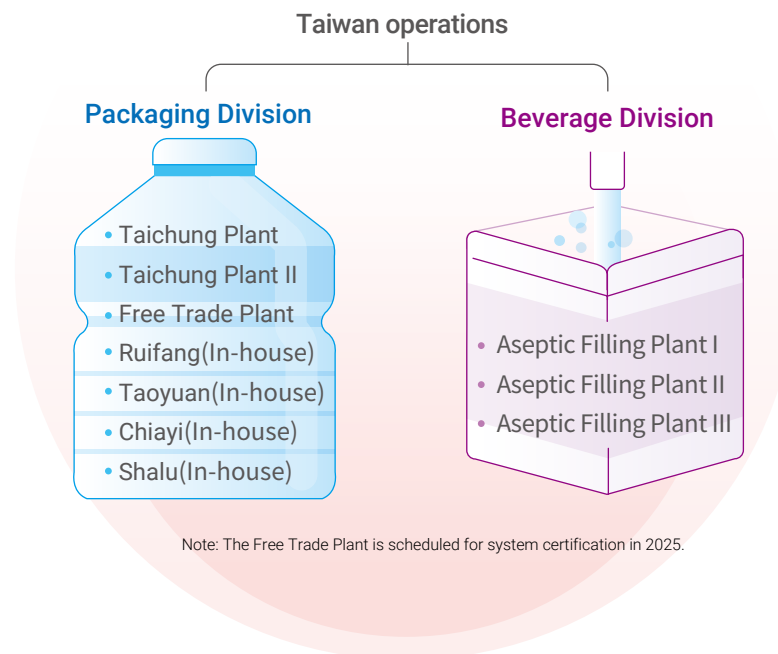
Issuing Authority	Follow Project
The Global Reporting Initiative, GRI	<ul style="list-style-type: none"> ▶ General Principles ▶ Topic-specific Standards
Taiwan Stock Exchange, TWSE	<ul style="list-style-type: none"> ▶ Practical Guidelines for Sustainability Development of Listed and OTC Companies ▶ Operating Procedures for Listed Companies to Prepare and Submit Sustainability Reports
United Nations, UN	<ul style="list-style-type: none"> ▶ Sustainable Development Goals, SDGs ▶ UN Global Compact, UNGC
Financial Stability Board, FSB	<ul style="list-style-type: none"> ▶ Task Force on Climate-related Financial Disclosures, TCFD
Sustainability Accounting Standards Board, SASB	<ul style="list-style-type: none"> ▶ SASB Industry Standards ▶ Containers & Packaging Sustainability Accounting Standard ▶ Non-Alcoholic Beverages Sustainability Accounting Standard

Scope and Boundary 2-2

The report covers sustainability performance from January to December 2024. The disclosed financial data in this report is derived from THC individual and consolidated financial statements and has been audited and certified by Deloitte & Touche in accordance with International Financial Reporting Standards (IFRS). Environmental and social data only refer to production sites in Taiwan, exclude overseas subsidiaries and Bon Trust International Trade Co., Ltd.; refer to the 2024 Annual Report, "Information on Affiliates," for details.

Taiwan operations are divided into Packaging Division and Beverage Division 2-2

In 2024, the Free-Trade-Zone Plant and the Shalu in-house plant were completed and are included in the reporting scope. All facilities operate under ISO 45001:2018 / CNS 45001:2018 (OSH), ISO 9001:2015 (quality), ISO 14001:2015 (environment), FSSC 22000 (food safety), TQF certification, and ISO 14064-1 (GHG inventory).





Internal Audit

Data are compiled by the Sustainability Development Committee's working groups; the Sustainability Development Department drafts the text. After external assurance, the report is approved by the General Manager and Chairman and submitted to the Board of Directors each June before public release on the ESG website.

External Assurance 2-5

The report is verified by SGS Taiwan under AA1000 AS v3, Type 1, moderate assurance. In addition, "water withdrawal" and "waste generated" indicators are assured in accordance with ISAE 3000; assurance statements appear in the appendix.

Release Schedule 2-3

Hon Chuan issues the sustainability report annually and releases it on our ESG website.

Previous edition: July 2024

Current edition: July 2025

Next edition: July 2026

Contact Window 2-3

Hon Chuan Industrial Co., Ltd. – Sustainability Development Department

Address: No. 6, 2nd Rd., Taichung Industrial Park, Taiwan (R.O.C)

Tel: +886-4-2359-0088 ext. 3103

E-mail : ESG@mail.honchuan.com.tw

Company website : www.honchuan.com.tw

ESG website : <https://esg.honchuan.com/tw>

CH2

Stakeholders Engagement

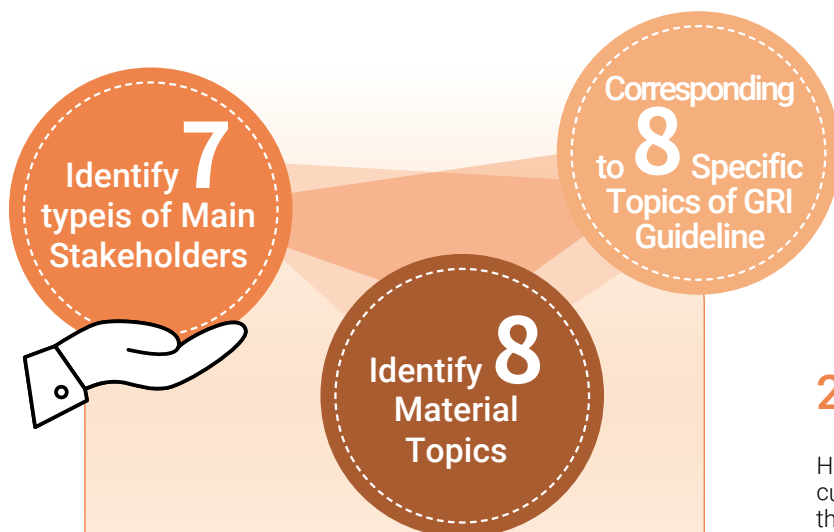
2.1 Stakeholder Identification

2.2 Stakeholders Engagement and Materiality Issues

2.3 Materiality Identification

2.4 UN SDGs





Hon Chuan integrates the needs of our stakeholders—capital providers, government, suppliers, customers, employees, communities, and academic institutions—across the three pillars of governance, environment, and society to build a comprehensive management system. We strengthen governance transparency and employee communication; ensure a transparent, traceable supply chain and consistent product safety; engage regularly with environmental groups and local communities to lessen production impacts; and deepen philanthropic and community involvement to give back to society. All stakeholder feedback is incorporated into our sustainability strategy and decision-making, continuously amplifying the company's influence and value.

2.1 Stakeholder Identification 2-29

Hon Chuan conducts regular dialogues and interviews with its primary stakeholders—shareholders, customers, employees, suppliers, government agencies, and community organizations—to understand their needs and expectations and to refine our sustainability strategy and actions.

Primary Stakeholders	The significance of stakeholders to Hon Chuan
Funders	Key sources of capital; treated equitably and assured that their rights are protected; kept informed of and involved in major corporate decisions
Government agencies	Regulate Hon Chuan's legal compliance and offer policy guidance, steering the company toward compliant operations
Suppliers	Critical partners in sustainable operations; stable collaboration enhances product and service quality while reducing operational risk
Customers	Main revenue source whose expectations for products and services drive the company's progress toward sustainability
Employees	Core assets who support production and advance sustainability, making them essential partners in realizing corporate values
Communities / Local-Organizations	Local connections that Hon Chuan values; we work to minimize environmental impact and co-create a sustainable ecosystem
Associations / Academies	Provide policy advice and technical exchange, serving as important consultative sources for sustainability initiatives

2.2 Stakeholders Engagement and Materiality Issues

3-3

Hon Chuan has established diverse, transparent communication mechanisms—dedicated website sections, e-mail inboxes, regular interviews, and meetings—to strengthen interaction with stakeholders. Our ESG website is updated in real time with sustainability information, enhancing communication efficiency and transparency. We also plan to launch an interactive sustainability platform to further build trust and collaboration.



Primary stakeholders	Concerned Issues	Communication Channels / Frequency	Communication Results	Hon Chuan Corresponding Chapters
Funders	<ul style="list-style-type: none"> • Economic performance • Corporate governance • Regulatory compliance • Sustainable operations • Risk management 	<ol style="list-style-type: none"> 1. Annual shareholders' meeting (regular) 2. Investor conferences (ad hoc) 3. Real-time release of material information 4. Regular publication of financial statements, annual and sustainability reports 5. Website disclosures 	<ol style="list-style-type: none"> 1. Released 47 material-information announcements 2. Attended 7 domestic investor conferences 3. Conducted 83 investor calls and site visits 	5.1 Governance Practices 5.2 Risk Management 5.3 Legal Compliance 3.6 Financial Performance 6.1 Climate Change 6.2 Air-Pollution Control 6.3 Water Resources and Wastewater Management
Government Agencies	<ul style="list-style-type: none"> • Occupational health & safety (OHS) • Food-safety management systems • Corporate governance • Regulatory compliance & business integrity • Air pollution, wastewater & waste • Sustainable operations 	<ol style="list-style-type: none"> 1. Policy briefings and outreach meetings 2. Forums / seminars 3. Regular statutory filings 4. Disclosure of rules on website 5. Official correspondence 	<ol style="list-style-type: none"> 1. Attended 31 forums on environment, OHS, food safety, and labor 2. Underwent 66 on-site inspections and tests by local authorities 3. Followed up on all official notices and circulars 	4.1 Food Quality and Safety 5.1 Governance Practices 5.3 Legal Compliance 6.1 Climate Change 6.2 Air-Pollution Control 6.3 Water Resources and Wastewater Management 6.4 Waste Management 7.3 Occupational Health & Safety
Suppliers	<ul style="list-style-type: none"> • Occupational health & safety • Supplier management • Food-safety management systems • Economic performance • Procurement policy • Regulatory compliance 	<ol style="list-style-type: none"> 1. Real-time meetings 2. Annual audits & evaluations 3. Contractor safety management 4. Annual contractor meeting 5. Supplier grievance channel 6. Ethics-violation whistleblower mailbox 	<ol style="list-style-type: none"> 1. Conducted 77 on-site supplier audits 2. Performed 38 visits to waste-disposal vendors 3. Scheduled SEDEX verification for 2025 	4.1 Food Quality and Safety 4.2 Supply-Chain Management 5.3 Legal Compliance

Primary stakeholders	Concerned Issues	Communication Channels / Frequency	Communication Results	Hon Chuan Corresponding Chapters
Customers	<ul style="list-style-type: none"> • Business ethics & integrity • Regulatory compliance • Food-safety management systems • Product quality • Climate change • Customer satisfaction • Sustainable operations 	<ol style="list-style-type: none"> 1. Customer-commissioned third-party audits 2. Customer plant audits 3. Regular quality review meetings 4. Ad-hoc business visits 5. Annual satisfaction survey 	<ol style="list-style-type: none"> 1. All plants achieved ISO 9001, FSSC 22000, ISO 14001 certification 2. Aseptic beverage unit earned TQF (Taiwan Quality Food) certification 3. Performed regular customer-satisfaction surveys 4. Participated in CDP and S&P sustainability assessments 	<ol style="list-style-type: none"> 4.1 Food Quality and Safety 4.3 Customer Service 5.3 Legal Compliance 6.1 Climate Change 6.2 Air-Pollution Control 6.3 Water Resources and Wastewater Management 6.4 Waste Management 7.2 Compensation and Benefits 7.3 Occupational Safety and Health
Employees	<ul style="list-style-type: none"> • Sustainable operations • Ethics & integrity • Economic performance • Compensation & benefits • Labor relations • Occupational health & safety • Talent development 	<ol style="list-style-type: none"> 1. Annual compensation-review meeting 2. Quarterly labor-management meetings 3. Monthly employee meetings 4. New-employee onboarding & training 5. Daily departmental briefings 6. Monthly ESG / HR / OHS newsletters 7. CEO mailbox 	<ol style="list-style-type: none"> 1. 40,428 total employee-training hours 2. 8 labor-management meetings held 	<ol style="list-style-type: none"> 7.1 Employee Composition 7.2 Compensation and Benefits 7.3 Occupational Safety and Health 7.4 Talent Cultivation
Communities / Local-Organizations	<ul style="list-style-type: none"> • Regulatory compliance • Wastewater & waste management • Air-pollution control • Environmental grievance mechanism • Community welfare & charity 	<ol style="list-style-type: none"> 1. Regular audits by authorities 2. Community-service activities 3. Corporate & ESG websites 4. Sustainability report & annual report 	<ol style="list-style-type: none"> 1. Scholarships donated to five schools 2. Participation in Greater Taichung volunteer programs 3. Adoption and upkeep of four Taichung City parks 4. 94 bags of blood donated 5. Hosted 2,535 museum visitors 	<ol style="list-style-type: none"> 5.3 Legal Compliance 6.1 Climate Change 6.2 Air-Pollution Control 6.3 Water Resources and Wastewater Management 6.4 Waste Management 7.5 Participation in Social Welfare Activities
Associations / Academies	<ul style="list-style-type: none"> • Innovation R&D • Talent development 	<ol style="list-style-type: none"> 1. Technical seminars & forums 2. Industry-academia collaborations 3. Participation in innovation awards 	<ol style="list-style-type: none"> 1. Gold and Bronze "Innovative Product" Awards (Taiwan Society of Food Science) and "Innovation Excellence Award" (Taichung Industrial Association) 2. 98 participants in industry-academia collaboration projects 	<ol style="list-style-type: none"> 4.4 Innovation Research and Development 7.4 Talent Cultivation

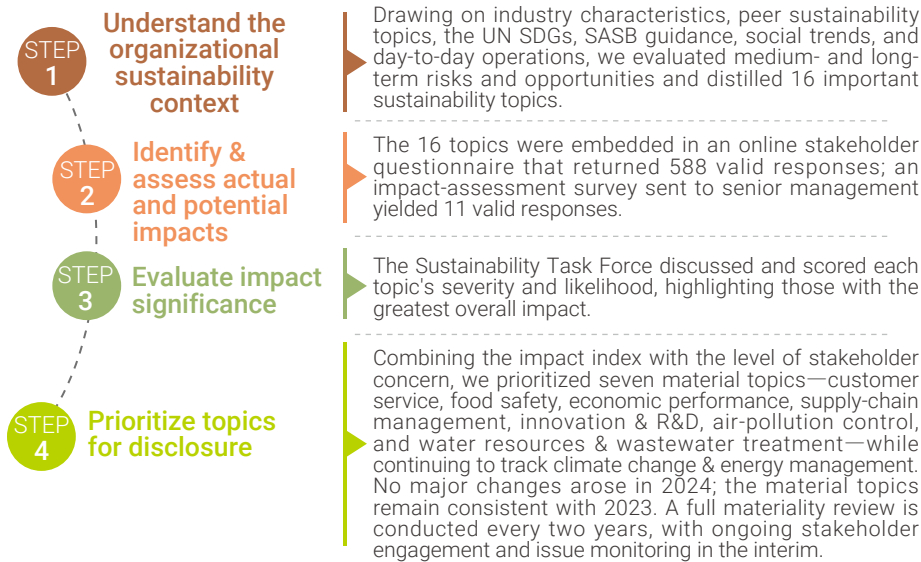
Online Stakeholder-Impact Survey

By administering an online questionnaire to our stakeholders, Hon Chuan gains a more comprehensive understanding of external expectations, which in turn strengthens our sustainability-strategy planning. The survey is designed to deliver the following benefits:

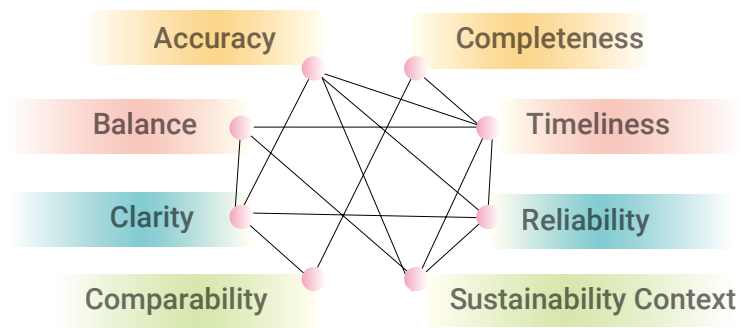


2.3 Materiality Identification 3-1 3-2 3-3

This report applies the eight reporting principles of GRI 2021 and follows a four-phase materiality assessment to systematically analyze and rank stakeholder concerns alongside their positive and negative sustainability impacts, ensuring we focus on the issues that matter most to our stakeholders.

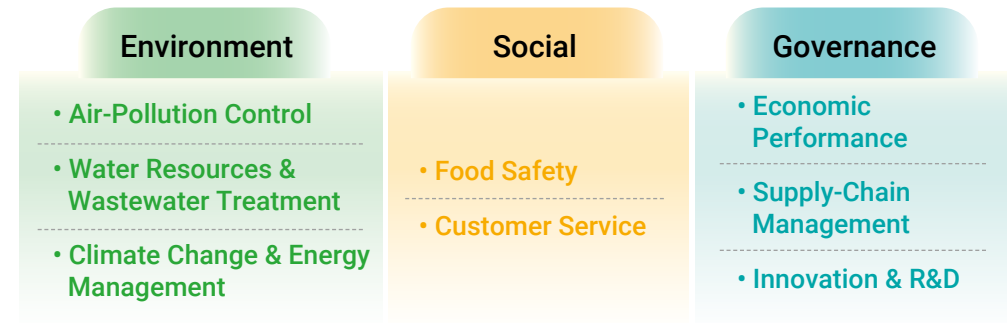


Eight Principles for Defining Report Content and Quality

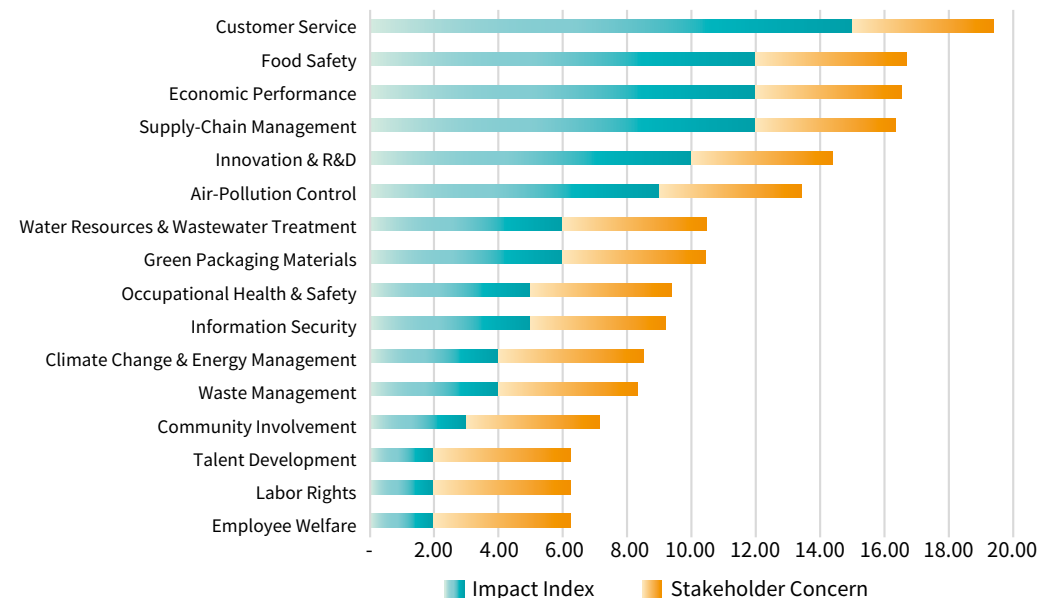


Material Topic Changes 2-4 3-2

2024 Material Topic Categorization:






Impact Ranking



Note: The results from 2023 are carried over to 2024, so the significant issues are not re-ranked.

Major Topics and Value-Chain Impact Boundary

Category	Material Topic & Rank	Importance to Hon Chuan	Value-Chain Impact Boundary			Report Chapter	Corresponding SASB Standard	Corresponding GRI Standard
			Upstream	Hon Chuan	Downstream			
 Social	Customer Service	Enhance customer satisfaction and loyalty; respond rapidly to needs and optimize in real time		●	●	4.1 Food Quality and Safety 4.3 Customer Services 5.2 Risk Management	NA	GRI 418 Customer Privacy 2016
	Food Safety	Ensure product compliance, protect brand reputation, and reduce risk and cost	●	●	●	4.1 Food Quality and Safety	NA	TWSE* Disclosure Principle, GRI 416: Customer Health & Safety 2016
 Governance	Economic Performance	Attract investors and strategic partners; strengthen differentiated competitiveness		●		3.6 Financial Performance 5.1 Governance Practices	NA	GRI 201: Economic Performance 2016
	Supply-Chain Management	Improve supplier quality, environmental hygiene, and social responsibility; secure compliant raw materials and ensure stable operations	●	●		4.2 Supply Chain Management	Supply-Chain Management RT-CP-430a.1 RT-CP-430a.2 RT-CP-410a.5 Environmental and Social Impacts of the Supply Chain FB-NB- 430a.1	GRI 308: Supplier Environmental Assessment 2016 GRI 414: Supplier Social Assessment 2016
	Innovation & R&D	1. Product & service innovation 2. Process optimization to raise yield 3. Increase product value-added 4. Enhance corporate brand value	●	●	●	4.4 Innovation Research and Development	Product life-cycle management RT-CP-410a.1 RT-CP-410a.2	Custom Topic
 Environment	Air-Pollution Control	1. Strengthen compliance with environmental regulations 2. Safeguard the company's long-term viability 3. Lessen the environmental impact of production		●		6.2 Air-Pollution Control	Air quality RT-CP-120a.1	GRI 305 : Emissions 2016
	Water Resources & Wastewater Management	1. Environmental compliance 2. Process-water supply 3. Optimize water-resource management		●	●	6.3 Water Resources and Wastewater Management	Water stewardship RT-CP-140a.1 RT-CP-140a.2 RT-CP-140a.3	GRI 303 : Water & Effluents 2018
	Climate Change & Energy Management	1. Build climate-resilience & adaptation capacity 2. Ensure power-supply stability 3. Manage electricity costs & carbon-reduction targets 4. Address added costs (carbon fees)	●	●	●	6.1 Climate Change	GHG emissions RT-CP-110a.1 RT-CP-110a.2 Energy management FB-NB-130a.1 RT-CP-130a.1 GHG management FB-NB-110a.1	GRI 302 : Energy 2016 GRI 305 : Emissions 2016

Management Approach for the Material Topic

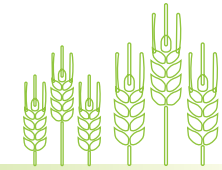
3-3



Item

Customer Service

Impact Explanation	<p>Positive: Meeting customer needs, maintaining customer data privacy, strong customer relationships, enhancing overall image.</p> <p>Negative: Failing to meet customer quality, environmental policy requirements may reduce company competitiveness.</p>
Policy & Commitment	Provide superior products and services that meet customer requirements and drive business growth.
Key Actions	Maintain strong customer relationships and become a long-term strategic partner.
Short-Term Goal	Average customer-satisfaction score $\geq 90/100$.
Mid- to Long-Term Goals	<ol style="list-style-type: none"> 1. Build customer-centric organizational processes. 2. Innovate and develop safe, high-quality products to expand markets and stay ahead of industry trends.
Progress Toward Short-Term Goal	<ol style="list-style-type: none"> 1. Hosted transparent plant tours, webinars, and online seminars to brief customers on company offerings and market trends. 2. Exhibited at Tokyo Pack, Natural Products Expo West (USA), Manila Beverage Expo, and Taipei Food Show. 3. Recorded zero incidents of customer-data leakage or legal violations. 4. Achieved an average customer-satisfaction score above 90.
Evaluation Mechanisms	Customer audits; customer-satisfaction surveys.
Grievance Mechanism	Sales Department, (04)23590088 Ext. 1101 890309@mail.honchuan.com.tw
Related Report Sections	4.1 Food Quality and Safety 4.3 Customer Service 5.2 Risk Management



Item

Food Safety

Impact Explanation	<p>Positive: Ensures every production step complies with food-safety laws, meets international standards, and satisfies customer requirements.</p> <p>Negative: Poor management could trigger food-safety incidents, seriously eroding consumer and customer trust.</p>
Policy & Commitment	Roll out a company-wide Food Safety Management System that integrates HACCP and is continually improved to guarantee effectiveness.
Key Actions	Formed a Food Safety Task Force, hold regular improvement meetings, all plants certified to ISO 9001, FSSC 22000, and TQF.
Short-Term Goal	Achieve a 100 % pass rate in third-party tests for both packaging materials and finished beverages, in full compliance with Governing Food Safety and Sanitation.
Mid- to Long-Term Goals	Sustain food safety and product quality so customers are satisfied and consumers feel at ease.
Progress Toward Short-Term Goal	In 2024, the beverage business unit recorded zero food-safety violations, and the pass rate for both beverage contract-manufacturing tests and packaging-migration tests was 100%.
Evaluation Mechanisms	Regulatory audits; ISO 9001, FSSC 22000, TQF, and other quality / safety system certifications.
Grievance Mechanism	Q.A. Department, (04)23590088 Ext.2610 960529@mail.honchuan.com.tw
Related Report Sections	4.1 Food Quality and Safety

Item

Economic Performance



Impact Explanation	<p>Positive : Lowers operating costs, increases profitability, and enhances shareholder value.</p> <p>Negative: Weak performance could undermine stakeholder interests.</p>
Policy & Commitment	Use innovative R&D to deliver high-quality foods, beverages, and packaging that meet customer needs while boosting profits and shareholder value.
Key Actions	Strengthen the roles of independent directors, the audit committee, and internal-control mechanisms. Tight cost control aligned with strategic development.
Short-Term Goal	Stay ahead of market trends and customer needs by launching differentiated products and services based on new technologies.
Mid- to Long-Term Goals	Form strategic alliances with customers, combine rich design and production experience, and diversify into multiple packaging markets.
Progress Toward Short-Term Goal	<p>Consolidated revenue: NT\$ 28,408,164,000 (+7.57 % YoY).</p> <p>Profit attributable to owners of parent: NT\$ 2,833,665,000 (+14.53 % YoY).</p>
Evaluation Mechanisms	Oversight by independent directors, internal audits, and assessments by relevant regulators.
Grievance Mechanism	Investor Relations Office, (04)23590088 Ext.5107 service@mail.honchuan.com.tw
Related Report Sections	<p>3.6 Financial Performance</p> <p>5.1 Governance Practices</p>

Item

Supply-Chain Management



Impact Explanation	<p>Positive : Focusing on supplier quality and social responsibility secures a stable, sustainable supply of raw materials.</p> <p>Negative: Lapses in quality, human-rights, or food-safety oversight could harm the company's reputation.</p>
Policy & Commitment	Treat suppliers as long-term strategic partners
Key Actions	Invite Tier-A suppliers to participate in centralized tenders and develop secondary suppliers to diversify supply-interruption risk.
Short-Term Goal	Strengthen communication and collaboration, assess risks, and develop countermeasures to safeguard raw-material quality and ensure operational compliance.
Mid- to Long-Term Goals	Strengthened supply-chain flexibility and prioritized sourcing from vendors that meet environmental and social-responsibility criteria.
Progress Toward Short-Term Goal	Suppliers must attach inspection certificates with each shipment and provide periodic third-party test results; 90 suppliers have now signed Hon Chuan's Sustainability Commitment Letter.
Evaluation Mechanisms	Procurement Division submits regular performance reports to the Sustainability Committee and publishes a Supplier Sustainability Report.
Grievance Mechanism	Procurement Department, (04)2359-0088 Ext.1577 1051202@mail.honchuan.com.tw
Related Report Sections	4.2 Supply Chain Management

Item

Innovation & R&D



Impact Explanation	<p>Positive : Enhances product functionality and value - added features, lowers costs, and boosts customer satisfaction and partnership opportunities.</p> <p>Negative: Up-front R&D expenditures and scale-up risks for new products may squeeze short-term profitability.</p>
Policy & Commitment	Guided by the principles of innovation, sustainability, and safety, we focus on developing light-carbon, smart, and service-oriented packaging solutions.
Key Actions	Exhibit at domestic and international trade shows, and co-develop new products with customers.
Short-Term Goal	Launch light-carbon, high-value products and joint development with customers
Mid- to Long-Term Goals	Create value-added offerings and establish ourselves as a global benchmark in beverage-packaging materials.
Progress Toward Short-Term Goal	<ol style="list-style-type: none"> 1. Developed 100 % r-PET preform, 50 % r-PET label, and 25 % r-LDPE shrink film. 2. Introduced 9 tamper-evident tethered-cap designs compliant with the EU Single-Use Plastics Directive. 3. Fully switched to flexo printing and secured 18 product-design and process patents.
Evaluation Mechanisms	Market research; seal-integrity tests; heavy-metal and VOC analyses.
Grievance Mechanism	R&D Technology Department , (04)23590088 Ext. 3303 970502@mail.honchuan.com.tw
Related Report Sections	4.4 Innovation Research and Development

Item

Air-Pollution Control



Impact Explanation	<p>Positive : Conduct regular monitoring and use low-carbon processes and materials to keep cutting air-emission levels.</p> <p>Negative: Production activities could cause irreversible harm to the environment and human health if not properly managed.</p>
Policy & Commitment	Establish a dedicated Environment, Health & Safety (EHS) unit that delivers environmental training and oversight for all employees and managers.
Key Actions	Implement the ISO 14001 Environmental Management System and roll out targeted pollution-control measures.
Short-Term Goal	Phase out gravure printing for plastic closures, adopt UV inks across the board, and establish proprietary VOC in-house emission factors.
Mid- to Long-Term Goals	Upgrade to green manufacturing, low-carbon production equipment, and recycled, eco-friendly materials.
Progress Toward Short-Term Goal	In 2024, zero air-pollution violations and Taichung 2nd Plant's preform injection-molding line obtained certification for its in-house VOC emission factors.
Evaluation Mechanisms	External ISO 14001 audits and government inspections; regular Occupational Safety Committee meetings.
Grievance Mechanism	EHS Center, (04)23590088 Ext. 2101 980606@mail.honchuan.com.tw
Related Report Sections	6.2 Air-Pollution Control

Item

Water Resources & Wastewater Management



Impact Explanation	<p>Positive: New technologies raise water-use efficiency and enable reuse, lowering water-scarcity risk.</p> <p>Negative: Water shortages or pollution could disrupt operations and drive up costs.</p>
Policy & Commitment	Improve overall water-resource efficiency while reducing pollutant discharge and total water consumption.
Key Actions	Deploy the ISO 14001 Environmental Management System and the ISO 46001 Water Efficiency Management System.
Short-Term Goal	Install process-water recovery systems to boost reclaimed water at beverage plants by 1 % and meet all regulatory and customer requirements.
Mid- to Long-Term Goals	Continue water-saving and reuse projects; partner with neighboring facilities to develop a reclaimed-water supply network.
Progress Toward Short-Term Goal	Packaging and beverage units recovered 250.62 million L of water, a 1 % year-on-year increase.
Evaluation Mechanisms	External ISO 14001 audits; mandatory wastewater inspections and compliance filings.
Grievance Mechanism	EHS Center,(04)23590088 Ext. 2101 980606@mail.honchuan.com.tw
Related Report Sections	6.3 Water Resources and Wastewater Management

Item




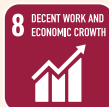

Climate Change







Impact Explanation	<p>Positive: Implement a carbon-asset management platform to boost the effectiveness of energy-saving and carbon-reduction projects.</p> <p>Negative: Stricter regulations and supply-chain expectations on energy use heighten the challenges of the energy transition.</p>
Policy & Commitment	Recognize climate change as a strategic priority and actively pursue mitigation and adaptation actions.
Key Actions	Execute comprehensive carbon management—including ISO 14064-1 (GHG inventory) and ISO 14067 (product carbon footprint). Apply the TCFD framework to assess financial impacts of climate risks and adjust strategy accordingly. Intensify energy-saving and GHG-reduction initiatives.
Short-Term Goal	<ol style="list-style-type: none"> 1. Connect to customers' facilities for in-house production to cut transport emissions. 2. Fully implement ISO 14064-1 GHG inventories and ISO 14067 product carbon-footprint management. 3. Achieve 1.5 % annual electricity-savings starting in 2025. 4. 1,600 kWp solar system installation, annual power generation 1,820 MWh and 899 tCO₂e GHG emission reduction.
Mid- to Long-Term Goals	Target net-zero by 2050 and 10 % renewable energy by 2030, with flexible adjustments to meet evolving policies and regulations.
Progress Toward Short-Term Goal	<ol style="list-style-type: none"> 1. Complete the GHG inventory and verification for 10 sites across Taiwan. 2. Phased out gravure printing, sharply reducing VOC emissions. 3. The installation of 1,600 kWp solar system completed in 2025.
Evaluation Mechanisms	Progress alongside GHG-reduction targets and renewable-energy roadmap.
Grievance Mechanism	Sustainability Development Department, (04)23590088 Ext. 3301 ESG@mail.honchuan.com.tw
Related Report Sections	6.1 Climate Change

2.4 United Nations Sustainable Development Goals (SDGs)

Hon Chuan has woven the SDGs into its business strategy, shifting from a sole focus on financial performance to a balanced approach that also emphasizes environmental protection, regulatory compliance, competitive compensation and talent retention, elimination of workplace inequities, and reductions in wastewater and solid-waste discharge—all while safeguarding product safety and consumer health. We will continue to refine our operations, deepening our alignment with the SDGs and our broader corporate-social-responsibility commitments.

SDGs	Policy	Current objectives	Medium-Term Strategy (3 – 5 years)	Long-Term Strategy (6 – 10 years)	
 3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives & promote well-being for all ages	<ul style="list-style-type: none">Occupational Safety & Health (OSH) PolicyCOVID-19 Prevention Plan	<ul style="list-style-type: none">ISO 45001 OSH management system in placeAnnual employ=h checksOngoing health-promotion activities	<ul style="list-style-type: none">Introduce on-site health counseling & risk-management programsContinuous OSH improvementsUpgrade workplace environment	<ul style="list-style-type: none">On-site professional counseling services.Offer diverse health and medical resources.Provide a high-quality work environment.Zero workplace accidents.
 4 QUALITY EDUCATION	Inclusive, equitable & quality education; lifelong learning	<ul style="list-style-type: none">Sustainable-Development Best-Practice CodeCorporate-Governance Best-Practice Code	<ul style="list-style-type: none">Elite-talent training programIndustry–academia partnershipsScholarship donationsE-learning platform	<ul style="list-style-type: none">Build a comprehensive employee training systemExpand scholarship scope to attract top talent	<ul style="list-style-type: none">Deepen government–industry–academia exchangeDevelop future management leadersLocalize talent pipelines in core markets
 5 GENDER EQUALITY	Gender equality & women's empowerment	<ul style="list-style-type: none">Workplace-Violence Complaint ProcedureMaternity-Health Protection GuidelinesHuman-Rights Policy	<ul style="list-style-type: none">Foster a harassment-free, worker-friendly workplaceZero discrimination casesDedicated care for pregnant employees	<ul style="list-style-type: none">Promote diversified employment modelsAchieve 100 % return-to-work rate after parental leave	<ul style="list-style-type: none">Increase women's participation in the workforceBuild a fully gender-equal workplace culture
 8 DECENT WORK AND ECONOMIC GROWTH	Inclusive & sustainable economic growth	<ul style="list-style-type: none">Human-Rights PolicyRemuneration-Committee CharterPerformance-Appraisal GuidelinesRecruitment & Employment RulesRisk-Management Policy & Procedures	<ul style="list-style-type: none">Provided 1,605 jobsEnhanced workplace safetyLaunched e-commerce platformExhibited at overseas trade showsEntered mid-/long-term strategic co-production with key customers	<ul style="list-style-type: none">Plant expansions generating new employmentBroader customer collaborationsStrengthen product competitiveness & brand value	<ul style="list-style-type: none">Sustainably stable operations so employees can work with confidenceMaintain a safe, healthy work environment
 10 REDUCED INEQUALITIES	Reduce inequality within and among countries	<ul style="list-style-type: none">Human-Rights Policy	<ul style="list-style-type: none">Equal opportunity hiringCompany pays 100 % of migrant-worker placement feesPrayer rooms providedMulti-faith meal optionsExceed legal quota for employees with disabilities	<ul style="list-style-type: none">School-to-work program with the schools for the DeafLearning pathways for migrant workers	<ul style="list-style-type: none">Fully egalitarian workplaceRobust, transparent promotion channels that attract top talents

SDGs	Policy	Current objectives	Medium-Term Strategy (3 – 5 years)	Long-Term Strategy (6 – 10 years)	
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption & production	<ul style="list-style-type: none">• Sustainability Policy• Environmental Policy• SEDEX compliance system	<ul style="list-style-type: none">• 98 % waste reused or recycled• RO water reclaimed for reuse• Low-carbon processes & products	<ul style="list-style-type: none">• Institutionalize water-resource management• Maintain 98 % waste-reuse rate• Scale low-carbon processes & products	<ul style="list-style-type: none">• Further raise resource-utilization efficiency• Keep waste-reuse rate at ≥ 98 %• Low-carbon products to account for ≥ 10 % of sales
 13 CLIMATE ACTION	Climate action	<ul style="list-style-type: none">• 2050 Net-Zero Commitment• Corporate Sustainability Strategy• TCFD disclosures	<ul style="list-style-type: none">• Energy-saving & carbon-reduction projects• GHG inventory (ISO 14064-1)• Solar-PV installation underway	<ul style="list-style-type: none">• Purchase renewable energy• Phase-out of legacy equipment• Carbon-fee response strategy• Increase share of low-carbon sales• Adopt SBTi science-based targets	<ul style="list-style-type: none">• Achieve carbon-neutral factories• Reach RE10 (≥ 10 % renewable electricity) by 2030• Fully low-carbon production and responsible waste management
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Peaceful, inclusive & just societies	<ul style="list-style-type: none">• Integrity Management Policy• Code of Ethical Conduct	<ul style="list-style-type: none">• Strict trade-secret management• Zero major legal violations• Zero major information-security incidents	<ul style="list-style-type: none">• Roll out intellectual-property management platform• Maintain zero major legal or cyber-security incidents	<ul style="list-style-type: none">• Sustain zero major violations and zero major info-security breaches
 17 PARTNERSHIPS FOR THE GOALS	Global partnerships for sustainable development	<ul style="list-style-type: none">• Sustainable-Development Best-Practice Code	<ul style="list-style-type: none">• Ongoing stakeholder engagement• Annual contractor summit	<ul style="list-style-type: none">• Supplier-management system upgrade• Development of sustainable materials	<ul style="list-style-type: none">• Forge industry-wide partnerships that advance sustainability objectives

CH3

About THC

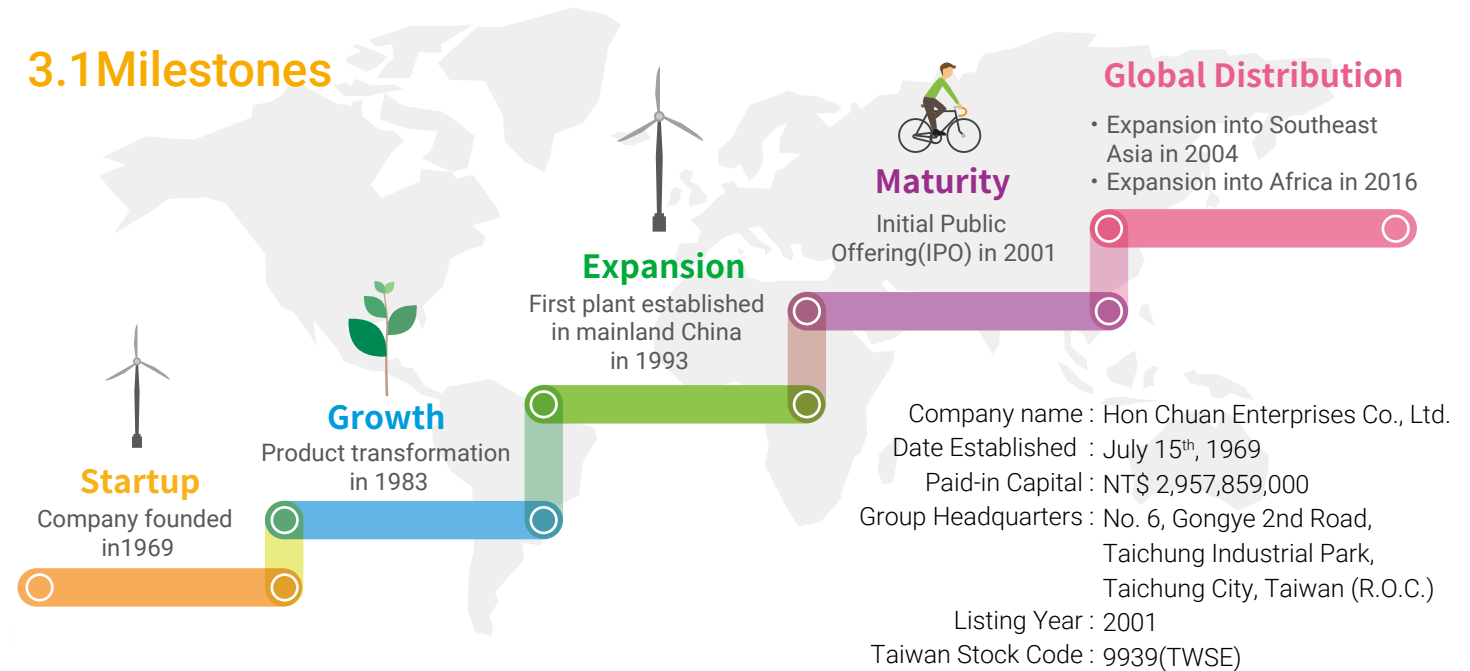
- 3.1 Milestones
- 3.2 Mission and Vision
- 3.3 Strategy and Deployment
- 3.4 Products and Services
- 3.5 Industry Supply Chain
- 3.6 Financial Performance
- 3.7 Participation in External Organizations





Founded in 1969, Hon Chuan began with metal closures, labels, and film packaging, later adding plastic caps and PET bottles, and in 2006 expanded into aseptic beverage filling with vertically integrated packaging. In-house connected production lowers warehousing costs, stock-out risk, and transport-related carbon emissions while boosting efficiency and customer loyalty. The Group now operates across Taiwan, mainland China, Southeast Asia, and Africa. 2024 main output, plastic caps: approximately 31.1 billion plastic caps, 10.5 billion PET bottles, 2.4 billion labels, and 23.4 billion bottles of contract-filled beverages.

3.1 Milestones



3.2 Mission and Vision

Vision To become a benchmark enterprise in the global production of beverages and packaging materials.

Mission To provide high-quality packaging materials and beverage products that satisfy customer needs, generate profits, and serve the community.

Short-term goals Innovate in R&D, enhance product value, and establish a solid operational foundation.

Medium-term goals Form strategic alliances for in-house packaging and contract filling services to expand into global beverage markets.

Long-term goals Serve the global food and beverage packaging market as a benchmark enterprise for environmental friendliness and sustainable development.

Corporate Culture

Hon Chuan has upheld its corporate purpose of "Business Reputation, Employee Welfare, Society Charity, Market Orientation, Customer Service, and Employee Respect." Guided by our management philosophy—"Honesty, Innovation, Quality, Service, Positivity, and Responsibility".

Hon Chuan builds a professional team to steadily expand the market through innovation and strategic alliances. We provide safe, high-quality products, foster win-win collaboration with customers and consumers, and fulfill our corporate responsibility toward sustainable development.





3.3 Strategy and Deployment 2-1

Innovative business model

Upholding the spirit of "manufacturing as a service," Hon Chuan offers vertically integrated packaging and contract filling solutions. Through three innovative business models—integrated packaging and filling services, on-site connected production (factory-in-factory), and strategic joint ventures—we help customers enhance competitiveness and strengthen collaborative partnerships.



Global Distribution



01
Vertical integration of beverage packaging and contract filling alliances



02
In-House factory equipment with on-site production



03
Cooperative joint venture strategy

As of 31 December 2024, the Group operated 51 production sites across Taiwan, mainland China, Southeast Asia, and Africa, with a global workforce of 5,129 employees (including 1,605 in Taiwan). Products serve local markets and are also exported worldwide.

Region	Distribution of factories by country	Production Sites	Number of Employees
Taiwan	Taiwan	10 ^(note)	1,605
China	China	14	1,814
Southeast Asia	Thailand, Vietnam, Indonesia, Malaysia, Myanmar, Cambodia	25	1,574
Africa	Mozambique	2	136
Total		51	5,129

* Note 1: Taiwan sites comprise Taichung Plant, Taichung Plant II, Aseptic Beverage Plants I/II/III, Free-Trade-Zone Plant, Ruifang (in-house), Taoyuan (in-house), Chiayi (in-house), and Shalu (in-house).

* Note 2: Site and head-count data are as of year-end 2024.

3.4 Products and Services 2-6

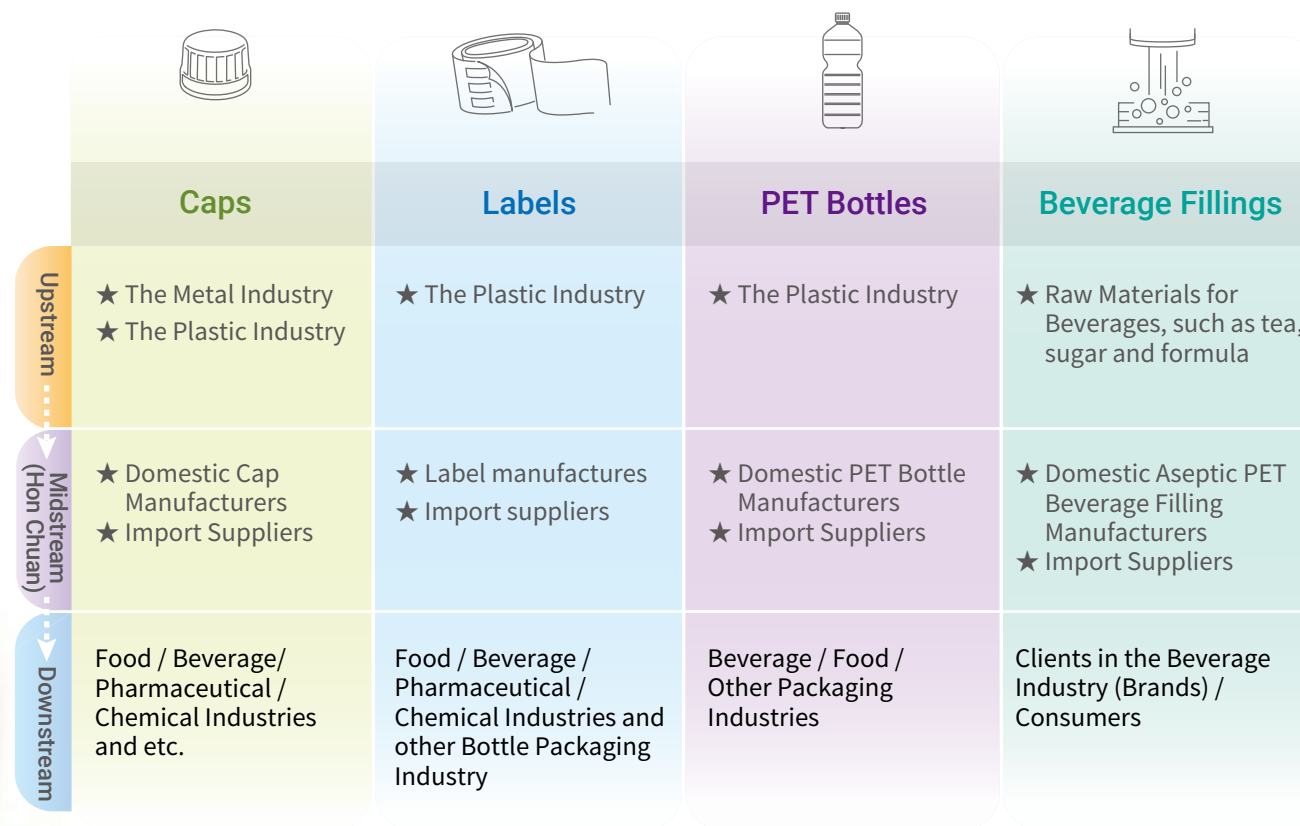
Hon Chuan supplies a full range of packaging solutions—plastic caps, aluminum closures, crown caps, printed labels, LDPE shrink film, and PET bottles/preforms—alongside beverage contract-filling services. In 2024, packaging products contributed 67.38 % of total revenue, beverage co-packing 29.16 %, and other products 3.46 %.



3.5 Industry Supply Chain 2-6

Hon Chuan has embedded sustainability goals into its business strategy, moving beyond a singular pursuit of economic performance to place equal emphasis on environmental-regulation compliance, competitive compensation and talent retention, elimination of workplace inequities, reduction of wastewater and solid-waste discharge, and rigorous protection of product safety and consumer health. The company will continue advancing the U.N. Sustainable Development Goals and its broader corporate-social-responsibility commitments.

Relationships between producers and distributors for each product category



Industry Trends

Hon Chuan's PET bottles, offering excellent barrier protection and versatile design options, are used for OEM/ODM production of juices, teas, sports drinks, and bottled water. The aseptic line employs 125 °C ultra-high-temperature (UHT) flash sterilization followed by rapid cooling and fills the product in a NASA Class 100 cleanroom. This process achieves complete sterilization while preserving nutrients and flavor, marking a new milestone in PET-bottle beverage filling.



3.6 Financial Performance

2-1 2-2 201-1 201-4

Hon Chuan's core operating regions include Taiwan, Mainland China, and Southeast Asia. In 2024, the Group reported consolidated revenue of NT\$28.408 billion, representing a 7.57% increase from NT\$26.409 billion in 2023. Consolidated net income after tax reached NT\$2.834 billion, up 14.55% compared to NT\$2.474 billion the previous year. Gross profit margin improved from 21.28% in 2023 to 22.06% in 2024, and earnings per share (EPS) after tax rose to NT\$9.80. The Company continues to reinforce its business fundamentals and execute strategic deployment to ensure stable operations and mitigate external risks and disruptions.



Unit: NT\$ thousand

Year / Item		2022	2023	2024
Direct economic value generated	Operating revenue	24,696,308	26,409,207	28,408,164
	Operating costs	19,551,765	20,789,102	22,142,337
Economic value distributed	Employee wages & benefits ¹	2,480,429	2,622,912	2,880,216
	Payments to investors ²	1,382,977	1,671,055	1,838,395
	Payments to government ³	1,641,637	1,707,402	1,681,583
	Community investments ⁴	1,523	1,626	2,991
Economic value retained	Amount retained	1,313,597	1,399,113	1,778,143
Other	Net profit after tax	2,277,184	2,559,986	2,959,499
	Government financial subsidies	15,664	17,142	70,064

Notes

1. Includes salaries, bonuses, incentives, severance, and insurance.
2. Comprises dividends and cash interest paid.
3. Includes business tax, income tax, customs duties, property-related taxes, and penalties.
4. Donations and sponsorships.

Top 10 Shareholders 2-15

Major shareholders names	Number of shares held	Shareholding percentage
Yuanta Taiwan High Dividend Low Volatility ETF	19,427,597	6.57
Fubon Life Insurance Co., Ltd.	10,800,000	3.65
Chunghwa Post Co., Ltd.	9,747,264	3.30
Labor Pension Fund (New System)	7,090,900	2.40
Tsao Hung Yu	6,674,333	2.26
Dai Hung Yi ²	5,807,111	1.96
Public Service Pension Fund Management Board	4,474,166	1.51
Tsao Shih Chung	4,469,476	1.51
J.P. Morgan Custody Account for Robeco Capital Growth Fund	4,331,695	1.46
Hon Yi Investment Co., Ltd.	4,234,737	1.43

Note 1: Top 10 Shareholders as of 31 March 2025

Note 2: Dai Hung Yi personally holds a total of 1,800,000 shares, including shares under a trust with reserved decision-making rights.

3.7 Participation in External Organizations 2-28

The company participates in business associations to actively understand industry trends and market dynamics, and to establish collaborations among industry, government, and academia.

External Associations	Level of Participation
Taiwan Beverage Industry Association	► Executive Director (Executive Director Mr. Liu)
Food Industry Research and Development Institute	► Director (President Mr. Tsao)
Taiwan Food Industry Development Association	► Director (President Mr. Tsao)
Taiwan Institute of Food Science and Technology	► Member
Taiwan Plastics Industry Association	► Member
TQF Taiwan Quality Food Association	► Director (Executive Director Mr. Liu)
Taiwan Africa Trade Association	► Member
Taiwan Packaging Association	► Member
Taichung Industrial Association	► Director (Executive Director Mr. Liu)
Taichung City Industrial and Commercial Development and Investment Promotion Association	► Member (Executive Director Mr. Liu)
Taichung Industrial Zone Entrepreneurs Association	► Vice Chairman (Executive Director Mr. Liu)
Taichung City Zhonggang Export Processing Zone Entrepreneurs Association	► Member
Taichung Industrial Zone Manufacturers Association-Human Resources Association	► Member
Taichung City Industrial Relations Association	► Member
Taiwan Action Bodhisattva Student Aid Association	► Member (Executive Director Mr. Liu)
Packaged Drinking Water Association of the Republic of China	► Member

CH4

Products and Services

- 4.1 Food Quality and Safety
- 4.2 Supply Chain Management
- 4.3 Customer Service
- 4.4 Innovation Research and Development





4.1 Food Quality and Safety 3-3

Hon Chuan delivers non-toxic, safe, and environmentally friendly food packaging in full compliance with regulatory standards, ensuring product quality and safety through cutting-edge aseptic filling technology.



Food Safety Policy

"Discreetness / Carefulness / Responsibility", "Awareness of Food Safety, Quality Consciousness, Environmental Awareness"

Our guiding principle is "Hon Chuan Excellence, Assurance of Quality," and we uphold the management philosophy of Honesty, Innovation, Quality, Service, Positive, and Responsible. We actively promote a Food Safety Management System (FSMS) aligned with Hazard Analysis and Critical Control Point (HACCP) principles.

We are committed to:



Establishing a robust and comprehensive food safety management system



Fulfilling our responsibility as a manufacturer within the supply chain



Complying with food safety regulations and customer requirements

Quality Policy

Hon Chuan operates a food safety and quality management system focused on continuous improvement and preventive action, adhering to the "Three No's" principle—**no acceptance, no production, and no delivery of defective products.**

We implement ISO 9001 standards and comply with all applicable regulations to enhance overall quality performance.

4.1.1 Food Quality/Safety Verification 416-1

Hon Chuan produces products that comply with regulations, identifies food safety hazards, enhances food safety control capabilities, and effectively manages risks. Since 1996, we have established cross-departmental teams to implement, promote, execute, and maintain the food quality/safety management system. We continuously verify and maintain the effectiveness of the system through relevant validations.

The current status of the management system verification in 2024.

	Policy Requirements	Voluntary Verification		
Plant	TFDA Certification	ISO 9001	FSSC 22000	TQF
Taichung 1st Plant	Non-disclosed Industry	V	V	-
Taichung 2nd Plant	Non-disclosed Industry	V	V	-
Aseptic 1 st Beverage-filling Plant	V	V	V	V
Aseptic 2 nd Beverage-filling Plant	V	V	V	V
Aseptic 3 rd Beverage-filling Plant	V	V	V	V

Verification Certificate



All Hon Chuan products undergo phased evaluations before market launch to ensure safety, consistent quality, and sustainability.

Phase	Evaluation	Description	Example
Product-design phase	Raw-material selection risk analysis	Avoid any harmful additives	Food-grade rpet
Pre-pilot-run phase	HACCP analysis and management	Control hygiene risks in packaging	Preventative measures for microbiological and chemical hazards
Verification & testing phase	In-house tests and third-party testing	Carry out sst seal-strength tests and heavy-metal leach-out safety checks	Send samples to the plastics industry development center every quarter and obtain test reports
Launch / mid-market phase	Analysis of complaints and market feedback	Make formula or process adjustments based on customer complaints and market response	When negative pressure appears in bottled water during cold-chain transport, adjust by light-weighting or changing the bottle material
Innovation & R&D feedback phase	ESG impact assessment and PDCA continuous improvement	Factor product carbon footprint and environmental impact into r&d refinements	Develop lightweight containers, add food-grade recycled resin, and reduce plastic and carbon emissions

4.1.2 Food Safety Laboratory 416-2

In September 2021, Hon Chuan's Packaging R&D Laboratory at headquarters became the first Taiwan-based third-party lab approved by PepsiCo's U.S. headquarters, significantly strengthening the company's quality control, credibility, and market presence.



【Certificate of PepsiCo Third-Party Laboratory Accreditation】

Validity: 3 years (Sep. 2021 – Sep. 2024)

All packaging materials comply with food utensil container packaging test standards. We regularly commission third-party inspection organizations such as SGS, the Plastics Industry Development Center, TÜV Rheinland, and National Accreditation Authority for Laboratories (CNAL) for dissolution tests. In 2024, the pass rate was 100%.



❖ Compliance with domestic and international food packaging safety regulations for new product development

Hon Chuan's products meet regulatory standards, including Taiwan Food Utensils and Packaging Standards, European Union (EU) food packaging regulations, U.S. Food and Drug Administration (FDA) requirements, and China National Standards (GB). Hon Chuan continues to integrate these standards into green supply chain initiatives and R&D efforts, driving innovation in sustainable packaging.

Beverage Division

The quality control laboratory of the beverage business unit inspects raw materials and finished products. Instruments are calibrated annually by third-party organizations, and the lab participates in proficiency testing. Third-party tests cover plasticizers, caffeine, heavy metals, and microorganisms, achieving a 100% pass rate in 2024.

❖ Laboratory Proficiency Testing

Ensure that laboratory testing capabilities comply with national standards to safeguard product quality and safety.

Organizing Units	Organizing Units
Taiwan-America Inspection Technology	International Brand Clients
Testing Items	Testing Items
Tests for total plate count, Escherichia coli/coliforms, Enterobacteriaceae, yeast and mold, and Salmonella all received a "satisfactory" rating.	Tests for food acidity, soluble solids, yeast and mold, coliforms and total plate count, as well as seal integrity testing, all received a "satisfactory" rating.



❖ Compulsory Inspection

According to Article 7 of the Food Safety and Sanitation Management Act, mandatory inspection of key items in raw materials, semi-finished products, and finished products should be conducted either internally or outsourced.

Product Categories	Focus Test Items	Results of the Inspection in 2024
Non-alcoholic beverage products	Microbiological Testing	100% passed
Packaged tea beverages	Pesticide Residue in Tea Leaves	100% passed

Note 1: Microbiological inspection items: total plate count, Escherichia coli / coliform group, Enterobacteriaceae, mold/yeast

Note 2: Pesticide residue in tea raw materials: "Test Method for Pesticide Residues in Food – Multi-residue Analysis Method" (MOHWP0055.05)

❖ R&D Investment Amount and Revenue Percentage (Headquarters) in the Last Three Years

In 2024, the total investment in laboratory equipment procurement (including standards, reagents, laboratory consumables, etc.), laboratory personnel costs, and third-party laboratory testing commissioned amounted to NT\$163,340 thousand, accounting for 16.62‰ of Hon Chuan's net operating revenue.

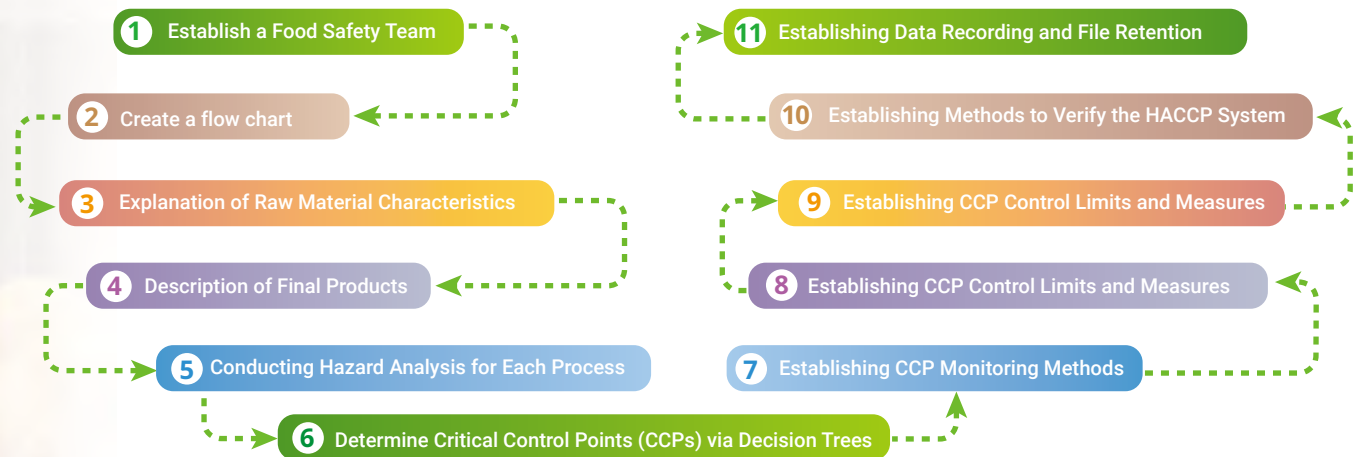
Unit: Thousand NTD

Year	2022	2023	2024
Laboratory Personnel Costs	103,661	109,103	121,175
Laboratory Renovation and Equipment	1,621	1,240	3,949
Other Laboratory Expenditures	33,304	34,702	38,216
Total	138,586	145,044	163,340
Operating Revenue	8,647,895	9,185,867	9,825,218
Ratio	16.03‰	15.79‰	16.62‰

4.1.3 Food Safety and Hygiene Management 3-3 416-2

Food Safety Team (HACCP Team)

Hon Chuan established a cross-departmental Food Safety Team to oversee HACCP training, implementation, and audits. Each review assesses improvement effectiveness, changes, and stakeholder needs, determining follow-up actions and system updates to ensure effective operation.



Beverage Division-Food Safety and Quality Objectives

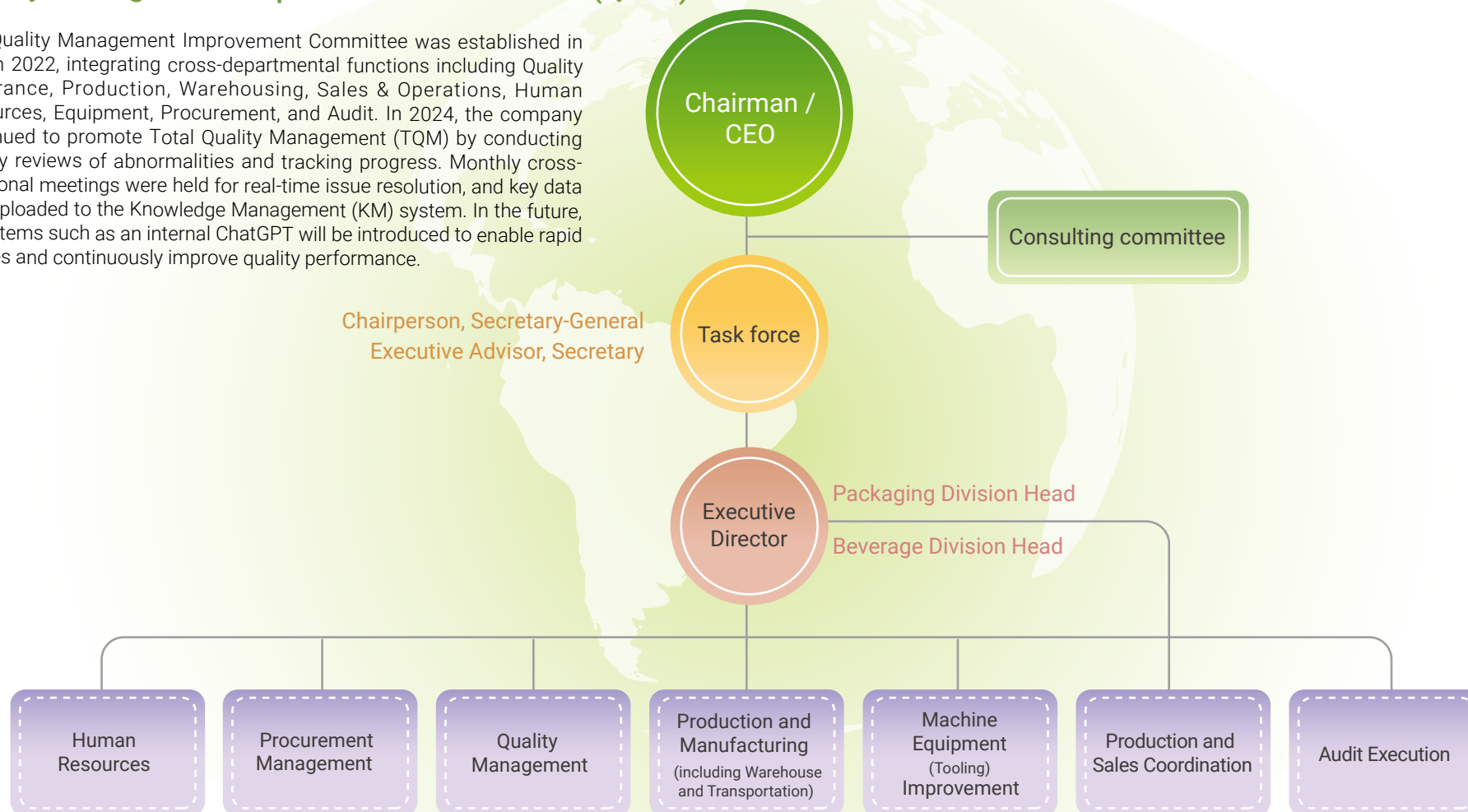
Item	2022 Target	2022 Actual	2023 Target	2023 Actual	2024 Target	2024 Actual	Performance Explanation
Incidents of Poisoning (cases)	0	0	0	0	0	0	Achieved
Major abnormal events (cases)	0	0	0	0	0	0	Achieved
Customer satisfaction (score)	≥ 85	87	≥ 85	91	≥ 85	88	Achieved
Number of complaints (cases)	23	34	20	23	15	23 (Note 1, incl. 1 project-specific)	Not achieved (Note 2)

Note 1 : In 2024, due to color deviation in a product, a complaint was triggered. The issue was jointly resolved with the client by adjusting the formula and production equipment. The number of abnormal events was reduced to zero. A follow-up project is expected in 2025.

Note 2 : The 2024 complaint target was not met due to abnormal raw material quality. The supplier has been required to investigate and improve, and continuous monitoring has been implemented to ensure effectiveness.

Quality Management Improvement Committee (QMIC)

The Quality Management Improvement Committee was established in March 2022, integrating cross-departmental functions including Quality Assurance, Production, Warehousing, Sales & Operations, Human Resources, Equipment, Procurement, and Audit. In 2024, the company continued to promote Total Quality Management (TQM) by conducting weekly reviews of abnormalities and tracking progress. Monthly cross-functional meetings were held for real-time issue resolution, and key data was uploaded to the Knowledge Management (KM) system. In the future, AI systems such as an internal ChatGPT will be introduced to enable rapid queries and continuously improve quality performance.



Annual Quality Improvement Presentation

Held on-site quality improvement presentation sessions to summarize achievements in innovation, energy conservation, risk control, and process optimization, aiming to enhance overall production efficiency and reduce costs. These sessions also promoted horizontal communication through employee sharing and interdepartmental exchange.



Promotion of "Food Safety Culture"



Foster a food safety culture as a shared value and behavioral guideline for all employees.



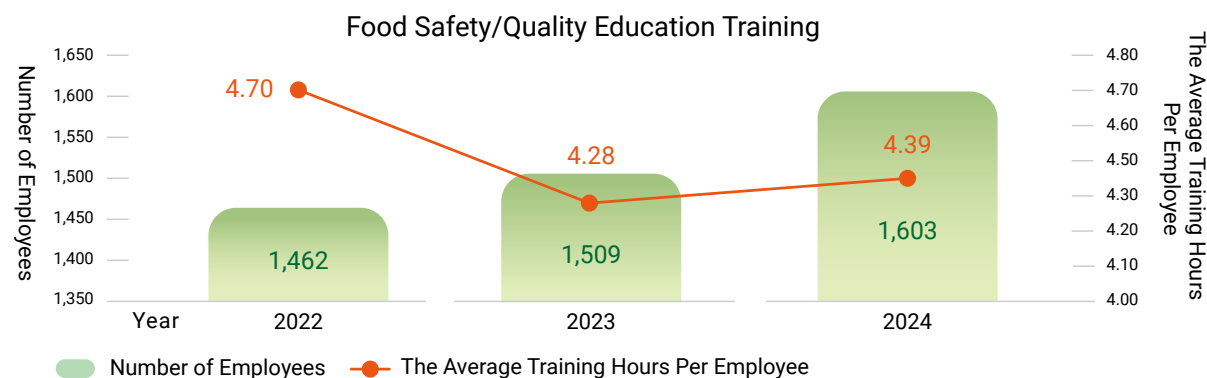
The Packaging Division trained seed personnel in response to the FSSC 22000 Version 6 revision.



The Beverage Division conducted four company-wide food safety culture training sessions in 2024.

Food Safety Information 416-2

The R&D and Quality Control teams regularly review food safety regulations, identify gaps, and develop countermeasures to ensure compliance. They closely monitor international food safety incidents to maintain a zero-violation record. Ongoing investment is made in education and training: The Packaging Division adopts a mentorship system and e-learning, offering both basic (e.g., equipment calibration, quality auditing) and advanced (e.g., project management, anomaly analysis) courses. The Beverage Division regularly conducts food safety and quality training sessions to strengthen professional capabilities.



Environmental Monitoring

Comprehensive control is implemented over on-site personnel, workplaces, equipment, and production processes to ensure compliance with regulations and quality standards.

Packaging Division: Conducts regular microbiological testing on export products and cooperates with customer monitoring at overseas factories to enhance process control and traceability.

Beverage Division: Conducts long-term monitoring of potential contamination sources. For high-risk areas, it establishes early warning and exclusion mechanisms with quantifiable monitoring.

Inspection Items:

- **Microbiological** : Total plate count, mold/yeast, Enterobacteriaceae, Salmonella spp., Listeria monocytogenes.
- **Allergens** : Gluten, milk, fish, soy, mango, coconut

2022–2024 Environmental Monitoring Compliance Rate for Beverage Division: 100%

Year	2022	2023	2024
Number of Inspections	2,384	2,371	2,610
completion rate	100%	100%	100%

Product Traceability Management

- The SAP system is used to manage the entire traceability process from raw material input to finished products, with monthly uploads of production data to the Food Traceability Management Platform.
- At least one traceability drill is conducted annually, including internal self-exercises and external audit sampling, to be completed within 2 hours; if not achieved, it must be redone.

In 2024, the Beverage Division completed 8 self-initiated recall drills (100% completion rate) and passed 43 external audits, affirming its traceability capability.

4.2 Supply Chain Management

As the world moves toward net-zero emissions and green transformation, customers place increasing importance on renewable energy and circular materials within their supply chains.

Hon Chuan ensures raw material quality and regulatory compliance through supplier validation, audits, and evaluation mechanisms. In 2024, Hon Chuan invited a total of 90 suppliers to sign the Supplier Sustainability Commitment, which covers four major areas: corporate governance, labor rights, health and safety, and environmental protection. Environmental regulations and labor rights are also included in the evaluation of new suppliers.

Products and food are closely connected, and maintaining stability in key supply chains is Hon Chuan's top priority. We aim to develop critical, primary, and secondary suppliers both domestically and internationally to ensure supply chain stability.

4.2.1 Supplier Verification and Selection 308-1

Hon Chuan adheres to ISO 9001, FSSC 22000, ISO 22000, TQF, and other international standards, along with national food safety regulations. Certification is conducted by independent third-party bodies to ensure transparency, impartiality, and customer trust. Packaging and beverage suppliers with ISO 9001 or ISO 22000 certification are prioritized, and must undergo evaluation across five key dimensions to qualify, including raw material testing.

The qualification of approved suppliers follows a three-step process:

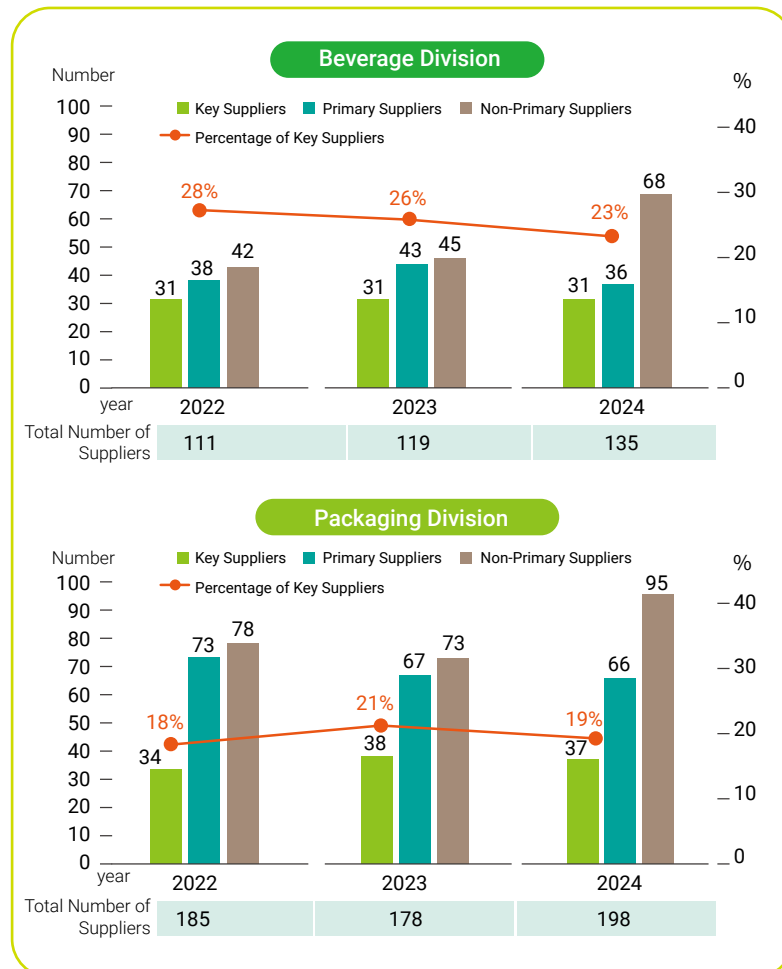


In 2024, all newly added suppliers complied with environmental regulations and emergency response standards.

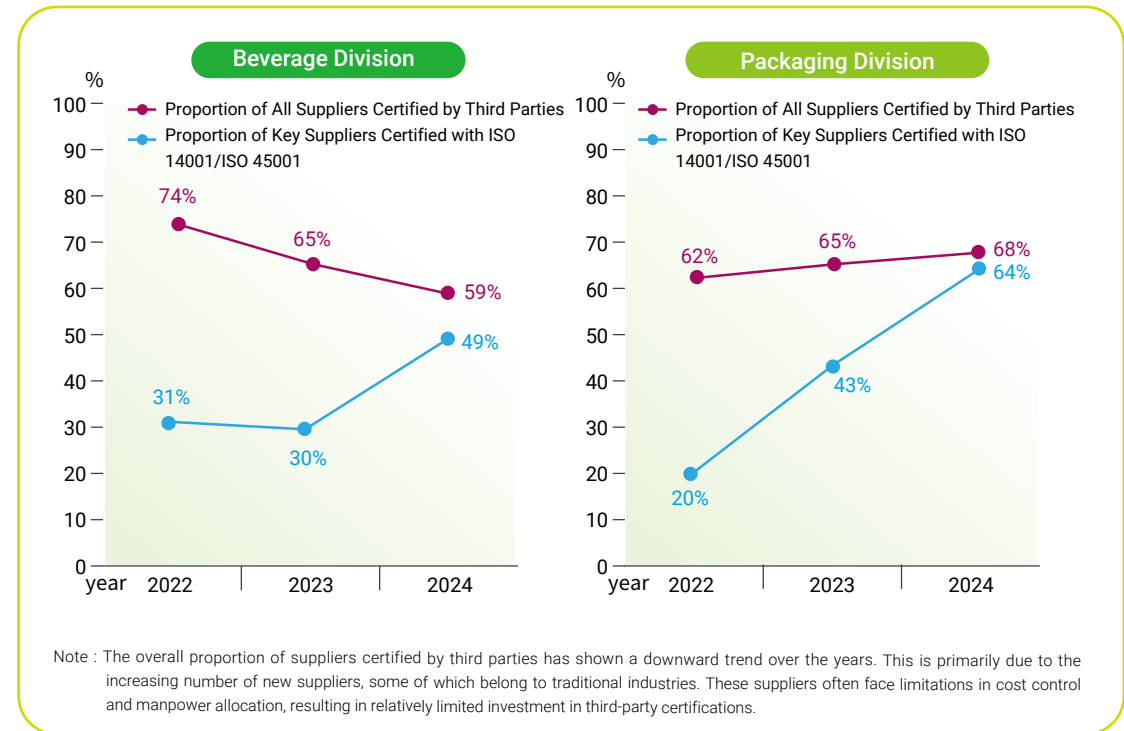
- Supplier numbers for beverages from 2022 to 2024: Total suppliers: 111 → 119 → 135, Key suppliers remained steady at 31, Tier 1 suppliers: 38 → 43 → 36, Non-tier 1 suppliers: 68
- Supplier numbers for packaging materials from 2022 to 2024: Total suppliers: 185 → 178 → 198, Key suppliers: 34 → 38 → 37, Tier 1 suppliers: 73 → 67 → 66, Non-tier 1 suppliers: 95

❖ Supplier Rating Analysis

- **Key Suppliers:** Suppliers of bulk raw materials, among the top thirty in terms of procurement amount, and those providing exclusive raw materials.
- **Primary Suppliers:** Suppliers with their own production facilities and engage in self-production and self-sales.
- **Non-Primary Suppliers:** Contract manufacturers, agents, and traders who buy and sell goods.



◆ Analysis of Supplier Certification by Third-Party Verification (by Procurement Value)



◆ Key Supplier Water Stress Area Review

	low (<10%)	Low-medium (10-20%)	Medium-high (20-40%)	High (40-80%)	Extremely High (>80%)
Beverage Division	31	0	0	0	0
Packaging Division	1	24	4	6	2

Note: A water stress assessment was conducted for the regions where key suppliers are located. The results indicate that some suppliers operate in areas with high water stress, posing potential risks of supply disruption. To enhance supply chain resilience and operational stability, secondary sources of supply have been established in advance as alternatives and backup mechanisms.

4.2.2 Supplier Audits 414-1

On-Site Supplier Evaluation

Procurement and quality control departments conduct on-site audits based on supplier risk levels and categories, following the "Supplier On-Site Evaluation Procedure" to ensure the quality and safety of beverage and packaging raw materials.

◆ 2024 Evaluation Results

- Beverage Division: Out of 135 suppliers, 55 were evaluated on-site.
- Packaging Division: Out of 198 suppliers, 22 were evaluated on-site.

All evaluation results were rated as "Excellent" or "Grade A." No suppliers were found non-compliant or placed on the observation list.

◆ Categories and Frequency of Supplier Evaluations

	Supplier Type	Evaluation Frequency
Packaging Division	Manufacturer Top 30 or raw material suppliers in contact with food	Annually
	Manufacturer Domestic traders with their own factories	Every two years
Beverage Division	Trader Pure importers with no production operations	Every three years
	Special Supplier Customer-designated or contractually specified suppliers	Every three years

Note 1: If there is a change in factory or warehouse, re-evaluation is required.

Note 2: All raw material suppliers for the Beverage Division must undergo regular on-site evaluations, categorized into high-risk manufacturers and low-risk traders.

◆ Beverage Division – Supplier Evaluation Criteria

	Score Range	Deficiencies Description
Excellent	80 points and above	None
Good	60~79 points	One or more major deficiencies
Unqualified	Below 60 points	One or more major deficiencies

Notes: 1. Effective from April 26, 2021, evaluation results are directly used as the judgment basis.

2. If a supplier of the Beverage Division receives a score below 80 points or has major/critical deficiencies, audit frequency will be increased.

◆ Packaging Division – Supplier Evaluation Criteria

	Score (With System Certification)	Score (Without System Certification)
Grade A	70–84 points (Full score: 84)	40–48 points (Full score: 48)
Grade B	57~69 points	32~39 points
Grade C (Watch List)	43~56 points	24~31 points
Grade D (Fail)	42 points or below	23 points or below

◆ Number and Proportion of On-site Evaluations (Evaluated Suppliers / Total Suppliers)



Note: A risk-based approach is adopted. New suppliers or those with quality issues are prioritized and audited more frequently. For suppliers rated A for three consecutive years without abnormalities, the audit frequency may be moderately relaxed.

Corrective Actions

Suppliers must submit written improvement plans. The Quality Control Unit monitors using the "Raw Material Supplier Improvement Tracking Form." Suppliers who pass the evaluation are included on the approved supplier list. Suppliers who fail the evaluation are required to make corrections within a deadline via email. If major deficiencies are found or if corrections are not made by the deadline, procurement will be suspended.

4.2.3 Supplier Evaluation





414-1

Every six months, raw material suppliers for beverages and packaging are assessed using the "Supplier Evaluation Form" to ensure quality, safety, reasonable pricing, on-time delivery, and comprehensive after-sales service, while also protecting supplier rights.

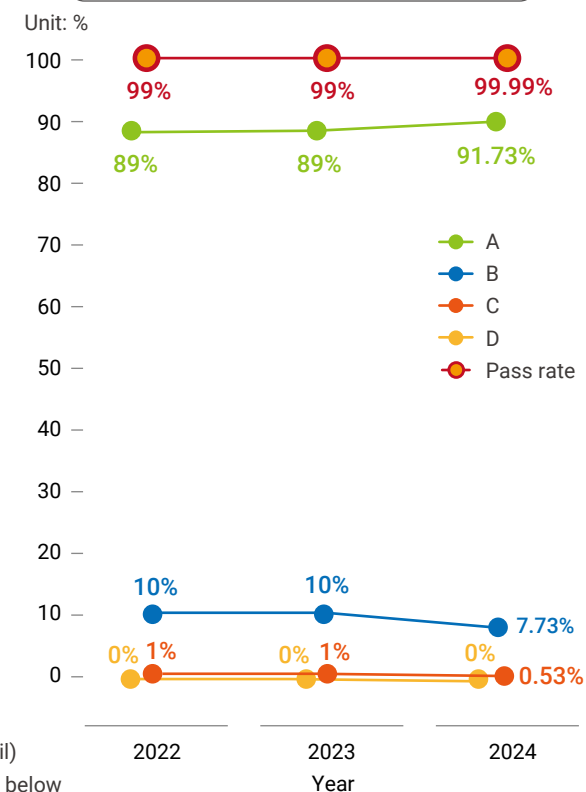
◆ Units Involved and Evaluation Criteria

Department	Evaluation Item
Quality Assurance	• Incoming Quality (Acceptance Rate)
Production Unit	• Process Quality (Defect Rate)
Warehouse	• Transportation Quality and Product Appearance Maintenance
Procurement	• Delivery time, conformity, and price
Occupational Safety and Health Center	• Compliance with Environmental and Occupational Safety Standards

◆ Evaluation Score

			
Grade A (Pass) 90~100 points	Grade B (Pass) 80~89 points	Grade C (Watch List) 70~79 points	Grade D (Fail) 69 points or below

Evaluation Results Over the Past Three Years



Corrective Actions

Suppliers rated "A" may receive public recognition or increased order volumes.

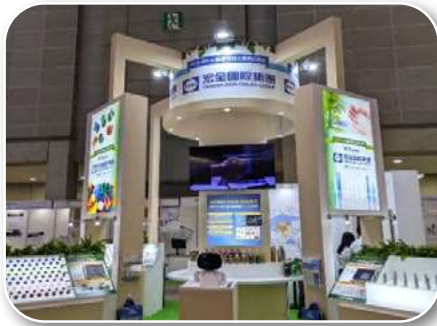
Suppliers rated "C" must submit an improvement report.

Suppliers rated "D" for three consecutive times will face reduced or terminated cooperation.

If a customer-designated supplier is rated "D" the result will be reported to the customer for further consideration.

4.3 Customer Service 3-3 418-1

In 2024, Hon Chuan participated in Tokyo Pack Expo, Natural Products Expo West in the U.S., MAFBEX in Manila, and the Taipei Food Show. These exhibitions served to promote products, develop customers, observe industry innovations, and stay informed on global market trends.



2024 Tokyo Pack



2024 Natural Product Expo West

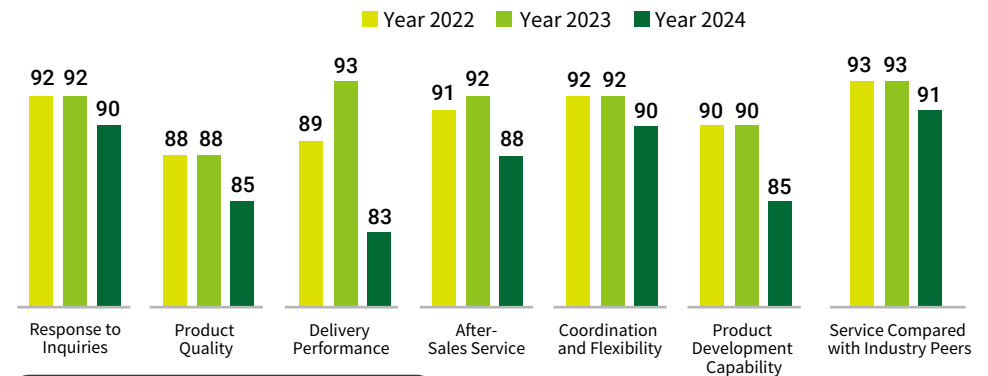


2024 BEX in Manila

Customer Satisfaction Survey

The sales department annually invites selected customers to complete the Customer Satisfaction Survey, which covers seven key aspects: response to inquiries, product quality, delivery punctuality, after-sales service, coordination, development capability, and benchmarking against competitors. Improvement measures are proposed based on the survey results to continuously enhance service quality.

Customer Satisfaction (Average Points)



Customer Satisfaction Indicators

Delivery Performance : 93 → 83 Delay was due to fluctuations in the quality of customer-supplied tea leaves. Observation periods were extended and sampling tightened, leading to shipment delays.

Product Quality : 88 → 85 Also affected by unstable tea leaf quality; raw material management and monitoring have been strengthened.

Product Development Capability : 90 → 85 Extended testing period for new structural designs; R&D process and feedback cycles will be accelerated.

After-Sales Service : 92 → 88 After-sales support and cross-departmental collaboration will be enhanced.

Response to Inquiries : 92 → 90 Communication efficiency will be reinforced.

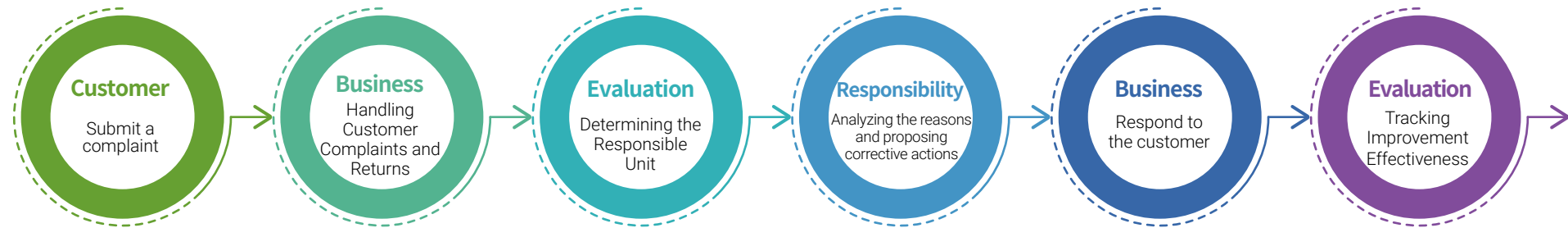
Coordination and Flexibility : 92 → 90 SCM customer relationship management will be improved to better respond to customer needs with flexibility.

Competitiveness Indicator

Service Compared with Industry Peers : 93 → 91 Due to intensified external competition, service and quality will be strengthened to enhance customer confidence.

Process of Customer Complaint Management

Establish a comprehensive customer complaint handling process, involving the identification of responsible units, tracking improvement progress, and ensuring follow-up until resolution. This approach aims to enhance customer service and product quality.



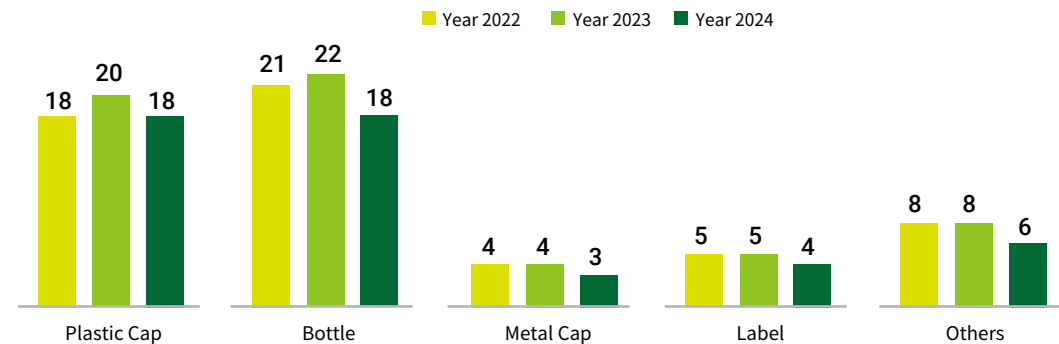
Data Protection 418-1

Hon Chuan has established the "Customer Property Management Regulations," which systematically manage confidential customer information categorized into three types: "drawings," "formulations," and "molds." When internal business needs require access, requests are made according to the "Technical Document Management Regulations" and "Document Management Procedures," reviewed by relevant department heads, and approved for use. In 2024, there were no complaints of privacy infringement or loss of customer data.

4.4 Innovation Research and Development 3-3

Hon Chuan's operational headquarters in Taiwan is responsible for R&D, market intelligence, and knowledge management. Through the Hon Chuan Academy, the company cultivates talent and continuously develops functional, eco-friendly, and high value-added products. In 2024, a total of 49 patents were granted.

Distribution of Hon Chuan's Patents from 2022 to 2024



R&D Focus

Hon Chuan prioritizes innovation to optimize product functionality and safety while addressing environmental sustainability and customer needs, thereby maintaining corporate competitiveness. In 2024, Hon Chuan focused on eco-friendly tethered caps (multiple designs), oxygen-absorbing liners (multiple models), a third set of flexographic printing equipment, lightweight 26/22 neck PET bottles, rPET applications (for preforms and labels). These efforts aim to continuously launch high value-added products aligned with the principles of a green circular economy.

Technical Equipment / Product Image

Eco-friendly tethered caps (multiple designs)

Background / Description : The tethered caps are designed to stay attached to the bottle, allowing integrated recycling, improving the recycling rate, and reducing environmental impact.

Implementation Status : Various models of tethered caps have been mass-produced and delivered to customers. They align with the development trend of beverage packaging materials



Oxygen-absorbing liner cap

Background / Description : Prevents beverage oxidation, suitable for high-protein drinks, functional beverages, and fresh milk.

Implementation Status : Complies with regulations and has passed 18-month observation testing. Product meets standards in nutrition, flavor, and safety.



Third Flexographic Printing Equipment

Background / Description : Introduced the third flexographic printer to reduce VOC emissions and lessen air pollution and environmental impact.

Implementation Status : Commercial production in January 2025.





26/22 Lightweight Neck-finish Design

Background / Description : Compared to 1881, the 2622 bottle neck is thinner and lighter, reducing plastic usage and carbon emissions.

Implementation Status : Launched in the markets of Taiwan, Vietnam, and Thailand.

Technical Equipment / Product Image

Weight reduced by **29.3%** compared to 1881.



rPET(Preform, Label)

Background / Description : Launched rPET preforms and rPET/PCR labels to reduce greenhouse gas emissions.

Implementation Status : Introduced 50% rPET labels and 25% rLDPE shrink film. In 2024, produced 93.68 million pcs of rPET preforms and 24.57 million pcs of 30% rPET labels, reducing 3,745 tCO₂e of GHG emissions.



CH5

Integrity Governance

5.1 Governance Practices

5.2 Risk Management

5.3 Legal Compliance

5.4 Information Security



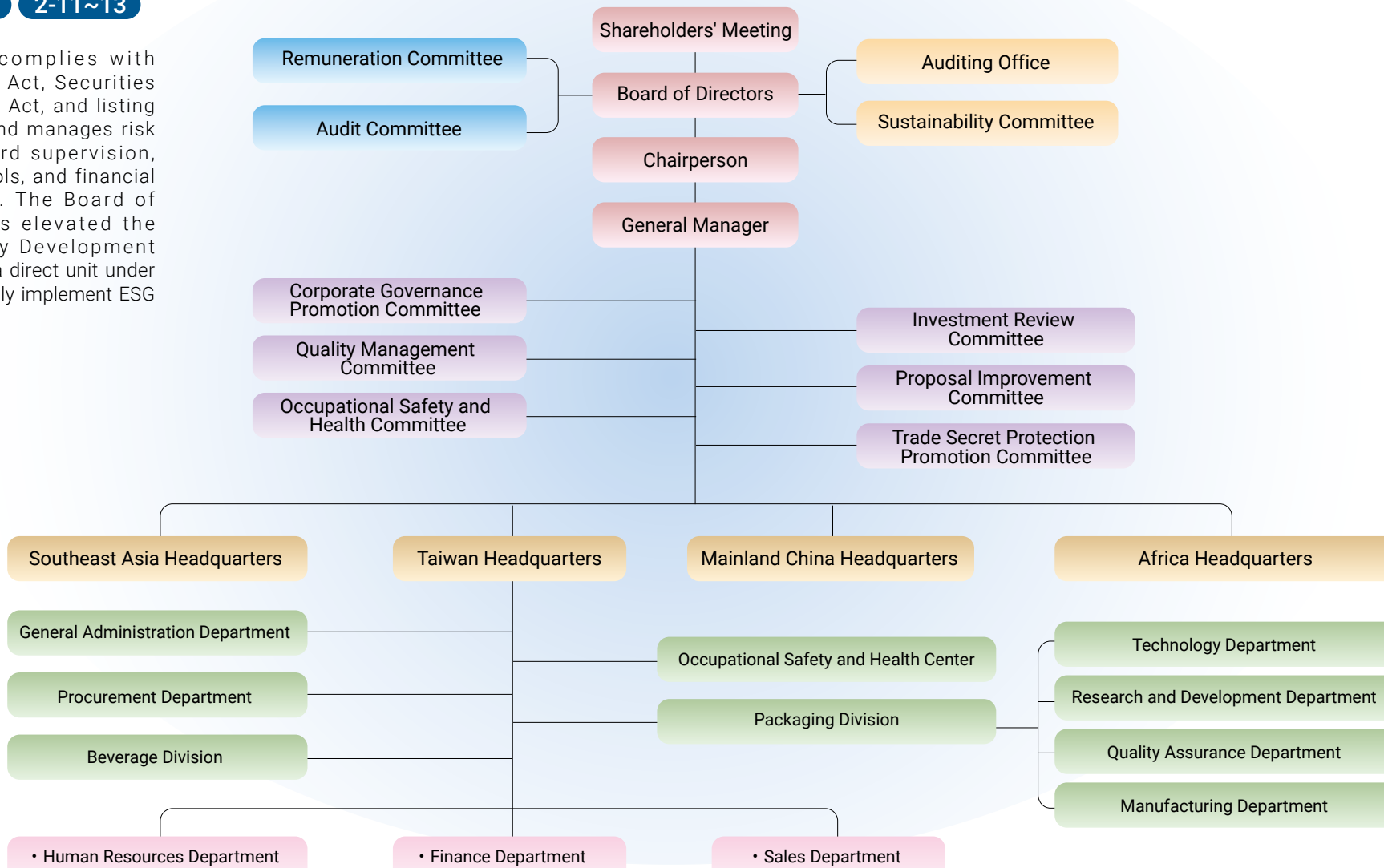


Integrity Governance

2-9 2-11~13

Hon Chuan complies with the Company Act, Securities and Exchange Act, and listing regulations, and manages risk through board supervision, internal controls, and financial mechanisms. The Board of Directors has elevated the Sustainability Development Committee to a direct unit under the Board to fully implement ESG strategies.

Corporate Organizational Structure



5.1 Governance Practices

2-13 2-14

Hon Chuan has established both an Audit Committee and a Remuneration Committee. The Internal Audit Office conducts regular audits and reports to the Audit Committee and the Board of Directors to strengthen internal controls and ensure transparency. In terms of market expansion, Hon Chuan continues to grow its packaging business across Taiwan, Mainland China, and Southeast Asia. The company received a stable long-term credit rating of "twA" and was ranked in the fourth quartile (36%–50%) in the 2024 Taiwan Stock Exchange Corporate Governance Evaluation.

5.1.1 Board Operations

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2-16

2-18

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On May 31, 2023, Hon Chuan re-elected its Board of Directors, appointing 9 members (6 general and 3 independent directors) for a three-year term. All independent directors are serving fewer than three terms. The roles of Chairman and President are separated to ensure effective oversight. The board reflects diversity: two members are under 50 years old, four are over 50, and three (one-third) are women. Directors bring expertise in strategy, management, finance, industry, risk, and international markets.

For more details, please refer to the 2024 Annual Report or visit the official website at the link below.

2024
Annual
Report



◆ Overview of Board Operations in 2024

In 2024, the Board of Directors convened 6 meetings, with an average attendance rate of 96%. The Board reviewed business performance every two months and conducted in-depth discussions on sustainability and risk. There were no major events requiring special reporting to the Board in 2024.

Definition of Key Material Events Reported to the Board

According to corporate governance and internal control protocols, key material events are defined as matters that may significantly impact operations, finance, compliance, or reputation, and require immediate resolution by the Board. These include high-risk decisions, major profit or loss fluctuations, significant contracts, strategic investments, cybersecurity incidents, and ESG-related controversies.

High-Risk
Decisions

Major Profit
or Loss
Fluctuations

Significant
Contracts

Strategic
Investments

Cybersecurity
Incidents

ESG-Related
Controversies

Board Training Participation 2-17

In 2024, the total training
hours amounted to

 **60** hours

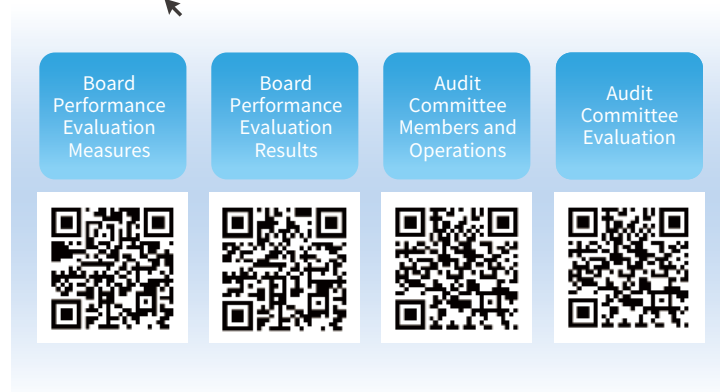
All board members engage in relevant training courses annually to enhance professional skills and knowledge.

Directors' Liability Insurance

The company has insured directors and key executives against liabilities, in accordance with Article 39 of the Corporate Governance Best Practice Principles for Listed and OTC Companies. This insurance coverage, including the period of coverage, coverage limits, and scope of coverage, was reported to the Board of Directors on March 7, 2025.

Board Performance Evaluation Methodology 2-18

The company established the ["Board Performance Evaluation Methodology"](#) on November 12, 2015 to ensure the effectiveness and quality of corporate governance. Details of the 2024 self-evaluation period, scope, methods, and content can be found in the 2024 Shareholders' Meeting Annual Report or via the [company website](#) (link below).



Avoidance of Conflicts of Interest by Board Members 2-15

Directors who have conflicts of interest with agenda items at board meetings, either personally or through entities they represent, must disclose the essential details of their conflicts during the respective board meeting. If there is a potential harm to the company's interests, they may provide statements and respond to inquiries, but they cannot participate in discussions, vote on the matter, or act as proxies for other directors in voting. They are required to abstain from discussions and voting when conflicts arise. In 2024, no board member was required to recuse themselves due to conflicts of interest.

5.1.2 The operation of functional committees

Audit Committee 2-10

The Audit Committee was established on June 15, 2017, and is composed of three independent directors. It is responsible for overseeing the fairness of financial statements, the independence and performance of external auditors, the effectiveness of internal control implementation, compliance with laws and regulations, as well as risk management related to operational compliance and mitigation.

In 2024, the Audit Committee held a total of **4** meetings.

The convener and all members had a **100%** attendance rate.

For details on communications with the internal audit officer and external auditors, please refer to the 2024 Annual Shareholders' Report or visit the [official website](#).



Compensation Committee

2-10

2-19

2-20

► Committee Operations and Compensation Policy

The Remuneration Committee is established in accordance with the organizational charter. It is responsible for formulating and regularly reviewing the performance evaluation and compensation policies for directors and managerial officers. Implementation follows the Company's Articles of Incorporation and the Performance Evaluation Guidelines.

► Director Remuneration Assessment

Based on the Board Performance Evaluation Guidelines, the committee evaluates directors' remuneration by considering goal achievement, participation, communication and coordination, and professional competence. The system is reviewed regularly in response to company performance and market trends to ensure reasonable remuneration aligned with sustainable operation and risk control.

Managerial Compensation System

Managerial compensation (including salary and bonuses) is governed by the Performance Appraisal Management Regulations:

Salary

Determined based on industry benchmarks, job grade, experience, and responsibilities

Bonuses

Issued according to financial and non-financial performance indicators (e.g., leadership, compliance, sustainability), special contributions, and risk assessment

All matters are reviewed by the Remuneration Committee and submitted to the Board of Directors for a resolution, ensuring that the policy supports long-term growth and sustainable development.

Assessment of Directors' and Managers' Operational Performance

Ensure Directors' and Managers' Performance is Align with their Salary

Incorporating Sustainability Performance into Compensation Assessment

◆ Compensation Committee Overview

Remuneration Committee Members and Operations



Evaluation and Implementation Status of the Remuneration Committee



Composed of **3** independent directors



Reviews and approves compensation policies to align with corporate governance and long-term development



Held **3** meetings in 2024 with a **100%** attendance rate

⇐ For details, please refer to the 2024 Annual Shareholders' Meeting Report or visit the [official website](#).

5.1.3 Ethical Integrity 2-23 2-24

The company has established policies covering governance practices, ethical business conduct, director and manager codes of ethics, whistleblower mechanisms, and human rights, requiring the board, management, and all employees to uphold integrity. The Audit Office conducts regular and ad-hoc audits to supervise internal controls and prevent misconduct.

Guidelines for Ethical Business Conduct

The company established the **"Ethical Corporate Management Best Practice Principles"** in November 2015, which was revised by the shareholders' meeting on June 19, 2020. All employees sign an Integrity Commitment Letter, and suppliers sign a Code of Conduct Statement to ensure the implementation of the business integrity policy.

Applicable to : All Employees

► Unethical behavior includes:

- Bribery and kickbacks
- Providing illegal political contributions
- Improper charitable donations or sponsorships
- Offering or accepting unreasonable gifts, hospitality, or other undue benefits
- Infringement of intellectual property rights, including trade secrets, trademarks, patents, copyrights, and others.

Code of Ethical Conduct

In December 2014, Hon Chuan established and implemented the "Guidelines for the Adoption of Codes of Ethical Conduct for Directors (Including Independent Directors) and Managers," approved by both the Board of Directors and the Shareholders' Meeting, to ensure that senior personnel uphold integrity, legality, fairness, and ethical self-discipline.

Applicable to: Directors, Managers

- Prohibited from compromising the company's legitimate overall interests due to personal conflicts of interest.
- Prohibited from using their position, assets, or information for personal gain or engaging in business competition with the company.
- Must strictly maintain the confidentiality of client purchase and sales information.
- Must treat customers, competitors, and employees fairly and refrain from manipulation, concealment, or other improper transactions.
- Must safeguard company assets and prevent theft or waste.

Procurement and Bidding Management

Hon Chuan has established procurement and bidding management regulations to govern the processes for engineering, raw materials, equipment, molds, and insurance procurement. These rules aim to reduce costs and prevent misconduct. If any cases of bid-splitting, collusion, bid-rigging, bribery, or profiteering are discovered, the involved vendors will be disqualified, and personnel involved will be disciplined in accordance with company policies.

Whistleblower Policy on Integrity Violations

Hon Chuan has enacted the "Whistleblower Policy for Violations of the Integrity Code," providing reporting channels via written mail (Audit Office, No. 6, 2nd Road, Taichung Industrial Park, Taiwan) and email (ethics@mail.honchuan.com.tw). The company protects whistleblowers' privacy and strictly penalizes violators or malicious reporters.

In 2024, no named whistleblowing cases were received.

Workplace Violence Complaint Mechanism

Hon Chuan has implemented the "Workplace Violence Complaint and Handling Policy," managed by a dedicated grievance review committee to safeguard employees' workplace rights and enforce prevention, correction, and disciplinary actions.

No such complaints were received in 2024.

Promotion of Integrity Governance Policy and Complaint Procedures

The company ensures confidentiality for whistleblowers and stakeholders. Any investigator who leaks such information will be disciplined according to the law. Criminal acts will be referred to legal authorities, and compensation will be pursued. Malicious reporters bear legal responsibility. Whistleblower mailboxes are handled by the General Manager and Audit Office, while the Occupational Safety and Health Center and Human Resources Department oversee workplace violence and stakeholder communication. No named whistleblower cases were received in 2024.

2024 Policy Advocacy and Promotion

New employees receive regular training, while mid-to-senior-level managers receive irregular training on topics such as integrity management, human rights, and prevention of insider trading. On March 7, 2025, the head of internal audit reported the 2024 implementation results to the Board of Directors.

Training Participation and Hours Overview

	369 people	369 people	48 people
Course :	Integrity Governance Advocacy	Human Rights Advocacy	Insider Trading Prevention Advocacy
Total Training Hours :	184.5hour	184.5hour	24 hour

A-Courses 1 and 2 were attended by employees hired in 2024 (including those who resigned the same year)

B-Course 3 was targeted at plant manager-level and above.

5.1.4 Internal Audit

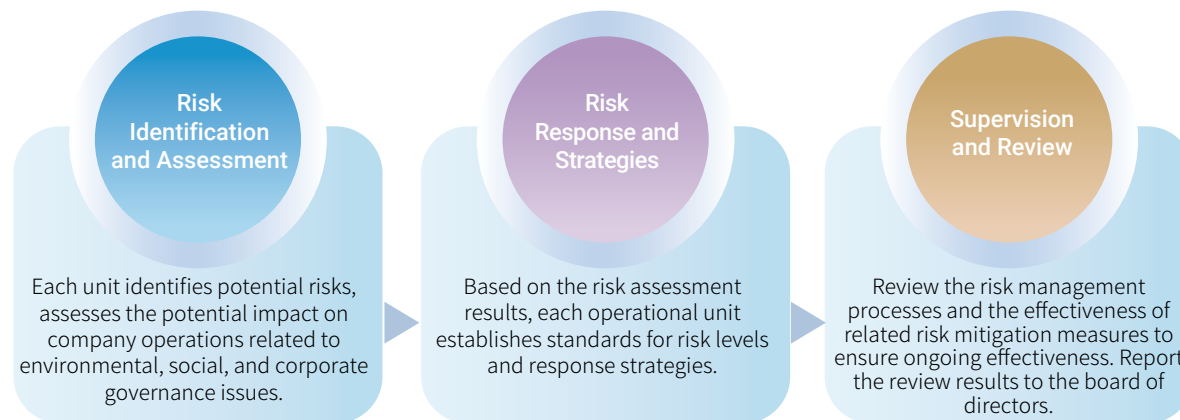
The Audit Office, under the Board of Directors, formulates annual audit plans based on risk assessments, and executes audits and improvement follow-ups. The head of audit reports regularly to the Board and incorporates suggestions from independent directors, the Audit Committee, and the Board.

In 2024, a total of 62 audit tasks were completed, with a 100% compliance rate.

5.2 Risk Management 2-24 3-3

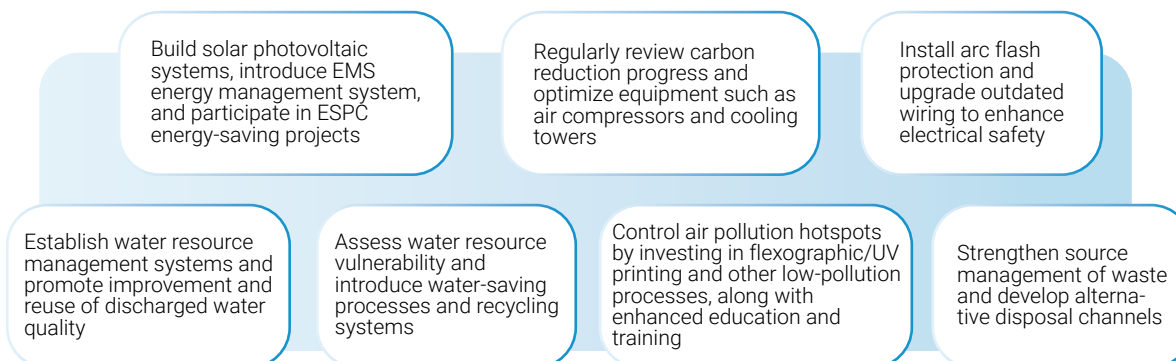
On November 10, 2022, the Board of Directors approved the "Risk Management Policy and Procedures" and "Risk Management Practice Guidelines" to identify and assess environmental, social, and governance (ESG) risks. The framework involves company-wide participation and multiple lines of defense.




The implementation status is reported to the Board at least once annually, and the 2024 Risk Management Report was submitted on May 9, 2025.



Risk Identification and assessment

In accordance with the principle of materiality, ESG risks in market, finance, operations, and environment are identified and assessed, with the following management policies formulated:



Issue	Risk categories	Risk items	Risk Management Strategy	Risk Management Unit
 Environment (環)	Environment	Climate Change	Introduce digital management tools to enhance carbon inventory efficiency and accuracy	Sustainability Development Department
		Water Resources Wastewater	1. Establish water resource management and promote water reuse 2. Introduce water recycling and reuse to reduce water shortage risks	Occupational Safety and Health Center Beverage Division
		Energy	1. Install solar power generation systems and implement energy-saving projects 2. Set up arc flash protection systems to enhance electrical safety	Engineering Department
		Air Pollution	Adopt flexographic and low-pollution printing processes and strengthen training	Occupational Safety and Health Center
		Waste Materials	Strengthen source management of waste to reduce environmental impact	Occupational Safety and Health Center
 Social (人)	Operation	Human Rights	Comply with international human rights covenants and the Labor Standards Act to protect labor rights and interests	Human Resources Department
		Talent Recruitment	Industry-academia collaboration: establish “Hon Chuan Academy” to cultivate talent	Human Resources Department
		Food Safety Risk	The food safety team conducts regular internal audits and improvements based on HACCP to enhance food safety	Food Safety Team
		Quality Risk	1. Hold monthly quality meetings to track customer complaints and improvements 2. Strengthen control through internal audits, customer feedback, and communication channels	Quality Improvement Committee / Quality Assurance Department
		Occupational Safety and Health	Establish an Occupational Safety and Health Center and Committee; implement ISO 45001 and TOSHMS occupational safety management systems	Occupational Safety and Health Center/ Committee
	Market	Industry Competition	Hold regular business meetings to grasp market trends	Sales Department
	Others	Infectious Disease Risk	Monitor epidemic updates and implement epidemic prevention in accordance with CDC announcements	Occupational Safety and Health Center
 Governance (治)	Operation	Professional ethics	Strengthen employee ethical training and evaluation to avoid trust risks	Audit Office
		Legal Compliance	Legal consultations and contract review to reduce legal risks	Legal Department
		Information Security	Establish backup mechanisms and disaster recovery measures for critical data	Information Department
		Supply Chain	Prepare supplier alternatives to reduce shortages and support green procurement	Procurement Department
	Finance	Profitability and Capital Credit Financial Decisions	Issue fixed-rate bonds to stabilize financing costs and manage interest rate risks. Strengthen credit rating review and customer management to reduce default risks, and strengthen collection monitoring and loss control for accounts receivable	Finance Department

5.3 Legal Compliance

2-27

Monitoring regulatory updates to prevent violations, protect corporate reputation, ensure sustainable development, and safeguard stakeholder interests.

Legal Department- Compliance Practice Initiatives

Drafting and reviewing contracts, handling legal disputes, planning legal education, revising management regulations, assisting with regulatory audit and verification

2024 Compliance Performance

No major violations with fines exceeding NT\$1 million in 2024; Irregular review of "Confidential Information Management Regulations" implementation, and Regular training for new employees on Trade Secrets Act and internal regulations.



◆ 2024 Violation Summary

Date	Reason	Result	Follow-up
2024/5/7	During lid replacement on a tea concentrate extraction barrel, hot coffee spilled due to mis-operation, violating Article 285 of the Occupational Safety and Health Act, Article 6, Paragraph 1	NT\$100,000 fine	Fine paid; added pressure gauges and splash prevention baffles to mitigate risk; enhanced safety training
2024/7/16	During emergency maintenance at the integrated processing line, a worker was injured due to missing a safety fence and unexpected machine startup, violating the Occupational Safety and Health Act, Article 6, Paragraph 1	NT\$100,000 fine	Fine paid; corrective actions completed and safety training enhanced
2024/11/25	During cleaning while the bed was still running, a worker was injured by a moving part while wiping spilled powder by hand, violating the Occupational Safety and Health Act, Article 6, Paragraph 1	NT\$100,000 fine	Fine paid; corrective actions completed and safety training enhanced

Establishing 2025 Compliance Goals

0
No significant legal violations

Reduce legal violations to ensure strict adherence to relevant laws across departments, with no significant violations (resulting in fines exceeding 1 million New Taiwan Dollars).

Enhance the implementation of the trade secret internal control system

Conduct regular inspections across departments on the implementation status of the "Confidential Information Management Measures" and related measures to safeguard the company's confidential information.

Education and training

The responsible units for relevant regulations regularly hold internal education and training sessions to enhance employees' legal awareness and ensure compliance with regulations.

5.4 Information Security 3-3

Enterprise Information Security Organization

The company has established an Information Security Task Force responsible for policy development, execution, risk management, and compliance auditing. The task force reports regularly to the Board of Directors on information security performance, trends, and technologies.

On March 27, 2025, the task force reported the 2024 outcomes and 2025 goals.

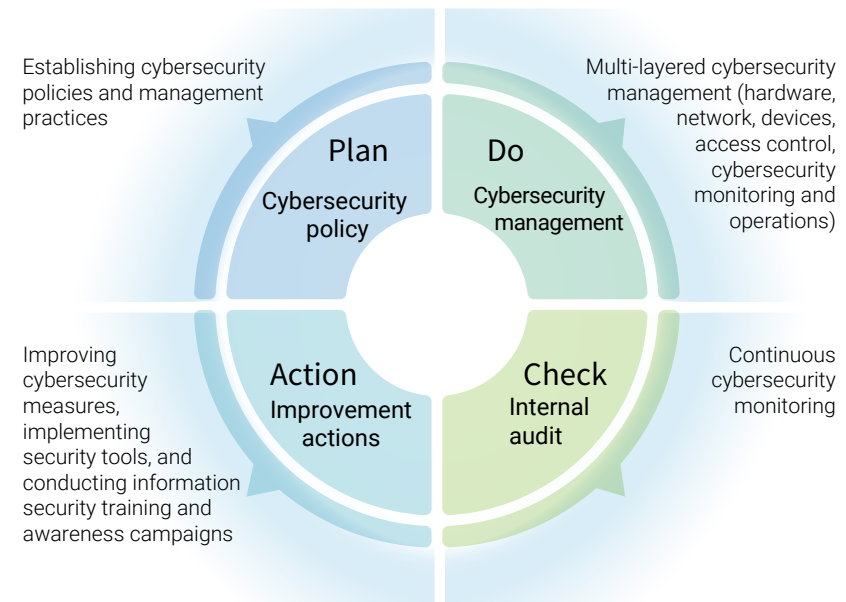


Information and Communication Security Policy

To maintain company cybersecurity, practice self-management, and raise cybersecurity awareness.

Information Security Management Strategy and Framework

The Information Security Task Force, in collaboration with teams from Taiwan and overseas subsidiaries, adopts a PDCA (Plan-Do-Check-Act) cycle to continuously strengthen information security management.



Short-Term Information Security Goals

Continue to enhance phishing/social engineering drills and security awareness campaigns, deploy next-generation intrusion detection and prevention systems, strengthen vulnerability scanning and patching, Conduct regular disaster recovery drills for core systems.

No major information security incidents affecting operations in 2024.

Specific Management Measures

Plan Name	Plan Description	Execution Results
Social Engineering Exercises and Information Security Awareness	Regular social engineering drills and awareness programs to raise awareness of intrusion and malicious processes	In 2024, conducted 2 social engineering drills and 5 security awareness sessions, enhancing employees' information security awareness
Establishing Multi-layered Cybersecurity Defense Mechanisms	Deploying endpoint firewalls, intrusion detection, and email filtering systems; key servers equipped with anti-virus software and endpoint protection	Strengthened security of host systems, networks, and information through deep defense layers, reducing attack risks
Vulnerability Scanning and System Updates	Regular system updates, scanning and patching vulnerabilities on hosts and networks	In 2024, conducted 2 vulnerability scans and performed monthly system updates and patching to reduce attack risks
Information Security Monitoring	Implemented NDR to monitor and analyze network traffic, and MDR to detect endpoint threats	Information security personnel immediately detected abnormal behavior or attacks and responded quickly to prevent spread
Disaster Recovery Drills	Regular execution of backup recovery drills	Completed 2 disaster recovery drills in 2024
Training and Education	Technical training for information security managers and personnel	Completed 24 hours of information security management system training

Information and Communication Security Risks And Countermeasures

Risk Challenges

Cybersecurity threats are diverse and rapidly evolving, making them difficult to fully prevent and potentially causing system interruptions and reputational damage.

Current Mitigation Measures

Integrated with the TWCERT/CC cybersecurity platform, implemented IPS/MDR/NDR systems, and regularly conducted awareness training and disaster recovery drills to strengthen protection.

Future Enhancement Direction

Continue optimizing defense architecture, expanding professional personnel, and conducting internal certification training to comprehensively improve information security management efficiency.

Significant Information Security Incidents

0

There were NO significant information and communication security incidents in 2024.

CH6

Green Sustainability

6.1 Climate Change

6.2 Air Pollution Control

6.3 Water Resources and Wastewater
Management

6.4 Waste Management

6.5 TNFD





Policy Commitment

The Company complies with all applicable regulations, implements environmental protection, energy conservation, and green production practices, and engages all employees in the collective pursuit of sustainable development.



Division of Responsibilities

Sustainability Development Department

Responsible for coordinating internal resources, formulating sustainability policies, and overseeing their company-wide implementation.

Occupational Safety and Health Center

Ensures regulatory compliance by conducting audits based on environmental and occupational safety standards.

Engineering Department

Leads energy-saving initiatives, promotes green energy use, and implements carbon reduction strategies.

Environmental Goal Planning

Short-Term

- 1) Raise employee awareness of environmental protection and compliance.
- 2) Promote energy-saving projects, aiming for an annual 1.5% reduction in electricity use.
- 3) Recycle 250 million liters of water annually across all plants.
- 4) Establish air pollutant emission coefficients and strictly control plant emissions.
- 5) Reach 98% waste reuse rate and continue waste reduction efforts.
- 6) Evaluate replacing solvent-based ink printing machines with eco-friendly UV printing to reduce VOC emissions.

Mid-Term



Standardize environmental management systems across all facilities and continue to phase out and optimize high-energy-consuming equipment.


Long-Term




Invest in low-carbon production equipment and promote source pollution reduction and resource circularity.

Performance in 2024

Energy Saving and Carbon Reduction

 **4.1%** Energy intensity reduced by **4.1%**

10 sites Completed ISO 14064-1 greenhouse gas verification at **10 sites** across all Taiwan plants

 **366.21 tons** Saved 2,688.72 GJ (equivalent to 741.31 MWh) of electricity, reducing **366.21 tons** of greenhouse gas emissions


Water Resource and Wastewater Management

250.62 million liters Total water recycled across all plants: **250.62 million liters** in 2024 (1% increase from 2023)

1.19 million liters Replaced resin towers at Aseptic Plant 2, saving **1.19 million liters** of water

4.89 million liters Added waterproof barriers at Aseptic Plant 3 to enhance wastewater protection; cooling water reuse system introduced at Taichung Plant 2 with annual reuse of **4.89 million liters**

Air Pollution Control

 lowering **VOCs emissions**
RTO
natural gas usage

Phased out solvent-based gravure printers and fully replaced them with UV flexographic printers, significantly lowering **VOCs emissions** and **RTO natural gas usage**

"Excellent"
"Outstanding"

Adopted and maintained air purification zones at Hui Lai, Gongqi, Yuandao 2, and Gong 1-3, receiving **"Excellent"** and **"Outstanding"** ratings from Taichung City in 2024

VOCs
emission certified

VOCs emission factor for preform injection molding at Taichung Plant 2 certified, enhancing air pollution control

Waste Management

98%
reuse rate reached

Overall waste reuse rate reached **98%**, Food sludge utilized for anaerobic digestion power generation, Plant residues and livestock manure used to produce organic fertilizers

Investment in 2024



Energy-saving projects

NTD 42.24 million

Injection machine replacement at taichung plant



Environmental improvement

NTD 161.03 million

Pollution control equipment and related initiatives



Renewable energy

NTD 80 million

Investment to install a 1,600 kWp solar power system

Environmental Management System Certification

Beverage Division: ISO 14001 certified since June 2013

Packaging Division: ISO 14001 certified since June 2021, compliance maintained and continuously optimized.



ISO 14064-1 Greenhouse Gas Inventory

A Greenhouse Gas Inventory Team was established in 2022. In 2024, inventory was completed for 10 sites, including Taichung Plant, Taichung Plant 2, Free Trade Zone Plant, Aseptic Plants 1 to 3, as well as the Ruifang, Taoyuan, Shalu, and Chiayi facilities, with verification statements obtained.

Clean Production System Certification

Aseptic Plant 1 obtained clean production system certification in 2021 and successfully renewed it in 2024. Aseptic Plant 2 obtained the certification in 2023.



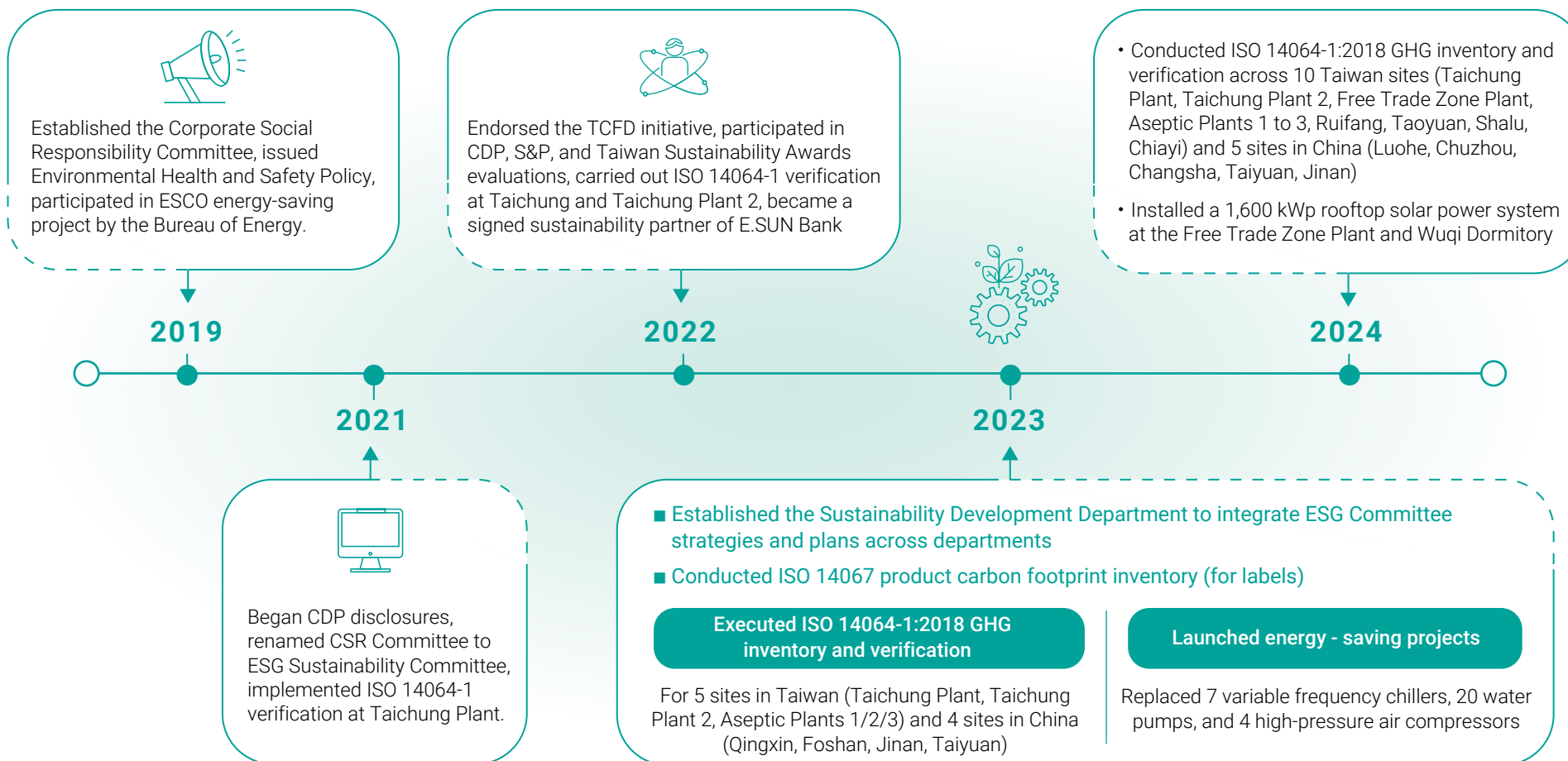
Environmental Training, Certifications, and Permits

Regular training sessions are held on air pollution, water pollution, and waste management. In 2024, there were 656 training participants. A total of 44 individuals hold certifications in air pollution control, wastewater/waste treatment, chemical emergency response, or corporate sustainability management. All 22 environmental permits currently held remain valid.

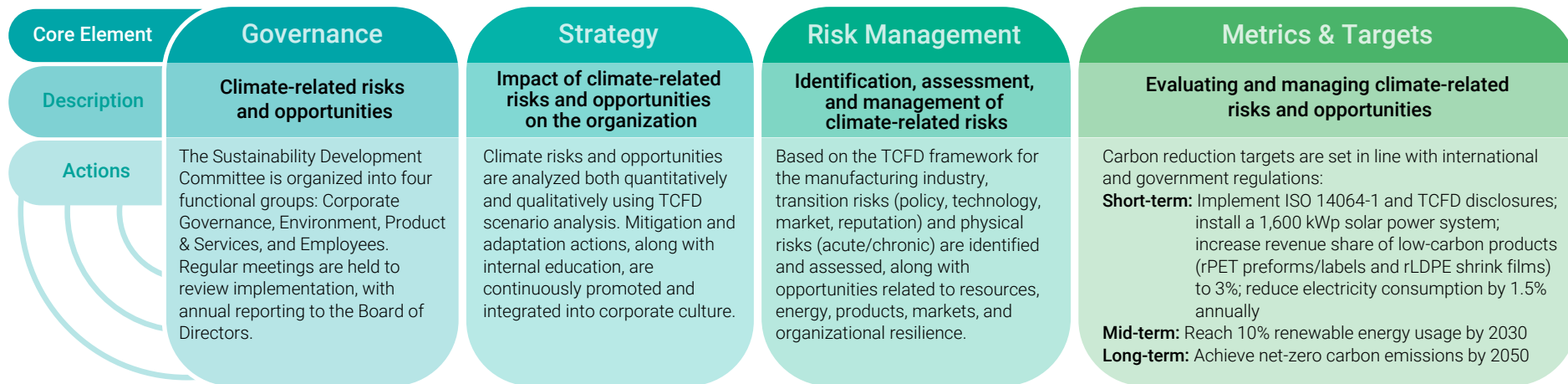
6.1 Climate Change 3-3

Hon Chuan participates in the CDP disclosure program and reports climate-related risks and opportunities in alignment with the TCFD framework. Sustainability indicators are disclosed in accordance with the SASB Standards (refer to index on page 115).

Milestones of responses to climate change



6.1.1 Climate-Related Financial Disclosure (TCFD)



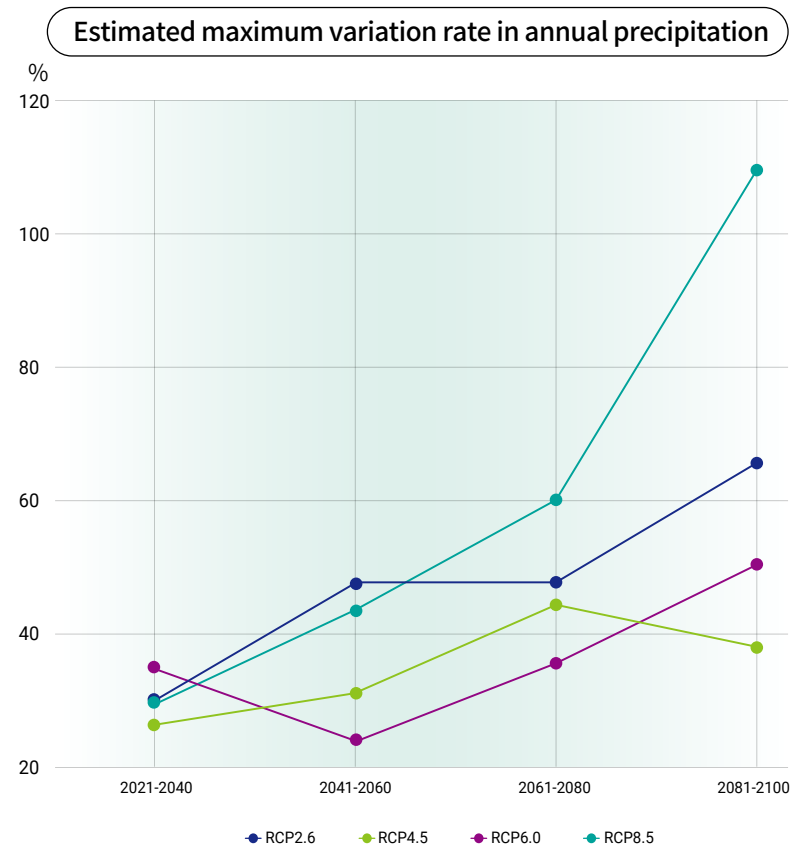
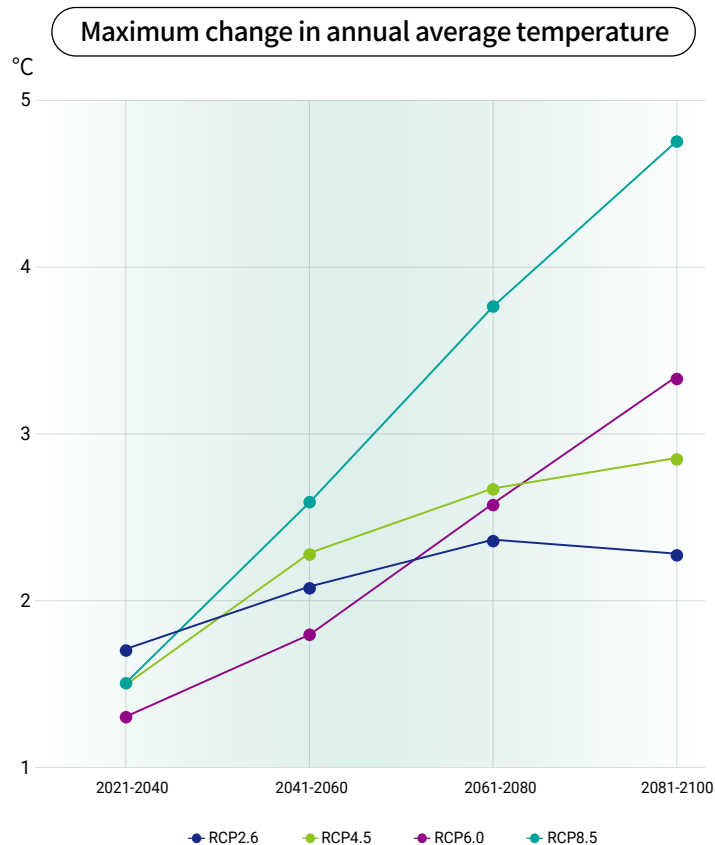
Climate Change Risks and Opportunities

ID	Climate-Related Risks	Time Horizon	Risk Level	ID	Climate-Related Opportunities	Time Horizon	Opportunity Level
R01	Carbon fee levies	Short-term	Medium	001	Process innovation and technology development	Long-term	Low
R02	Water consumption fee levies	Short-term	Low	002	Adoption of incentive policies	Mid-term	Low
R03	Strengthened emission reporting obligations	Mid-term	Low	003	Expansion of low-carbon goods and services	Short-term	Medium
R04	Stricter regulations on existing products/services	Mid-term	Medium	004	Strengthening R&D and innovation	Short-term	Low
R05	Investment in low-carbon goods and new production technologies	Mid-term	Low	005	Diversification of business activities	Long-term	Low
R06	Changes in customer behavior	Mid-term	Low	006	Utilization of public/private sector incentive programs	Mid-term	Low
R07	Increase in raw material costs	Short-term	Low	007	Adoption of energy-saving measures	Long-term	Low
R08	Changing consumer preferences – Industry stigmatization	Long-term	Low	-	-	-	-
R09	Increase in severity of extreme weather events	Short-term	Low	-	-	-	-
R10	Changes in rainfall (water) patterns	Mid-term	Medium	-	-	-	-
R11	Rise in average temperature	Long-term	Low	-	-	-	-
R12	Sea level rise	Long-term	Low	-	-	-	-

Note 1: Short-term refers to 1–3 years, medium-term to 4–5 years, and long-term to over 6 years.

Scenario analysis and goal setting

The Sustainability Committee utilized the TCCIP (Taiwan Climate Change Projection Information and Adaptation Knowledge Platform) to simulate climate scenarios RCP2.6, RCP4.5, RCP6.0, and RCP8.5. After analyzing projected changes in temperature and rainfall, the most severe scenario—RCP8.5—was selected. This was then combined with the 2050 net-zero target to assess physical and transition risks.

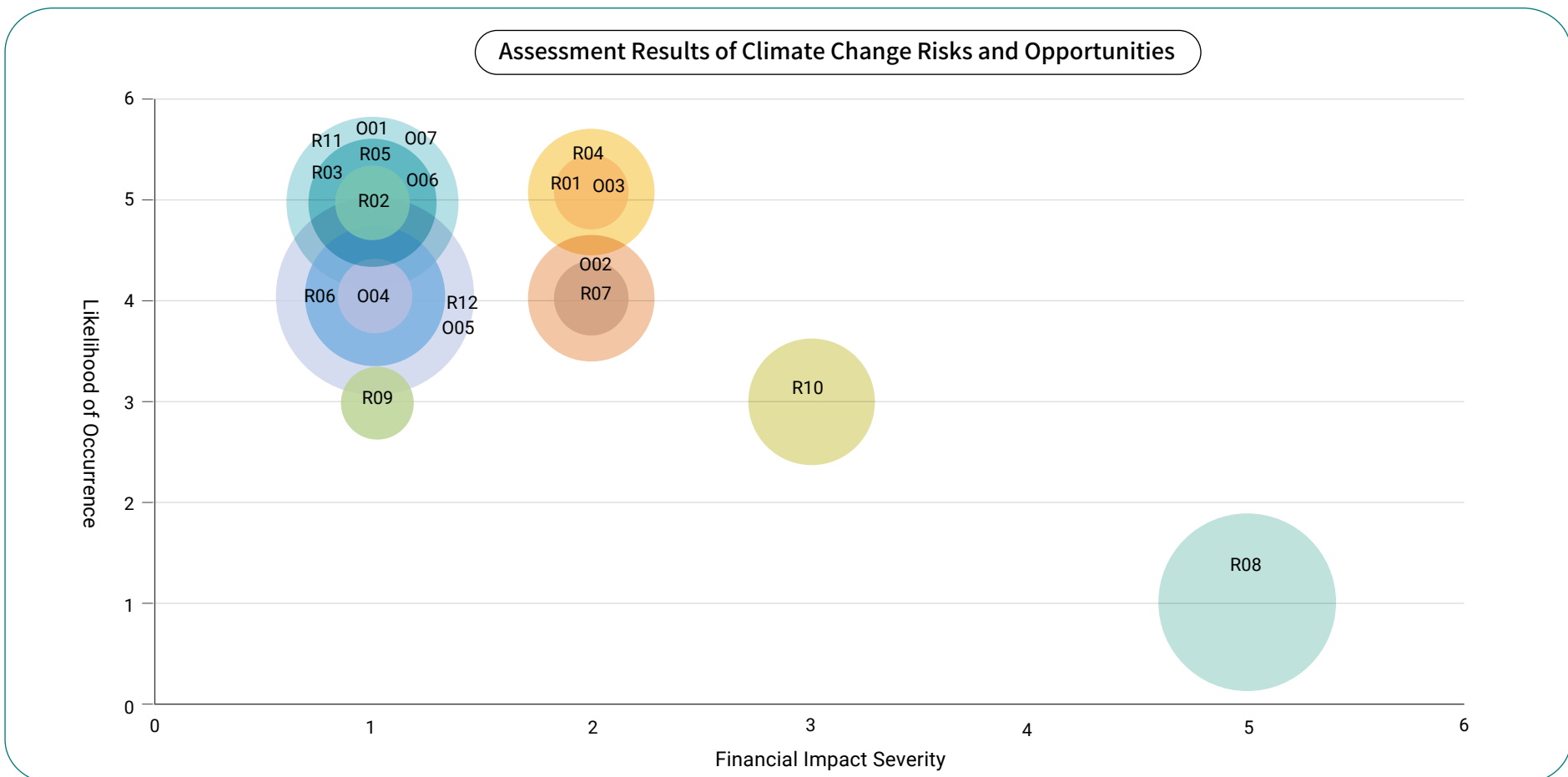


Reference: Taiwan Climate Change Projection and Information Platform

To ensure the company's operational resilience, climate risks and opportunities are evaluated across three timelines: short-term, mid-term, and long-term. This proactive approach anticipates potential climate-related challenges, ensuring the achievement of sustainable business goals.

Climate Change Risks and Opportunities

The Sustainability Committee evaluates 19 climate-related issues (8 transitional risks, 4 physical risks, and 7 opportunities) through surveys. These issues are analyzed based on their likelihood and impact over short-, medium-, and long-term periods. Through identification, analysis, evaluation, and management, the company enhances its climate resilience.



Climate Change Risks and Opportunities

The Sustainable Development Committee conducted interviews with relevant departments to assess potential risks and opportunities impacting the company's operations.

Climate Change Risks				
Risk Type	Aspect	Risk Factor	Financial Impact	Response Strategy
Physical	Long-term	Changes in rainfall (water) patterns and extreme climate shifts	Droughts or increased water costs may disrupt operations, increasing operational costs and reducing revenue and profit	1. Implement water resource management and water-saving plans 2. Promote factory clean production certification and water-saving rate certification
	Long-term	Sea level rise	Damage to infrastructure increases expenses	Improve drainage systems and consider risk insurance to reduce financial losses from extreme weather
	Long-term	Rise in average temperature	Consecutive high temperatures increase air-conditioning use, raising operational expenses	1. Replace outdated equipment with energy-efficient, carbon-reducing systems 2. Install solar power systems and use renewable energy
	Immediate	Increased severity of extreme weather events (typhoons, floods)	More days of heavy rainfall may cause flooding at plants, disrupting production and reducing revenue	1. Regularly conduct typhoon and flood drills and establish evacuation plans 2. Assess appropriate risk insurance to mitigate financial loss from extreme weather
Transition	Policy & Regulation	1. Carbon fee imposition 2. Mandatory capacity for major electricity consumers 3. Regulatory requirements on product/services 4. Water usage fee	1. Higher compliance and operational costs 2. Increased energy and water prices raise operational costs	1. Replace outdated, high-energy-consuming equipment 2. Develop GHG inventory and reduction plans 3. Build solar power systems 4. Submit voluntary reduction plans to receive carbon fee incentives 5. Continuously monitor regulatory changes
	Technology	1. Investment in low-carbon products 2. New production technologies	Increased upfront development costs	Long-term collaboration with packaging suppliers to co-develop cost-effective eco-friendly materials; reflect some costs in product pricing by enhancing value through green packaging
	Market	1. Market information 2. Raw material cost increase 3. Market trend shifts	1. International raw material price volatility 2. Increased waste disposal costs 3. Changing customer demands and procurement models	Develop secondary suppliers to diversify risk; conduct annual supplier evaluations to ensure stability and quality; regularly survey customer satisfaction to capture needs; attend domestic and international trade shows to stay on trend; invest in R&D to drive innovation and optimize raw material costs
	Reputation	1. Consumer preferences 2. Industry stigmatization	Growing environmental awareness leads to declining acceptance of single-use plastic products	Apply the principles of Reduce, Reuse, Recycle in product design to reduce plastic at the source; continuously develop rPET technology to enhance environmental value and market acceptance

Climate Change Opportunities			
Aspect	Opportunity Factor	Financial Impact	Response Strategy
Resource Efficiency	Process innovation and technology development	Optimizes production, sales, and logistics to enhance efficiency	Integrate automated warehousing systems with ERP to provide real-time data on production, sales, and logistics
Product / Service	Product development	Innovation drives business expansion	Develop eco-friendly products such as lightweight packaging, tethered caps, flexographic-printed labels, rPET bottles/labels, and PCR LDPE shrink film
	Business diversification	In-House production	Expand in-house co-location production models to improve product uniformity and flexible allocation
Market	Incentive programs	Preferential green loan interest rates	Monitor market information closely and continue applying for government-provided incentives
Resilience	Renewable energy and energy-saving measures	Investment in low-carbon energy enhances resilience and reduces compliance risk	<ol style="list-style-type: none"> Promote energy-saving and carbon reduction measures to minimize the environmental impact of production. Install on-site solar power systems to reduce carbon emissions.

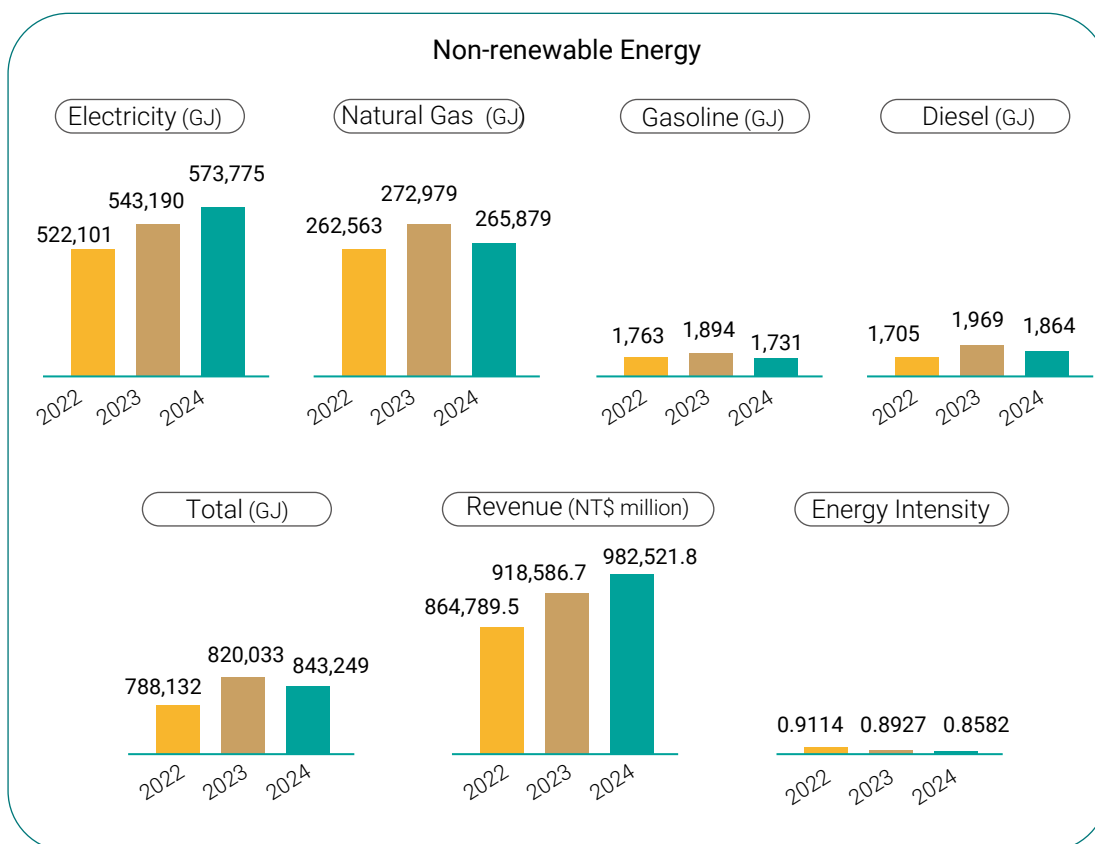


6.1.2 Energy Management 3-3 302-1 302-3 302-4

Hon Chuan has replaced equipment to improve energy efficiency. Starting in 2025, the annual electricity-saving target has been raised from 1% to 1.5% to reduce energy consumption and carbon emissions.

Energy Consumption

In 2024, total energy consumption reached 843,249 GJ (a 3% increase from 820,033 GJ in 2023), and energy intensity remained lower than in 2023.



Note: Energy intensity = Total energy consumption (GJ) / Revenue (NT\$ million)

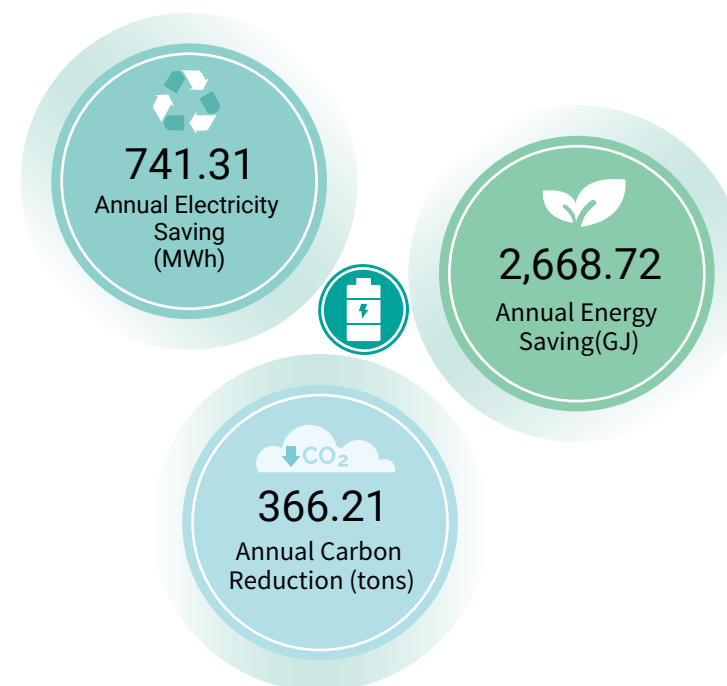
Electricity-saving implementation project

302-4

In 2024, the company saved 2,668.72 GJ of electricity (741.31 thousand kWh), reducing 366.21 metric tons of greenhouse gas emissions.

2024 Electricity-Saving Projects:

Replacement of injection machines at Taichung Plant 1



• Electricity saving was estimated by multiplying the difference in power usage per hour before and after the improvement by the total operating hours in a year.

• Carbon reduction = Electricity saved × Emission factor (2023 electricity emission factor announced by the Energy Administration: 0.494 kg CO₂e/kWh)

• Conversion: 1,000 kWh = 3.6 GJ.

6.1.3 Greenhouse Gas Inventory 305-1 305-2 305-3 305-4 305-5

Since 2021, Hon Chuan has conducted greenhouse gas (GHG) inventories encompassing raw material procurement, upstream and downstream transportation, employee commuting, business travel, and waste disposal. In 2024, in-house manufacturing sites were added to the inventory scope, and the year was designated as the new base year.

Greenhouse Gas Emissions

In 2024, total GHG emissions reached 316,285 tons CO₂e, an increase from 2023 due to the expansion of inventory coverage from 5 to 10 facilities, which led to higher overall emissions and intensity.

Item	2022	2023	2024
Scope 1: Direct emissions (tCO ₂ e)	3,291.6113	20,062.3833	15,880.3859
Scope 2: Indirect emissions from purchased energy (tCO ₂ e)	46,142.4788	74,689.4729	81,890.2345
Scope 3: Indirect emissions from transportation (tCO ₂ e)	556,851.2831	3,934.4372	3,566.8334
Scope 4: Indirect emissions from product use (tCO ₂ e)	122,644.2445	191,293.3548	214,947.6661
Total (tCO ₂ e)	728,929.6177	289,979.6482	316,285.1199
GHG intensity (tCO ₂ e/million TWD revenue in Taiwan)	84.2898	31.5680	31.8890

Note : 1. Inventory verified by SGS: 2022 : 2022: Taichung Plant, Taichung No. 2 Plant, 2023 : Added Aseptic Plants 1-3、2024 : Added Free Trade Plant, Ruifang, Taoyuan, Chiayi, Shalu (In-house)

2. Emission factors based on Taiwan EPA and supplier-calculated calorific values.

3. GWP used: IPCC AR4 (2022), AR5 (2023), AR6 (2024).

4. Power emission factors : 2022 : 0.509 kg CO₂e/kWh, 2023 : 0.495 kg CO₂e/kWh, 2024 : 0.494 kg CO₂e/kWh

5. Emission intensity = Total emissions (tCO₂e) ÷ revenue (in millions TWD).

In-house production and delivery strategy for GHG emission reduction benefits

By in-house production to **reduce GHG emissions of goods transportation.**

The company reduced logistics-related emissions by approximately **215.5 tons** CO₂e in 2024.

Setting Net Zero Carbon Goals and Measures

In 2022, Hon Chuan declared its 2050 Net Zero Target, with 2022 as the baseline year for the packaging division. For 2024, the target was a 1% reduction compared to the base year. Key results and actions:

Improving Energy Efficiency

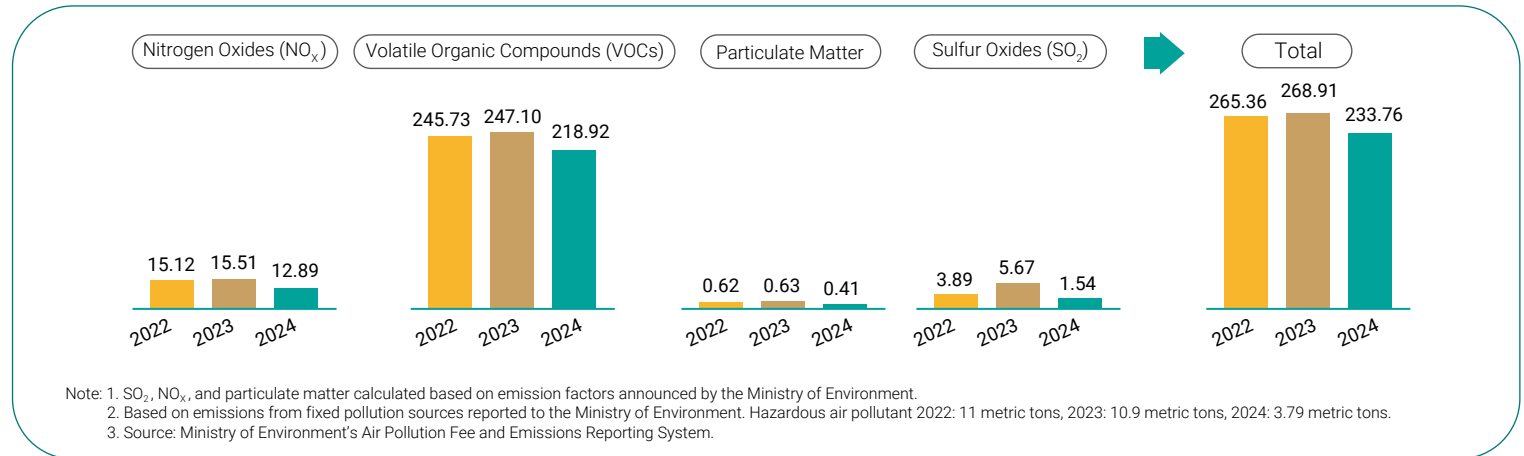
Process optimization and replacement of high-energy-consuming equipment led to ~1% energy savings in 2024.

Low-Carbon Energy Planning

Installation of a 1,600 kWp solar PV system to supply renewable energy.

6.2 Air Pollution Control 305-7 2-25 2-27

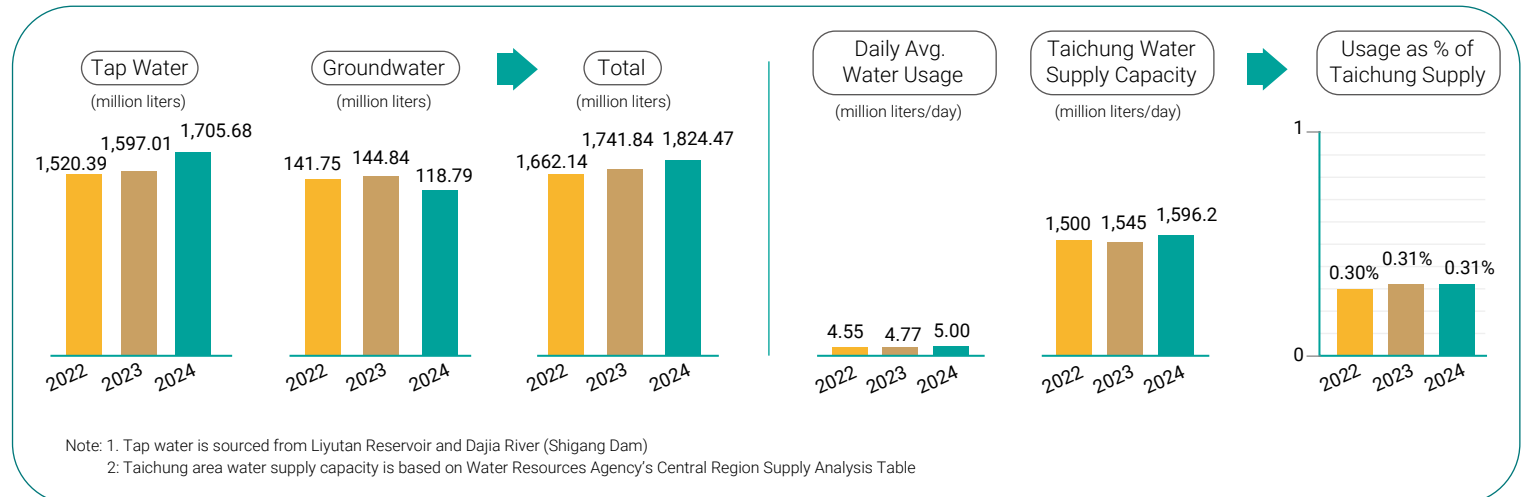
Since 2019, Hon Chuan has adopted flexographic printing equipment, fully phasing out gravure printing, and on September 26, 2024, was officially removed from the permit control list by the Environmental Protection Bureau of Taichung City. The company continues to promote low-pollution manufacturing processes.



6.3 Water Resources and Wastewater Management 303-1 303-2 303-3 303-4 303-5

Overview of Water Usage by Facilities

Hon Chuan's packaging plants (Taichung Plant and Taichung No. 2 Plant) are located in Xitun, while the beverage plants (Aseptic Plants^{1, 2}, and 3) and the Free Trade Plant are situated in Wuqi. Water is sourced from Liyutan Reservoir, Shigang Dam, and groundwater. The Taichung Plant primarily uses groundwater for air conditioning and process cooling, The Wuqi and aseptic plants use tap water year-round, with increased usage during summer and peak production season (April–October). Wastewater is treated to meet effluent standards and then discharged into the industrial park sewage system.



6.3.1 Water Usage Analysis

From 2022 to 2024, the Water Use Ratio (WUR) for the Beverage Division decreased from 3.55 to 3.41. This was mainly due to the Aseptic Plant 3 stabilizing after commencing full-scale production in 2023, resulting in a downward trend in water consumption per unit of finished product.

Unit : Million Liters

Item	2022		2023		2024	
	Packaging Div	Beverage Div	Packaging Div	Beverage Div	Packaging Div	Beverage Div
Tap Water	104.89	1,415.5	120.17	1,476.84	146.09	1,559.59
Groundwater	141.75	0	144.84	0	118.79	0
Total	246.64	1,415.5	265	1,476.84	264.88	1,559.59
WUR Index ^{1,2}	0.05105	0.00355	0.05193	0.00342	0.04758	0.00341

Note: 1. WUR Index = Water used in production process : Packaging Div = Water Usage (million liters) ÷ Revenue (million NTD), Beverage Div = Water Usage (million liters) ÷ Finished Product Volume (kiloliters)

2. Data Sources: Packaging Div (Taichung Plant & Plant No. 2): tap and groundwater meter readings, Free Trade Plant: water bill, Beverage Div: Aseptic Plant 1 (meter readings), Aseptic Plants 2 & 3 (water bills)

3. Scope of statistics : Packaging Div (2022–2024): Taichung Plant, Plant No. 2 (includes Free Trade Plant from 2024), Beverage Div (2022–2024): Aseptic Plants 1, 2, and 3

Water Impact Assessment

According to the World Resources Institute's Aqueduct Water Risk Atlas, Hon Chuan's Taichung site is located in a Low to Medium water risk area (score 1–2), indicating low water stress.

In 2024, the annual water supply in Taichung was 582,613 million liters. Hon Chuan's total water consumption was 1.82447 million liters, accounting for only approximately 0.31% of the regional supply, and thus has no significant impact on regional water resources.

Water Conservation and Efficiency Plan

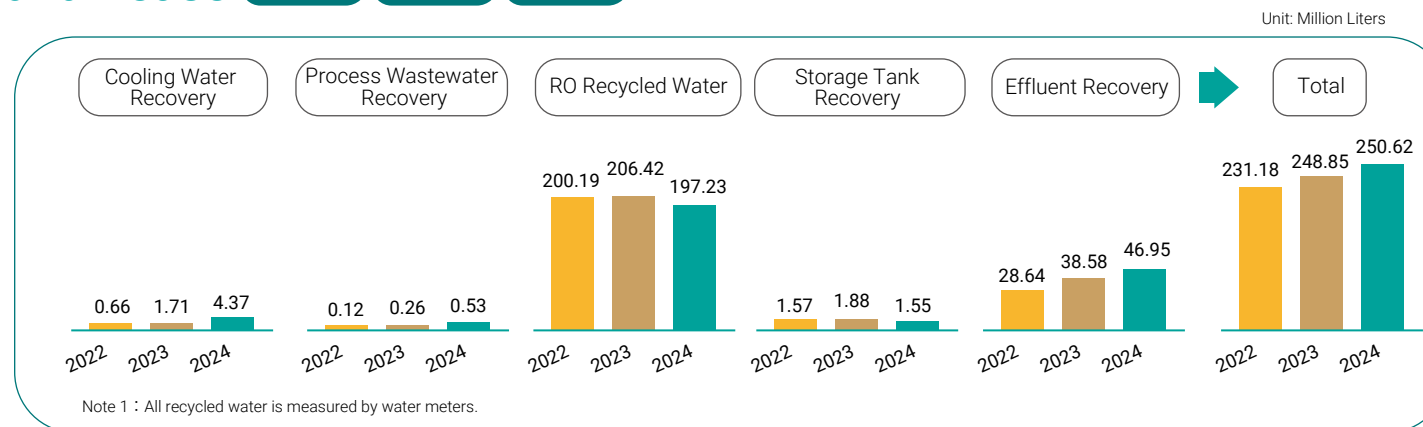
A water source vulnerability assessment was conducted in 2021, with action plans established. During dry seasons, water recycling and external water purchasing measures are implemented.

Risk Description	Mitigation Actions
Regional Water Resources <ul style="list-style-type: none"> Drinking water shortages during dry seasons Aseptic beverage plant accounts for 38.78% of Taichung Port Industrial Zone water intensity 	During water restriction <ul style="list-style-type: none"> Establish early warning mechanisms and closely monitor government announcements During "yellow alert" pressure reductions, coordinate with clients to adjust production batch quantity and production line capacity Monitor water inflow into the zone's storage tanks and adjust schedules accordingly Coordinate with clients to increase single production batch quantity to reduce switching frequency Set up external water purchasing channels and implement water recycling measures
Water Supply Continuity Pipeline ruptures from regional construction or water quality abnormalities caused by typhoons	<ul style="list-style-type: none"> Promptly investigate water quality anomalies and report to the water utility company for remediation Respond according to raw water turbidity alarms or water stoppage protocols Establish alternative water supply channels
Water Usage Fee Implementation	Promote process water recycling and coordinate with clients to increase single batch production quantity
Stakeholder Concerns Water Quality and Environmental Issues	Comply with the Taichung Port Science Industrial Park's wastewater discharge standards: BOD ≤250 mg/L, COD ≤450 mg/L, SS ≤250 mg/L, and other discharge indicators

6.3.2 Water Recycling and Reuse

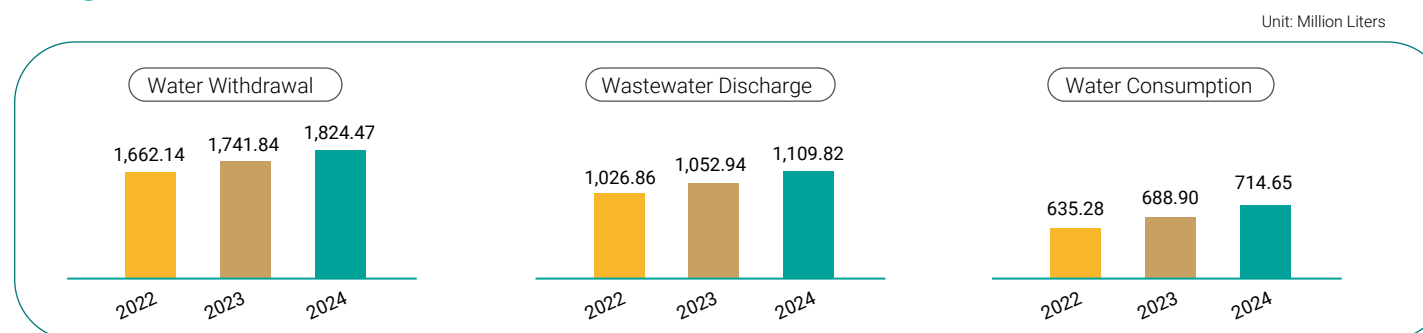
303-2 303-3 303-4

In 2024, the company recycled a total of 250.62 million liters of water, including Beverage Division: 245.73 million liters (RO recycled water used for cooling, cleaning, irrigation, and cleaning of sludge dewatering machines) and Packaging Division: 4.9 million liters (process cooling water recycled).



6.3.3 Wastewater Discharge

In 2024, the total wastewater discharge reached 1,109.82 million liters, a 5% increase from 2023. Total water consumption reached 714.65 million liters, a 4% increase from 2023.



Regular Wastewater Testing Results

Hon Chuan continuously monitors wastewater volume and water quality, with irregular COD testing performed by designated personnel. Wastewater from the beverage division primarily comes from cleaning processes and tea residue dewatering. It undergoes chemical coagulation and biological treatment before being discharged into the industrial park sewer system.

Each plant conducts semi-annual testing and reporting in accordance with the Water Pollution Control Regulations. In 2024, all results complied with the regulatory standards.

6.4 Waste Management 303 306-1 306-2 306-3 306-4 306-5

In 2024, the total waste volume was 17,012 tons, an increase of 10.9% compared to 2023 (up by 1,667.4 tons). This included 16,959.7 tons of general industrial waste and 52.3 tons of hazardous industrial waste. The total waste removal volume was 17,050.87 tons, an increase of 1,691.62 tons from the previous year. Due to the phase-out of gravure printing, hazardous waste decreased by 90.7 tons, contributing to a total reduction of 46.86 tons. The company-wide waste reuse rate remained at 98%.

Packaging Division: Plastic waste (e.g., PET preforms, caps, waste labels) is sorted and mostly reused. Hazardous waste is primarily printing ink solvents (C-0301) and their mixtures (C-0399), generally disposed of through incineration.

Beverage Division: Main waste includes plant residues (R-0120) and food processing sludge (R-0902). Plant residues are converted into organic fertilizer, while sludge is used for biogas power generation or as boiler fuel.

Main Waste-Generating Activities and Treatment Methods

Waste Volume and Disposal Intensity

(Unit: tons)

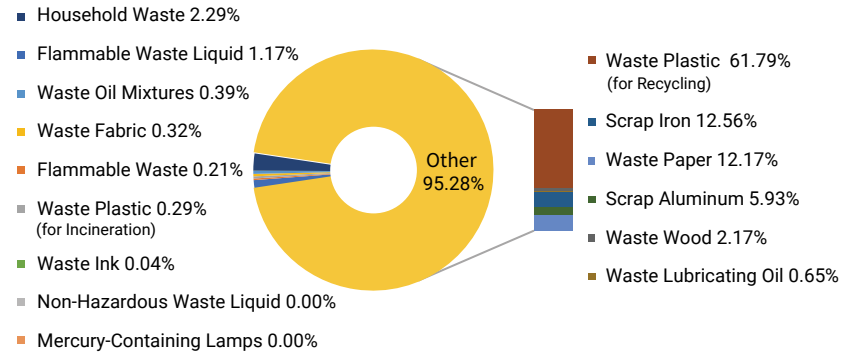
	2022				2023				2024			
	Packaging Div		Beverage Div		Packaging Div		Beverage Div		Packaging Div		Beverage Div	
	General	Hazardous	General	Hazardous	General	Hazardous	General	Hazardous	General	Hazardous	General	Hazardous
Chemical Treatment	-	-	0	0.11	-	-	0	0.11	-	-	0	0.14
Reuse	4,237.92	-	9,376.89	-	4,425.85	-	10,594.39	-	4,696.71	-	12,062.01	-
Physical Treatment	24.87	-	1.05	-	16.53	-	1.3	-	19.14	0.05	1.27	-
Washing	0	26.97	-	-	0	23.65	-	-	0.38	14.77	-	-
Landfall	-	-	0	0	-	-	0	0	-	-	0	0
Incineration	126.91	87.02	180.34	0.12	116.96	99.96	80.48	0.02	144.62	53.71	58.07	0
Thermal Treatment	3.32	-	228.32	-	0	-	0	-	0	-	0	-
Total	4,393.02	113.99	9,786.60	0.23	4,559.34	123.61	10,676.17	0.13	4,860.85	68.53	12,121.35	0.14

Note 1 : Waste volumes are based on disposal statistics.

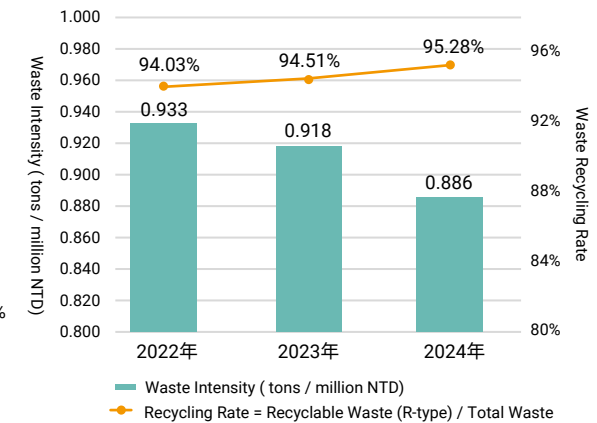
Packaging Division

Due to an increase in plastic offcuts, the total waste volume increased by 5.3% compared to 2023. However, through granulation recycling, RDF extraction from waste labels, and waste oil reuse (achieving a reuse rate of 95%), the waste intensity was reduced to 0.886 tons per million NTD of revenue.

Waste Type of Packaging Division



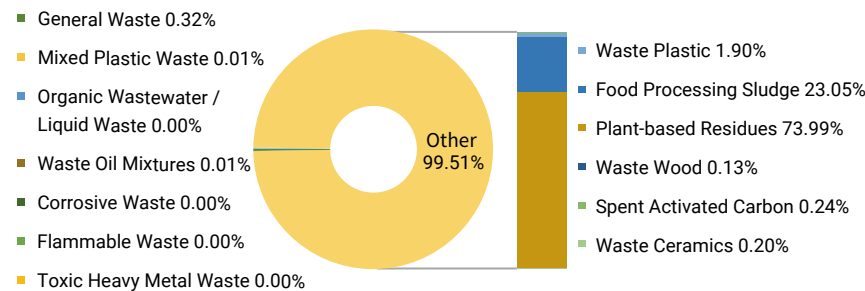
Packaging Division – Waste Intensity and Recycling Rate



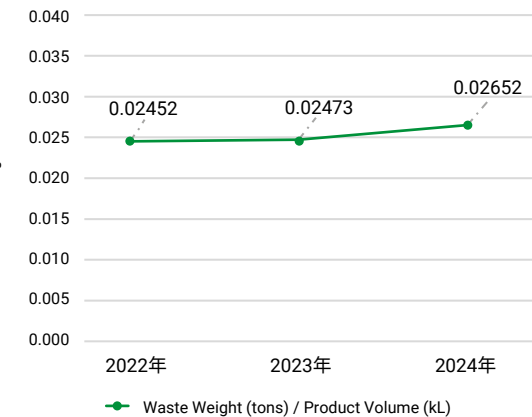
Beverage Division

The total waste volume increased by 13.5% compared to 2023, primarily due to growth in coffee and tea beverage orders. The waste recycling rate reached 99.5%.

Waste Type of Beverage Division



Beverage Division: Waste Intensity Indicator



Management of Waste Treatment Vendors

In 2024, the company outsourced waste treatment to 66 external contractors. Among them, 18 contractors were involved in 45 regulatory violation cases, none of which were related to the company's waste.

6.5 TNFD

Hon Chuan's Biodiversity Commitment Declaration

Hon Chuan is committed to complying with environmental regulations and international standards while promoting environmental sustainability. In addition to ongoing attention to TCFD climate disclosures, Hon Chuan also focuses on TNFD nature disclosures and calls on key and Tier 1 suppliers to jointly support the "Biodiversity Commitment Declaration."

Corporate Commitment and Implementation policies

1. Prohibit operations or development in or near nationally designated biodiversity-important areas, and require suppliers to do the same.
2. Give priority to building new facilities in industrial zones or parks to ensure zero deforestation and habitat protection.
3. Ensure compliance by Hon Chuan and its suppliers with local biodiversity protection laws and mandatory standards.

Support for the United Nations SDGs

Hon Chuan is committed to supporting SDG Goal 15: "Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss," implementing corporate responsibility and action for the natural environment.



Current Practices

1. Ensure new factory sites are not located in biodiversity-sensitive areas.
2. Require key and Tier 1 suppliers to comply with local biodiversity protection regulations.
3. Ensure compliance of air and wastewater treatment with regulations, and promote source reduction and resource recycling.
4. Promote tree-planting and carbon reduction programs, in collaboration with expert surveys and employee environmental awareness initiatives.

Tree Planting for Carbon Reduction

Since 2021, Hon Chuan has partnered with the Tse-Xin Organic Agriculture Foundation to plant 100 saplings annually along the lower Shimen Reservoir and Dahan River. The overall survival rate is 95%. Tree planting helps conserve water, increase green coverage, prevent soil erosion, and stabilize ecosystems.

Local Ecology Monitoring and Biodiversity Experience Activities

In 2024, an ecological survey and experience camp was held, inviting employees and their families to observe insects, aquatic plants and animals under the guidance of experts from Tunghai University, and to learn survey methods. Activities such as tree climbing and amphibian-reptile exploration in streams offered diverse experiences in biodiversity and deepened employee engagement in ecological conservation.

CH7

Employee Care

7.1 Employee Composition

7.2 Compensation and Benefits

7.3 Occupational Safety and Health

7.4 Talent Cultivation

7.5 Participation in Public Welfare Activities





Human Rights Policy

Hon Chuan complies with the United Nations Global Compact, the Universal Declaration of Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. New employees receive training on human rights to foster a respectful and inclusive work environment.

Human Resources Policy

Talent is the most valuable asset of the company. Hon Chuan adopts a profit-sharing philosophy to attract, retain, and cultivate talent by offering comprehensive resources and training for professional development. Employees are also encouraged to participate in community and environmental activities to foster sustainability thinking and strengthen corporate cohesion and competitiveness.

Inclusive and Diverse Workplace

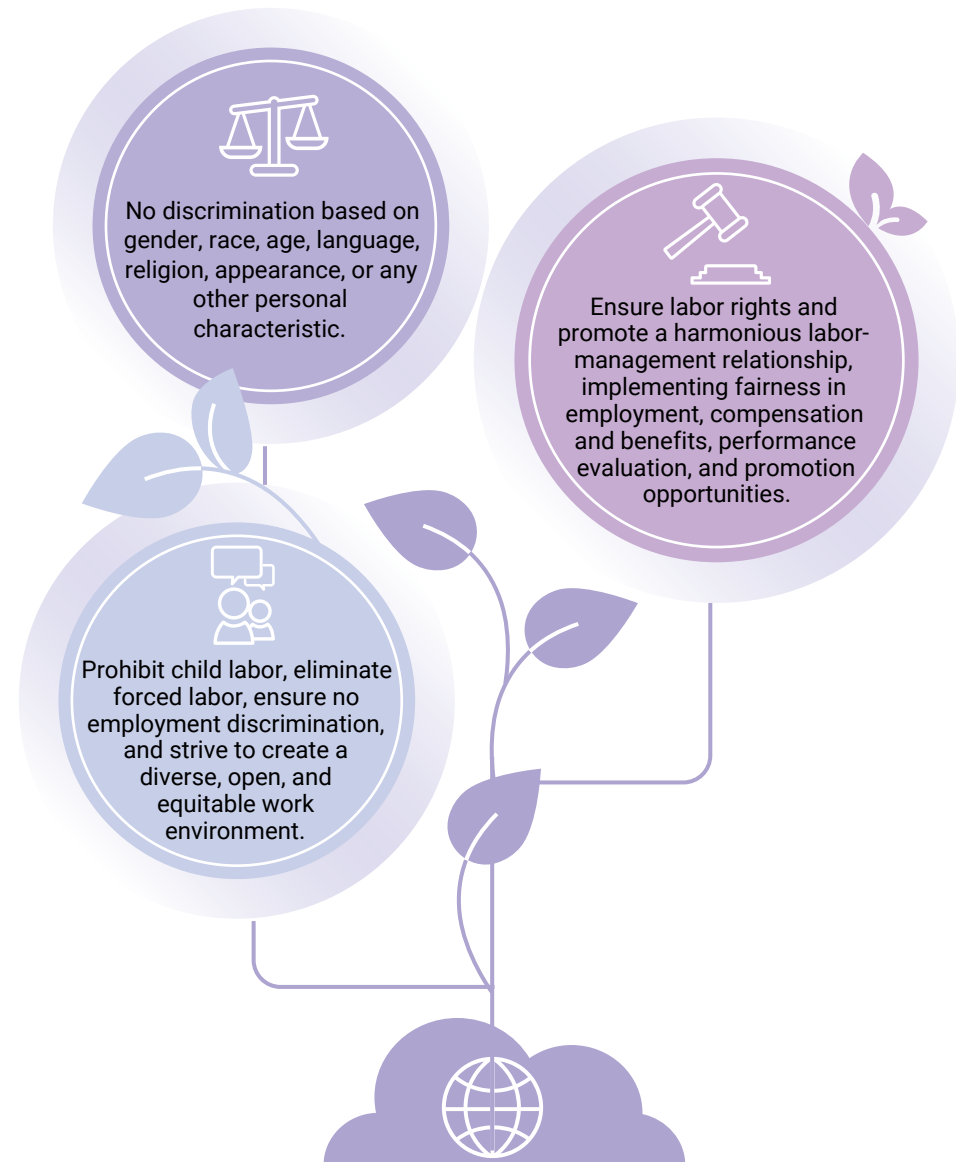
As a pioneer in the industry, Hon Chuan fully covers overseas migrant worker agency fees to ensure fair employment. A diverse and inclusive workplace is promoted by providing varied meal options (e.g., Halal meals, Buddhist vegetarian meals), prayer rooms, and Chinese language courses.



Multi-faith Prayer Room



Halal Meals



7.1 Employee Composition 2-7 2-8 202-2 401-1 405-1

From 2022 to 2024, the total number of employees increased from 1,462 to 1,605. As of 2024, there were 1,556 full-time employees and 49 temporary staff. Direct labor accounted for 61%, while indirect labor made up 39%. The overall age distribution was concentrated between 30 and 50 years old, representing the core middle-aged workforce. In addition, there were 24 outsourced personnel (including security and cleaning staff). The company's workforce structure remains stable and offers flexible staffing capacity.

Employment status from 2022 to 2024

In recent years, Hon Chuan has expanded its operations with Free Trade Zone Factory and Sha-Lu In-house Factory, leading to a continuous increase in employment numbers.

Employment contracts (Note 1)		2022		2023		2024	
		Full-time	Temporary	Full-time	Temporary	Full-time	Temporary
Gender	Male	1,119	3	1,144	14	1,191	46
	Female	335	5	349	2	365	3
Total Employees		1,462		1,509		1,605	

Note 1 : Full-time employees refer to those under permanent employment contracts; temporary employees include those under fixed-term contracts such as interns or industry-academic trainees.

Note 2 : All employees are full-time based on standard weekly working hours; there are no part-time employees.

Note 3 : Gender distribution differences stem from the nature of the manufacturing industry.

Non-Employee Workers 2-8

	Category	Job Description	Contractual Relationship	Number of People
1	Security Staff	Access control, patrol inspections, inbound/outbound goods inspection	Indirect employment	5
2	Cleaning Staff	Cleaning of headquarters and production buildings	Indirect employment	4
3	Dispatched Staff	Product packaging, material feeding, manual boxing, visual inspection	Indirect employment	15

Employee Analysis

By Gender, Age, and Other Characteristics			2022		2023		2024	
			Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Direct Staff (Note 1)	Gender	Male	749	51%	785	52%	838	52%
		Female	132	9%	129	9%	138	9%
	Age	<30	343	23%	335	22%	347	22%
		30~50	473	32%	503	33%	552	34%
		>50	65	4%	76	5%	77	5%
Indirect Staff (Note 2)	Gender	Male	373	26%	373	25%	399	25%
		Female	208	14%	222	15%	230	14%
	Age	<30	150	10%	143	9%	146	9%
		30~50	335	23%	350	23%	375	23%
		>50	96	7%	102	7%	108	7%

Note 1 : Direct staff refer to production line employees; indirect staff are non-production personnel.

Note 2 : In 2024, there were 19 employees with disabilities and 13 Indigenous employees.

Managerial vs. Non-Managerial Staff Proportion (2022–2024)

Managerial vs. Non-Managerial Staff Proportion		2022		2023		2024	
		Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Managerial Staff	Male	216	15%	226	15%	231	14%
	Female	41	3%	45	3%	46	3%
Non-Managerial Staff	Male	906	62%	918	61%	1,006	63%
	Female	299	20%	304	20%	322	20%

Total number and percentage of newly hired and resigned employees 405-1

Hon Chuan recruits outstanding talent through a variety of channels, including its official website, job banks, campus recruitment, and internal referrals. Retention is improved through three-month check-ins and structured exit interviews.

Employee Analysis		2022		2023		2024	
		Total	Percentage	Total	Percentage	Total	Percentage
Total Employees in Year		1,462	100%	1,509	100%	1,605	100%
New Employees		238	16.3%	203	13.5%	216	13.5%
Age	<30	174	11.9%	132	8.7%	140	8.7%
	30-50	60	4.1%	66	4.4%	73	4.5%
	>50	4	0.3%	5	0.3%	3	0.2%
Gender	Male	180	12.3%	156	10.3%	158	9.8%
	Female	58	4.0%	47	3.1%	58	3.6%
Departing Employees		201	13.7%	139	9.2%	135	8.4%
Age	<30	108	7.4%	74	4.9%	72	4.5%
	30-50	83	5.7%	56	3.7%	55	3.4%
	>50	10	0.7%	9	0.6%	8	0.5%
Gender	Male	152	10.4%	108	7.2%	91	5.7%
	Female	49	3.4%	31	2.1%	44	2.7%

Note 1 : New hire rate = (Number of new hires / Total year-end employees) × 100% ; Turnover rate = (Number of leavers / Total year-end employees) × 100% °

7.2 Compensation and Benefits

201-3

401-2

401-3

404-3

Hon Chuan regards talent as its core asset and provides market-competitive and equitable compensation and benefits:



Salaries are determined based on educational background, work experience, job responsibilities, and market rates. Annual adjustments are made in accordance with market trends and individual performance.



Bonuses are granted based on company performance and personal evaluations.



From 2022 to 2024, Hon Chuan maintained stable salaries and regularly reviewed employee compensation to ensure no discrimination based on gender, age, or ethnicity.

Gender-Equal Leave Benefits



In accordance with the Gender Equality in Employment Act and the Labor Standards Act, Hon Chuan provides various types of leave, including annual, menstrual, personal, sick, maternity, paternity, parental, and family care leave, supporting employees in balancing work and life.



Parental leave can be taken for up to two years for children under age three, provided the employee has worked at least six months. Hon Chuan supports employees during leave and guarantees reemployment in the original department and position.

Item		2022	2023	2024	Difference from Previous Year
Full-time employees not in supervisory roles (persons)		1,354	1,412	1,480	+68
Annual Salary of Full-time employees not in supervisory roles (NTD)	Average (NTD)	648,000	708,420	749,000	+40,580
	Median (NTD)	599,000	652,874	683,000	+30,126

Note 1 : Full-time refers to employees working standard legal hours; excludes temporary and intern workers.

Implementation of Parental Leave 401-3

According to the Gender Equality in Employment Act and the Regulations for Implementing Unpaid Parental Leave for Raising Children, employees who have worked for at least six months are entitled to apply for unpaid parental leave for a maximum of two years before their child turns three. The company remains supportive throughout the leave period and ensures that returning employees resume their original positions and departments.

Item	Gender	Total number / Ratio		
		2022	2023	2024
Employees eligible for parental leave	Male	82	71	68
	Female	29	31	28
Employees who applied for parental leave	Male	7	4	6
	Female	9	11	6
Returned to work after parental leave	Male	4	2	6
	Female	6	7	7
Return rate (%) (Note 2)	Male	80%	50%	67%
	Female	67%	100%	57%
Retained for 12 months post-return	Male	1	3	2
	Female	1	6	7
Retention rate (Note 3)	Male	100%	75%	100%
	Female	50%	100%	100%

Note 1 : Total eligible = employees meeting requirements in the current and past two years

Note 2 : Return rate = number of returns ÷ number expected to return × 100%

Note 3 : Retention rate = number still employed 12 months post-return ÷ number returned in previous year × 100%

An incentivizing reward system 404-3

To motivate performance, Hon Chuan provides performance bonuses, year-end bonuses, and overseas trips based on company and individual results. Salary adjustments are reviewed annually. All employees are fairly evaluated under a transparent system, free from gender, age, or racial bias.



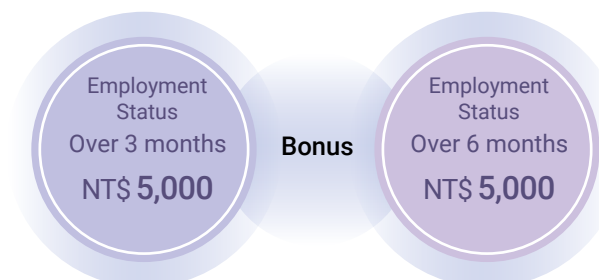
Note 1: Evaluation Scope – All eligible personnel below the level of General Manager/Chairman are subject to performance evaluations

Note 2: For employees who have submitted resignation forms, are on parental leave without pay, or are foreign workers, their performance evaluation scores will be determined by their supervisor and considered final

Retention Bonus

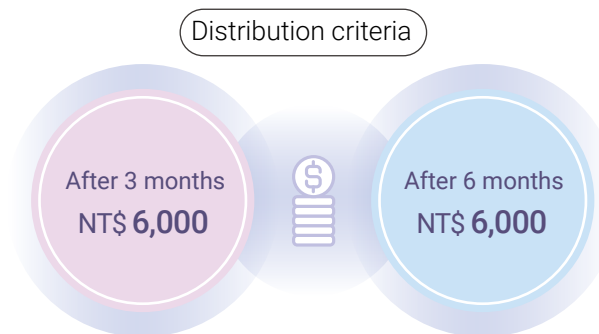
To stabilize on-site production workforce, Hon Chuan has established a retention bonus program.

The bonus is granted to official frontline production line operators, with a maximum amount of NT\$10,000 in accordance with company regulations.



Introduction Bonus

To meet the manpower needs during the peak production season, we invite colleagues to refer friends and family who meet the company's criteria to join Hon Chuan. Criteria for referred individuals: Positions include technicians, assistant technicians, quality inspectors, and electrical personnel involved in production line operations.



Note: The referral bonus is paid in two installments. Upon completion of 6 months of service, the referrer can receive a total of NT\$12,000.

Recognition Of Outstanding Employees and Commendation of Senior Staff

The company selects outstanding employees each quarter, awarding medals and bonuses during monthly meetings. Selected employees are invited to join annual overseas trips. Long-serving employees receive recognition with medals and gold rings to honor their contributions.



Outstanding Employee Award



Recognition of Senior Employees

Retirement Benefits

201-3

In accordance with the Labor Standards Act and the Labor Pension Act, Hon Chuan contributes to retirement funds as follows:

Old Scheme

(for employees hired before June 30, 2005)

A monthly contribution of **2%** of salary is allocated to an individual account under the Central Trust of China. The account balance as of December 31, 2024, was NT\$176,158,000.

New Scheme

A monthly contribution of **6%** of salary is made to the employee's personal pension account. Employees may voluntarily contribute an additional **0-6%**

Overview Of Welfare Measures

Hon Chuan provides a wide range of amenities to enhance quality of life: An employee cafeteria offering three meals a day, including religious-friendly options (e.g., Halal and vegetarian), dormitories with air conditioning and a lifestyle center equipped with a gym, table tennis area, yoga room, and karaoke, On-site vehicle and scooter parking, as well as a coffee lounge with books.



Overview Of Welfare Measures

401-2

(Currency : NTD)

Welfare Program	Description	Subsidy Amount (NT)	Beneficiaries (people/cases)
Marriage Subsidy	NT\$2,000–10,000 per person	266,000	36
Birth Allowance	NT\$1,000–6,000 per child	139,000	26
Hospitalization Condolences	NT\$2,000 per person	70,000	35
Funeral Subsidy	NT\$1,000–23,000 per case	526,300	108
Outstanding Employee Overseas Travel	NT\$35,000 per person	1,050,000	30
Emergency Aid Fund by Chairman & CEO	Financial assistance for hardship cases	545,000	7
Birthday Gift	NT\$600 per person	910,200	1,517
Mid-Autumn Festival Bonus	NT\$500–1,000 per person	1,360,500	1,507
Labor Day Bonus	NT\$500–1,200 per person	1,558,300	1,452
Total Welfare Expenditure in 2024		6,425,300	

7.3 Occupational Safety and Health 403-1~403-10

Hon Chuan promote a "safety culture" and implements the threefold safety management approach of "self-care, supervision, and mutual care" to achieve our goal of zero occupational accidents.

1. Occupational Safety and Health System 403-1 403-2

Hon Chuan's Taiwan sites are certified under ISO 45001:2018 and TOSHMS (Taiwan Occupational Safety and Health Management System), ensuring legal compliance, continuous improvement, risk elimination, social responsibility, stakeholder engagement, and a friendly workplace. Occupational safety policies are also provided in Thai, Vietnamese, and Indonesian to ensure understanding across international workers. Although not all in-house factories are certified, safety personnel conduct regular inspections, complete self-check reports, and review chemical management protocols.

Production Site	ISO 45001	TOSHMS	Dedicated Personnel (including first-line manufacturing)
Taichung Plant 1	V	V	5
Taichung Plant 2	V	V	4
Aseptic Beverage Plant 1	V	V	2
Aseptic Beverage Plant 2	V	V	3
Aseptic Beverage Plant 3	V	V	2
Free Trade Zone Plant	-	-	1

Scope of Occupational Safety and Health Certification

	Certification of Scope
Packaging Division	Metal caps, plastic caps, shrink packaging film, printed labels, plastic bottles, and capping machines.
Beverage Division	Production of PET bottled and refrigerated non-alcoholic beverages, including raw material procurement, incoming inspection, preparation, extraction, blending, aseptic/pasteurization processing, filling, and packaging.

Certification Documents



2. Implementation of Risk Control and Improvement Measures 403-2

Hon Chuan conducts regular risk assessments, on-site inspections, and gathers employee feedback to systematically identify workplace hazards. Designated seed personnel are trained to support safety practices. All incidents or operational changes must undergo prior risk evaluation, and the results are submitted to the Occupational Safety Committee for review and decision-making.



Risk Type	Risk Factor	Sub Total	Risk Classification Proportion
Physical	Falls from heights, slips, collisions, falling objects, collapses, being struck, crushed, entangled, punctured, cut, abraded, stepped on, drowning, extreme temperature exposure, electric shock, occupational illnesses, traffic accidents, unsafe walking paths, and unsafe behaviors.	2,590	73%
Chemical	Exposure to harmful substances, fire, explosion, rupture, and chemical spills	573	16%
Ergonomic	Poor posture and other ergonomic risk factors.	159	4%
Other	Environmental incidents, impacts on company management systems, and miscellaneous	125	4%
Psychosocial	Risks affecting mental and physical well-being	92	3%
Grand Total		3,539	100%

Risk Identification Item	Frequency	Identification and Preventive Measures
Routine OSH Management Inspections	Monthly	Conduct regular environmental inspections to ensure safety compliance; review self-inspection forms and implementation status; ensure proper functioning of evacuation routes, emergency lights, and fire equipment.
Hazard Identification	Annually	Organize risk identification training; regularly update and announce identification results.
Work Environment Monitoring	Semi-annually	Conduct environmental monitoring twice a year; plan sampling and announce results regularly to prevent exposure; implement engineering improvements to ensure a safe and comfortable workplace.
Chemical Substance Management	Monthly	Perform regular risk assessments and hazard identification; update chemical inventories and evaluate storage area safety; centralize hazardous materials management; enhance ventilation, fire protection, and fire prevention zoning.
Maternal Health Protection at the Workplace	Annually	Identify workplace hazards for pregnant employees and assess risks; implement graded management and health protection measures.
Ergonomic Hazard Evaluation	Annually	Conduct surveys on musculoskeletal discomfort and provide health consultations with physicians.
Abnormal Work Overload Prevention Assessment	Annually	Distribute overload assessment questionnaires; take appropriate actions based on physician interviews.
Prevention of Unlawful Acts During Duty	Annually	Identify and assess potential hazards; improve workplace layout and task suitability; establish behavioral norms; provide hazard prevention and communication skills training.

Upon completing hazard identification, risks are managed by classification. Preventive measures are adopted based on occupational safety objectives, including elimination, substitution, engineering controls, hazard labeling, administrative controls, and personal protective equipment, aiming to reduce risks to an acceptable level.

Occupational Safety and Health Improvements

In 2024, a total of 20 occupational safety and health management programs and 1 engineering project were implemented, achieving a completion rate of 95% with a total investment of NT\$17.788 million. The improvements focused on identifying environmental and safety hazards and addressing four major categories of risks, formulating annual management plans to reduce safety incidents and recurrence rates.

Item	Content	Expenditure (NT 10,000)	Execution Results
1	Installation of noise isolation zone	7.2	Noise level reduced to 77–80 dB; risk level reduced from 3 to 2
2	Cooling tower replacement project	900	Fall risk above cooling tower reduced from level 4 to 3
3	Procurement of 5 life alert devices	2.4	5 additional life alert devices purchased; risk reduced from 3 to 2
4	Modification of acid/alkali raw solution pipeline system	4.9	Replaced two chemical inlet valves with lever-type ball valves
5	Installation of light curtain detection on molding machine	2.3	Installed 1 light curtain system for automatic foreign object detection and shutdown
6	Added silicone duct to screening machine bars	1.8	Silicone ducts installed on 6 screening machines; ambient noise reduced by 5 dB
7	Improvement of trench covers under TR racks	1.1	Prevented forklift from falling into trench; risk reduced from level 4 to 3
8	Addition of 3 work platforms and ladders	53.1	Installed 3 sets of platforms and ladders; fall risk reduced from level 4 to 3
9	New safety railing at salt mixing area	2	Railings installed at salt solution mixing area; risk reduced to level 3
10	Arc flash protection for high-voltage transformer	800	Arc protection device minimizes electrical hazards and losses
11	Others (9 items total)	4	Optimized layout and workflow; enhanced safety and efficiency

Internal Audit / Improvement Plan

Hon Chuan has established an internal audit team. The Packaging Division is audited once per year, while the Beverage Division is audited twice per year. Audit results are reviewed in internal audit meetings or the Occupational Safety and Health Committee to ensure continual improvement and compliance with ISO 45001 standards.

Plant	Audits conducted	Non-compliance findings	Completed corrective actions	Completion rate
Taichung Plant	414	34	32	94%
Aseptic Plant 1	224	5	5	100%
Aseptic Plant 2	284	3	3	100%
Aseptic Plant 3	366	9	9	100%



3. Promotion of Occupational Safety and Health Committee 403-4

An Occupational Safety and Health Committee has been established, comprising 64 members, including safety personnel, department heads, medical staff, and 32 labor representatives (accounting for 50%). The committee convenes quarterly to plan and supervise safety and health management, with final decisions executed under the direction of top management.

■ **The Occupational Safety and Health Committee reviews the following in accordance with the Occupational Safety and Health Act :**

- Occupational safety and health policies, annual management plans, training, and workplace monitoring plans
- Health management, occupational disease prevention, and health promotion
- Safety improvement proposals, autonomous inspections, and audits (including machinery and raw materials)
- Occupational incident investigation reports and follow-up tracking
- On-site management performance evaluation
- Contractor operation safety management

■ **Chemical Safety Management :** Regular training is provided to enhance employees' awareness of chemical hazards.

■ **Work Environment Monitoring :** Monitoring meetings are held semi-annually to confirm required test items and execute plans accordingly.

■ **Near-Miss Reporting :** Immediate reporting and corrective actions are enforced. The increasing number of reports in recent years reflects enhanced risk awareness and effective management.

Unit: Cases

Plant	2022	2023	2024
Taichung Plant	6	2	2
Aseptic Plant 1	8	8	8
Aseptic Plant 2	12	12	12
Aseptic Plant 3	8	8	8
Free Zone Plant	-	-	-

Near-Miss Incident Improvement Case

Incident Description

The outdoor unit of the air conditioner on the exterior wall of the 1st-floor water treatment office was installed too low, posing a collision risk to meter reading personnel.

Before Improvement



Improvement Measures

The air conditioner unit was repositioned at a higher level to eliminate the risk of staff injury.

After Improvement



4. Implementation of Occupational Safety and Health Education and Training for Workers 403-5 403-7

Management Policy

Hon Chuan has integrated the "Education, Training, and Certification Management System" to oversee safety, health, and environmental-related certifications and training records. Courses are regularly updated to include emerging risks such as extreme weather and chemical hazards, and inspections of high-risk operations are strengthened.

Performance Indicators

100% of new employees completed occupational safety and health training.

100%

703 entries

703 entries of occupational safety and health certifications registered in 2024.

Including :

- 75 new entries
- 150 renewals)
- NT\$659,000 invested in training

9,224 hours of occupational safety and health training conducted in 2024.

9,224 hours

60%

Workplace injury rate decreased by 60% compared to the previous year.

◆ License Statistics and Training Arrangements

Types of Certifications	Total	New Trainees	Retraining
Forklift Operator	404	49	95
Type 1 Pressure Vessel Operator	10	3	0
Fire Prevention Manager	8	2	3
Rooftop Work Supervisor	4	1	2
First Aid Personnel	78	8	8
Organic Solvent Operation Supervisor	29	0	11
Hypoxia Operation Supervisor	17	2	2
Occupational Safety and Health Manager	17	0	11
Special Chemical Operation Supervisor	27	1	3
Class B Boiler Operator	21	1	2
X-Ray Operator	13	0	4
Acetylene Welding Supervisor	4	0	2
Fixed Crane Operator	21	1	5
Security Supervisor	2	0	2
Security Inspector	1	0	0
Small Boiler Operator	2	1	0
Aerial Work Platform Operator	44	6	0
Dust Operation Supervisor	1	0	0
Total	703	75	150

Note: Statistics as of December 31, 2024, for currently employed staff.

◆ Occupational Health and Safety Training and Drills

In 2024, the company conducted a total of 9,224 hours of occupational health and safety training, including general safety education, specific hazard awareness for designated roles, training for hazardous operations and firefighting, toxic chemical disaster response, chemical spill drills, earthquake evacuation drills. These programs enhanced emergency response capabilities and included the distribution of emergency response cards to help employees quickly grasp the proper steps in handling incidents.



Fire Drill



Chemical Spill Drill

Emergency Response Drills and Hazard Prevention Education – 2024 Implementation Results

Drill Type	Frequency	Participants	
		Packaging Division	Beverage Division
Full Staff Evacuation	Twice per year	691	904
Dormitory Evacuation	Twice per year	206	113
In-House Fire Response Teams	Twice per year	716	564
Firefighting & Fire Safety	Quarterly	79	302
Chemical Spill Response	Once per year	20	19
Toxic Substance Spill	Twice per year	-	55
Earthquake Preparedness	Once per year	-	21

Key Takeaways from 2024 Fire Drill Evaluations:

Introduced a Deputy Commander role to assist with headcounts and communication with firefighters regarding fire location and H-CARD information.

First Half of the Year

Second Half of the Year

Enhanced explanations and hands-on practice with firefighting equipment, improving practical effectiveness; Fire safety training satisfaction rate reached 97%

5. Contractor Management 403-7

Hon Chuan holds an annual Contractor Coordination Conference to provide safety briefings and conduct performance evaluations. Top-rated contractors (Grade A and above) are awarded for excellence.; In 2024, the company recorded: 1,304 high-risk operations, 1,613 contractor entries, 116,110 total working hours by contractors. All contractors must sign a Safety Commitment Agreement and pass an approval review; high-risk operations undergo a three-level approval process.

Performance results included: 2,863 safety inspections, 28 warning notices issued, 17 penalty fines issued.

Plant	Safety Inspection Cases	Warning Notices	Penalty Fines
Taichung Plants	2,568	13	4
Aseptic Plants	295	15	13



Commendations to outstanding contractors



Contractor safety agreements and occupational health & safety training sessions

6. Occupational Health and Safety Management System Coverage 403-8



Employees



Individuals employed by the company and receiving wages for their work.



Non-employee workers

Refers to individuals not directly employed by the company but performing labor under the direction or supervision of the workplace management. This includes contractors (e.g., catering service providers, cleaners, security staff) and dispatched workers.

Category / Total Number		Covered by Management System		Covered by Internal/ External Audits	
Employees	Contracted Workers	Employees	Contracted Workers	Employees	Contracted Workers
1,605	168	1,572	168	1,572	168
Coverage percentage		97.94%		97.94%	



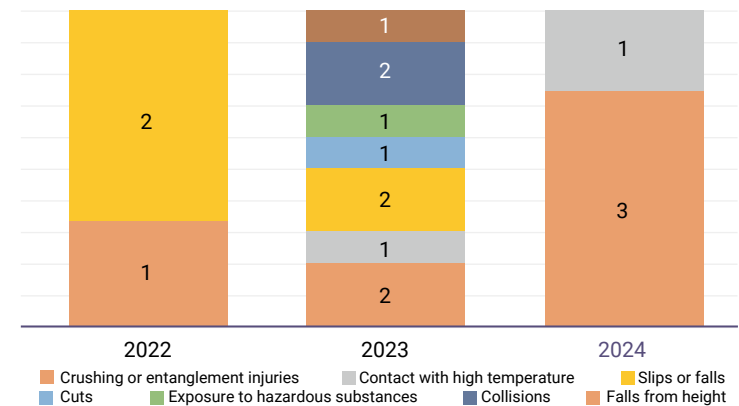
The management system and audit coverage exclude 33 employees stationed outside of Taichung Plant.



7. Occupational Injury Statistics 403-2 403-9 403-10

- **Total cases:** Employees (direct hire): 4 cases, Non-employees: 0 cases
- **Types of injuries:** Caught/crushed injuries: 3 cases, Burn injuries from high temperature: 1 case
- **Root causes:** Failure to follow standard operating procedures (SOP) during maintenance, inadequate safety awareness, lack of effective supervision and enforcement
- **Corrective actions:** Conducted safety education and awareness training, implemented engineering improvements in accident areas, installed warning signs to enhance hazard visibility. Since 2022, monthly digital safety bulletins have issued, special case-based campaigns each June to strengthen safety promotion
- **Incident response procedure:** Immediate reporting, occupational safety unit conducts investigation, hazard identification, and risk assessment, corrective and preventive actions proposed and followed up

2022 ~ 2024 Occupational Injury Statistics



Incident Investigation / Reporting Process



Occupational Injury Statistics for the Past Three Years (Excluding Traffic Accidents)

Item	2022		2023		2024	
	Workers	Non-workers	Workers	Non-workers	Workers	Non-workers
Occupational injury fatalities (number and rate)	0	0	0	0	0	0
Serious occupational injuries (excluding fatalities)	0	0	0	0	0	0
Disabling Injury Frequency Rate (FR)	2.41	0	2.39	0	1.66	0
Disabling Injury Severity Rate (SR)	24	0	41	0	8	0
Occupational Disease Rate (ODR)	0	0	0	0	0	0
Total hours worked	3,732,958	33,926	4,183,347	54,499	3,613,447	116,110

Note 1: Occupational Injury Fatality Rate = (Number of fatalities × 1,000,000) ÷ Total hours worked

Note 2: Serious Injury Rate (excluding fatalities) = (Number of serious injuries × 1,000,000) ÷ Total hours worked.

Note 3: Disabling Injury Frequency Rate (FR) = (Number of disabling injuries ÷ Total hours worked) × 1,000,000.

Note 4: Disabling Injury Severity Rate (SR) = (Number of lost days due to disabling injuries ÷ Total hours worked) × 1,000,000.

Note 5: Occupational Disease Rate (ODR) = (Number of occupational disease cases × 1,000,000) ÷ Total hours worked.

Note 6: 2022–2024: No occupational injury records for non-employed workers (e.g., contractors).

8. Emergency Response Measures and Fire Safety Management

To enhance emergency responsiveness, Hon Chuan has established an emergency response team for each plant site with clearly defined roles for fire and chemical hazard command and handling. The following measures have been implemented: Fire Safety Infrastructure: All plants are equipped with fire alarms, dry chemical extinguishers, fire hydrants, and evacuation signage. Regular inspections and maintenance are conducted to ensure functionality, and suspended fire extinguishers have been installed above the forklift charging zones to prevent and control fire incidents effectively. In 2024, NT\$2.968 million was invested in fire safety improvements.

Chemical Hazard Emergency Response

The facilities are equipped with Diophantine (a chemical splash neutralizer) and emergency first-aid kits to allow prompt response in the event of chemical burns, effectively reducing the severity of injuries and mitigating operational risks.



Suspended fire extinguishers have been installed above the forklift charging zones

9. Health Promotion and Management 403-3 403-6

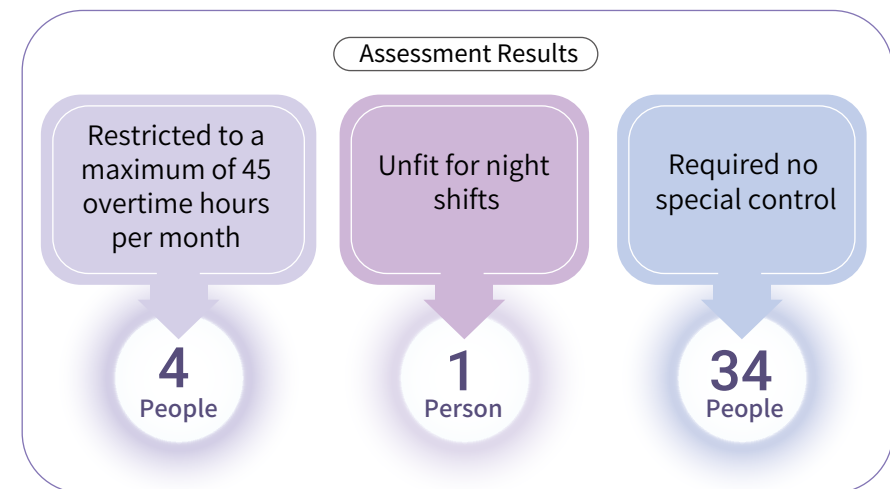
Promote the Four Plans of the Occupational Safety and Health Administration 403-3

◆ Workplace Violence Hazard Prevention Plan

Aims to foster a friendly workplace free from violence and discrimination by implementing preventive, corrective, and disciplinary measures. In 2024, no complaints were reported.

◆ Management of Hazards from Abnormal Workload

In accordance with the Regulations for Managing Hazards from Abnormal Workloads, regular health risk assessments are conducted, with follow-up medical consultations and individual case tracking. In 2024, adjustments were made based on assessment results to reduce overwork risks



◆ Management of Maternity Health Protection

To ensure the physical and mental health and work safety of female colleagues during pregnancy, postpartum, and breastfeeding, the "Management Measures for Maternity Health Protection" have been specially formulated.

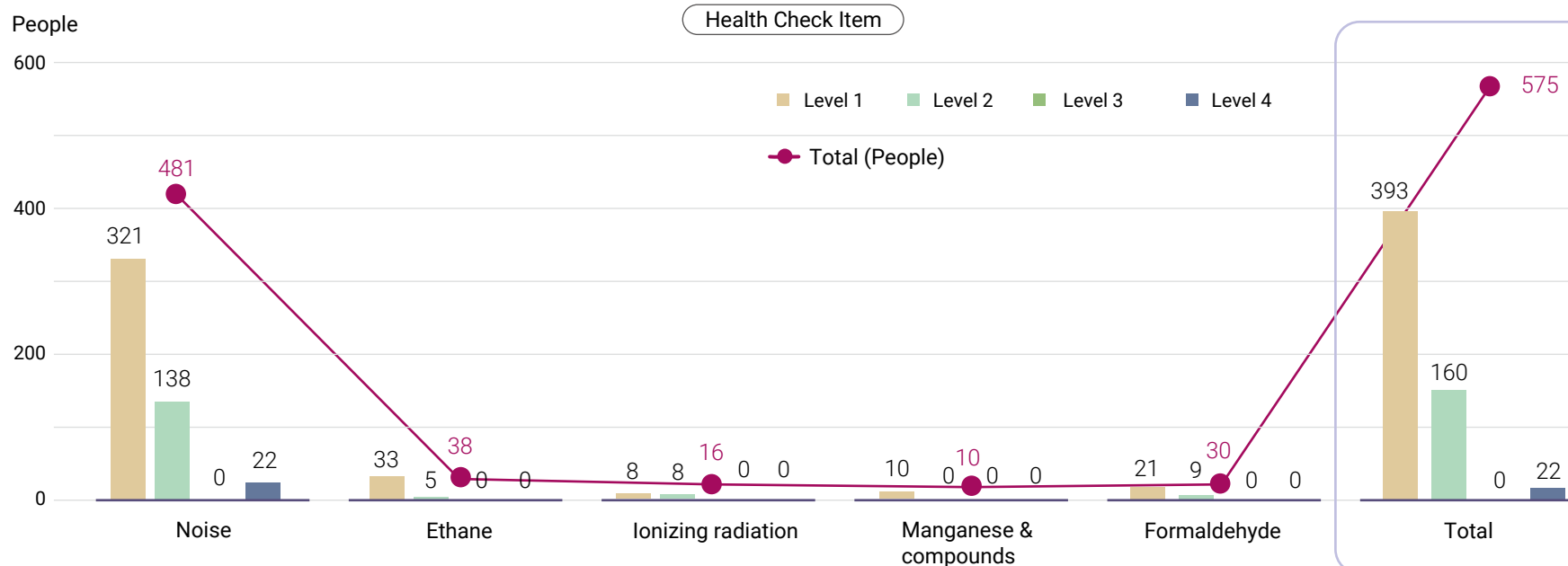
In 2024, 12 evaluations were completed, 10 employees retained their original positions, 1 employee had a job reassignment, 1 employee had adjusted working hours

◆ Ergonomic Hazard Prevention Plan

To prevent repetitive musculoskeletal disorders (MSDs), the company implemented a program involving questionnaires, on-site observations, and physician consultations. In 2024: 549 employees completed the questionnaire, 31 underwent secondary evaluation, only 1 scored above level 3, and the physician confirmed no health hazard

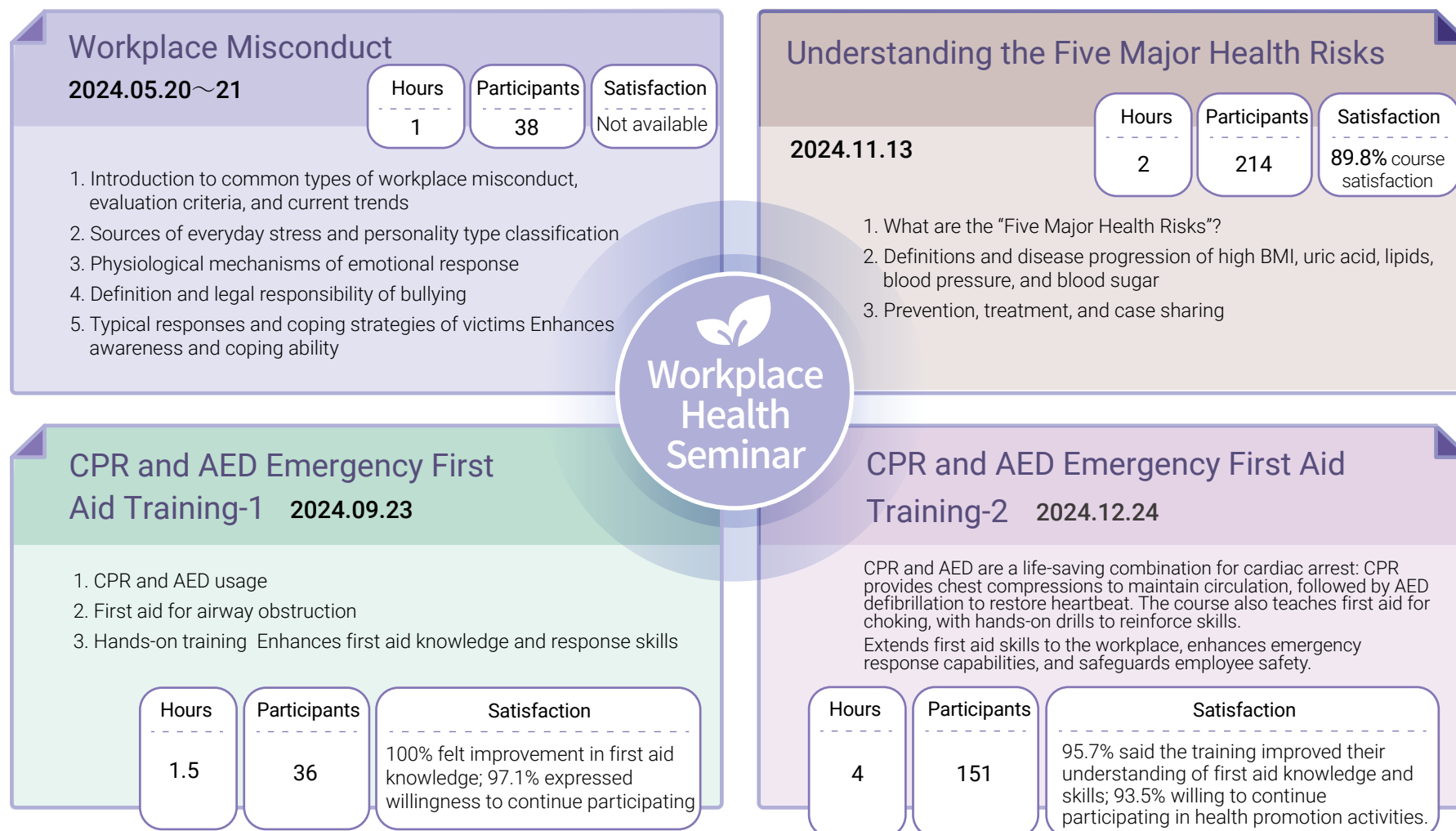
◆ Health Risk Tiered Management

In 2024, a total of 575 employees underwent special health examinations for designated operations. Based on the results, they were categorized into health risk levels, and individualized guidance was provided. This dual approach combined engineering improvements and healthcare interventions to reduce the risk of occupational diseases.



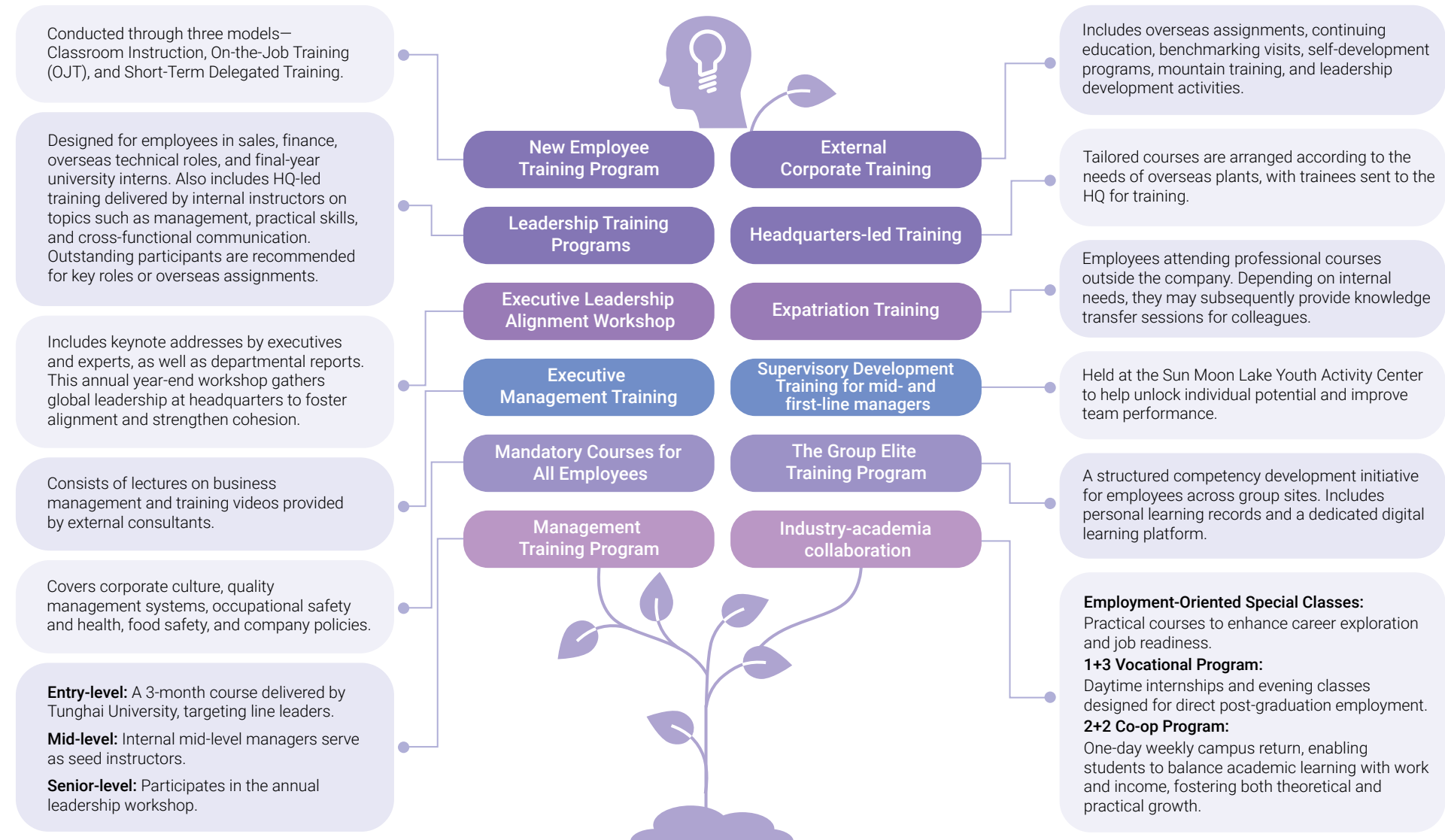
◆ Promoting Employee Health / Healthy Workplace

Hon Chuan regularly sends all-staff emails with health care, workplace nutrition, and exercise guidelines to enhance employees' health awareness.



7.4 Talent Cultivation 404-1 404-2

In line with the Hon Chuan's vision and mission, the "Hon Chuan Academy" was established to systematically plan talent development. In 2022, an E-Learning platform was introduced, offering courses in management, general knowledge, professional skills, and languages—nurturing internationally competitive talents aligned with global expansion needs.

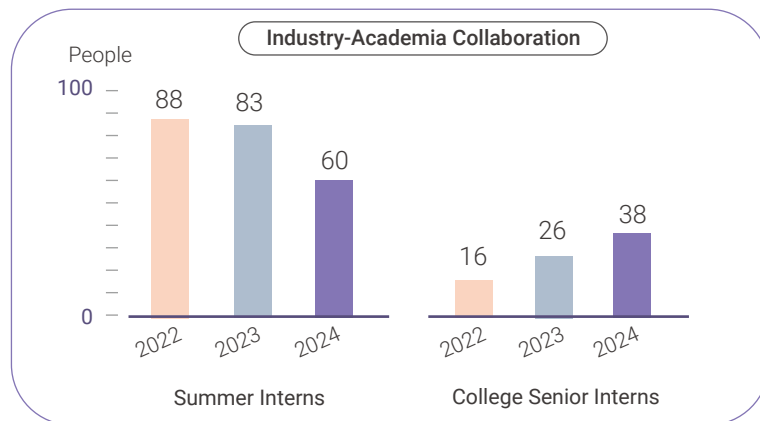


Summer Internship Program:

Partner schools include Chung Shan Medical University, National Pingtung University of Science and Technology, National Penghu University of Science and Technology, Central Taiwan University of Science and Technology, Chaoyang University of Technology, National Taichung University of Education, and National Chiayi University.

Year-round Internship Program:

In collaboration with National Chin-Yi University of Technology, National Pingtung University of Science and Technology, Chaoyang University of Technology, National Formosa University, National Taichung University of Science and Technology, and Providence University, these internships allow students to experience the workplace early and serve as a pipeline for future talent.



Rehiring after retirement

Hon Chuan has implemented a post-retirement reemployment mechanism. Eligible employees (meeting one of the following criteria) may apply with supervisor approval: At least 25 years of service, or At least 15 years of service and aged 55 or above, or At least 10 years of service and aged 60 or above. Rehired employees may continue in their original departments, while management-level retirees may return as consultants. From 2021 to 2023, a total of eight retirees were reemployed under this program, supporting knowledge transfer and experience sharing.

Hon Chuan Academy Scholarship

The "Hon Chuan Industry Academy Scholarship" provides financial support for students who pass the evaluation process, encouraging them to integrate into the workforce ahead of graduation.

Feng Chia University- Graduate Program for Intelligent Manufacturing and Engineering Management

Jointly launched with Feng Chia University, the "Creative Intelligent Manufacturing and Management Master's Program" aims to strengthen the cultivation of talent in smart manufacturing and operational strategy.



Management Seminars



Orientation Training for Newly Hired Foreign Migrant Workers



Executive Leadership Consensus Camp



Basic-Level Supervisor Leadership Training Program



Graduation Ceremony for Final-Year Interns



2nd Elite Training Program

		2022	2023	2024
Average Annual Training Hours	Male Employees	18.33	24.09	26.40
	Female Employees	17.78	25.78	21.11
	All Employees	18.20	24.48	25.19

Note: 1. "All Employees" refers to those still employed as of December 31 of the year.

2. Direct personnel include frontline workers on production lines, while indirect personnel include staff in management, administration, and sales functions.

Compared to 2023, the average training hours per employee increased in 2024. The notable decrease in training hours for female employees was primarily due to a data entry error in 2023.

7.5 Participation in Public Welfare Activities 404-1 404-2

Hon Chuan actively participates in social welfare initiatives, extending care and kindness through diverse actions focused on social care, environmental conservation, neighborhood support, and educational assistance, spreading warmth throughout the community.

Social Care Initiatives

- Partnered with the Ganlin Foundation to provide hot Lunar New Year meals to elderly individuals living alone and people with disabilities.
- Participated in the Huashan Foundation's Lunar New Year meal donation campaign.
- Collaborated with the Taiwan Alzheimer Disease Association to raise awareness and promote accurate understanding of dementia.
- Sponsored the Down Syndrome Foundation to support early childhood intervention and basic skill development.
- Chairman Cheng led Hon Chuan volunteers in the "Taichung Corporate Volunteer Day," joining 15 students with disabilities from Smile Angel Center for joyful DIY cookie and clay-making activities.
- General Manager Tsao led volunteers to the Andrew Charity Association for a day of volunteering, helping to pack and distribute care packages and deliver hope to underprivileged families.
- Hon Chuan volunteers delivered heartwarming Christmas surprises to the Smile Angels.
- Supported a donation program to provide safety care resources for Smile Angels, ensuring their growth in a nurturing environment.
- Mobilized employees to donate shoes for the "Shoes for Life" campaign, collecting 19 boxes to help African children avoid jigger infestations and safely walk to school.

Environmental Conservation

Activity Highlights



Achievements

Hon Chuan has adopted four parks—Huilai Park, Dali Park No. 7, Zhongxing No. 2 Park, and Green Space 1-3. Among them, Dali Park No. 7 and Green Space 1-3 received the "Outstanding" and "Excellence" Awards respectively from the Taichung City Government for Air Quality Purification Zone Adoption.



With guidance from professors and teaching assistants from Tunghai University's Ecological Center, employees and their children explored Dong Da Stream. Through on-site observation and interactive activities, participants deepened their understanding and care for local ecosystems and biodiversity.



Employees and their families participated in a clean-up hike on the Ruijing Trail in Dadu, picking up litter along the way while enjoying the outdoors and contributing to forest conservation.



Hon Chuan was honored with the 2nd 1.5°C Label by CommonWealth Magazine in recognition of its environmental efforts.

Caring for the Community

Empowering local children to grow with confidence!

Hon Chuan continues to sponsor scholarships for Xiehe Elementary School, Anhe Junior High School, and the School for the Hearing Impaired, supporting local youth in pursuing their dreams. Through concrete actions to care for underprivileged students, Hon Chuan fulfills its corporate social responsibility and gives back to the community.



Industry-Academia-Government Visits and Engagement

In 2024, Hon Chuan further promoted stakeholder engagement, hosting 64 industry-government-academia visit sessions with a total of 2,535 participants. Invited groups included:

- Government agencies: Overseas Community Affairs Council ESG Sustainability Training Program, Taichung City Young Entrepreneurs Exchange
- Academic institutions: Chaoyang University of Technology Executive MBA program
- Industry organizations: Global Chinese Development Association, Industrial Construction Research Association, Taiwan Lock & Hardware Development Association

Through diverse visits and cross-sector exchanges, Hon Chuan enhanced business transparency, sparked sustainable innovation, and strengthened collaborative partnerships across sectors.

Educational Support



【Hon Chuan × Xiehe Elementary School】
Upcycling beverage packaging into installation art courses



【Hon Chuan × Anhe Junior High School】
Upcycling beverage packaging into installation art courses



【Hon Chuan × School for the Hearing Impaired】
Upcycling beverage packaging into installation art courses



【Hon Chuan × Tainan University of Technology】
"Sustainable Fashion Trend" exhibition featuring garments made from recycled materials

Blood Donation



Hon Chuan employees actively participated in blood donation events.
Collectively gathered 90 units of lifesaving blood.

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Appendix

8.1 GRI Index

8.2 United Nations Global Compact (UNGC)

8.3 Task Force on Climate-related Financial Disclosures (TCFD)

8.4 TWSE Disclosure Guidelines Index Table

8.5 Sustainability Accounting Standards Board (SASB) Index

8.6 Human Rights Due Diligence Management Table

8.7 Independent Verification Statement and Assurance Report

8.8 Greenhouse Gas Emissions Verification Statement



8.1 GRI Index

Statement of Use: Hon Chuan International has prepared the 2024 Sustainability Report in accordance with the GRI Standards. The reporting period covers January 1 to December 31, 2024.

GRI 1 Used: GRI 1: Foundation 2021

Applicable GRI Sector Standard(s): Not applicable

★ Indicates material topics identified for this reporting year.

GRI 2: General Disclosures 2021					
Topic	Disclosure Item	Description	Chapter	Page	Remarks
Organization and Reporting Practices	2-1	Organizational details	3. About THC 3.3 Strategy and Deployment 3.6 Financial Performance	26-31	
	2-2	Entities included in the organization's sustainability reporting	1.4 Editorial Policy 3. About THC 3.6 Financial Performance	12-13 26-31	
	2-3	Reporting period, frequency and contact point	1.4 Editorial Policy	12-13	
	2-4	Restatements of information	See Remarks		Any restatements will be noted in relevant disclosures
	2-5	External assurance	1.4 Editorial Policy	12-13	
Activities and Workers	2-6	Activities, value chain, and business relationships	3.4 Products and Services 3.5 Industry Supply Chain	29-30	
	2-7	Employees	7.1 Employee Composition	81-83	
	2-8	Workers who are not employees	7.1 Employee Composition	81	

GRI 2: General Disclosures 2021					
Topic	Disclosure Item	Description	Chapter	Page	Remarks
Governance	2-9	Governance structure and composition	5. Integrity Governance	50-51	
	2-10	Nomination and selection of the highest governance body	5.1.1 Board Operations 5.1.2 Functional Committee Operations	51-53	
	2-11	Chair of the highest governance body	5. Integrity Governance	50	
	2-12	Role of the highest governance body in overseeing the management of impacts	5.1.1 Board Operations	51	
	2-13	Delegation of responsibility for managing impacts	5.1.1 Board Operations	51	
	2-14	Role of the highest governance body in sustainability reporting	1.2 Sustainable Development Strategy Blueprint 5.1 Governance Practices	04 51	
	2-15	Conflicts of interest	3.6 Financial Performance 5.1.1 Board Operations	31 51-52	
	2-16	Communication of critical concerns	5.1.1 Board Operations	51	
	2-17	Collective knowledge of the highest governance body	5.1.1 Board Operations	51-52	
	2-18	Evaluation of the performance of the highest governance body	5.1.1 Board Operations	51-52	ESG-related management performance not yet included in the board's performance evaluation.
	2-19	Remuneration policies	5.1.2 The operation of functional committees	53	
	2-20	Process to determine remuneration	5.1.2 The operation of functional committees	53	

GRI 2: General Disclosures 2021					
Topic	Disclosure Item	Description	Chapter	Page	Remarks
Strategy, policies and practices	2-22	Statement on sustainable development strategy	1.1 Words from Management 1.2 Sustainability Strategy Roadmap	03-04	
	2-23	Policy commitments	1.2 Sustainability Strategy Roadmap 5.1.3 Ethical Integrity	04 54-55	
	2-24	Embedding policy commitments	1.2 Sustainability Strategy Roadmap 5.1.3 Ethical Integrity 5.2 Risk Management	04 54-57	
	2-27	Compliance with laws and regulations	5.3 Legal Compliance	58	
	2-28	Membership in associations	3.7 Participation in External Organizations	32	
Stakeholder engagement	2-29	Approach to stakeholder engagement	2.1 Stakeholder Identification	15	
	2-30	Collective bargaining agreements	Omitted	-	Regular labor-management meetings are held; no labor union or collective agreement established
GRI 3: Material Topics 2021					
Material Topics 2021	3-1	Process for determining material topics	2.3 Materiality Identification	18	
	3-2	List of material topics	2.3 Materiality Identification	18-19	

GRI 3: Material Topics 2021					
Topic	Disclosure Item	Description	Chapter	Page	Remarks
Material Topics 2021	3-3	Management of material topics	2.2 Stakeholders Engagement and Materiality Issues 2.3 Materiality Identification	15-23	
★ Economic Performance					
GRI 201 : Economic Performance 2016	201-1	Direct economic value generated and distributed	3.6 Financial Performance	31	
	201-3	Defined benefit plan obligations and other retirement plans	7.2 Compensation and Benefits	84-86	
	201-4	Financial assistance received from government	3.6 Financial Performance	31	
★ Innovation and R&D					
Custom Topic			4.4 Innovation Research and Development	46-48	
★ Supply Chain Management					
GRI 308 : Supplier Environmental Assessment 2016	308-1	New suppliers that were screened by using environmental criteria	4.2.1 Supplier Verification and Selection	41-42	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	4.2.1 Supplier Verification and Selection	43-44	

Topic	Disclosure Item	Description	Chapter	Page	Remarks
★ Climate change and energy management					
GRI 302 : Energy 2016	302-1	Energy consumption within the organization	6.1.2 Energy Management	71	
	302-2	Energy consumption outside of the organization	Omitted		302-2 Information unavailable/Incomplete The energy consumption outside the organization should include upstream and downstream in the value chain. The relevant calculation boundaries and methods are currently being consolidated, so the data on external energy consumption is still unavailable.
	302-3	Energy intensity	6.1.2 Energy Management	71	
	302-4	Reduction of energy consumption	6.1.2 Energy Management	71	
GRI 305 : Emissions 2016	305-1	Direct (Scope 1) GHG emissions	6.1.3 Greenhouse Gas Inventory	72	
	305-2	Energy indirect (Scope 2) GHG emissions	6.1.3 Greenhouse Gas Inventory	72	
	305-3	Other indirect (Scope 3) GHG emissions	6.1.3 Greenhouse Gas Inventory	72	
	305-4	GHG emissions intensity	6.1.3 Greenhouse Gas Inventory	72	
	305-5	Reduction of GHG emissions	6.1.3 Greenhouse Gas Inventory	72	
★ Air Pollution Control					
GRI 305 : Emissions 2016	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	6.2 Air Pollution Control	72	

Topic	Disclosure Item	Description	Chapter	Page	Remarks
★ Water Resources and Wastewater Treatment					
GRI 303 : Water and Effluents 2018	303-1	Interactions with water as a shared resource	6.3 Water Resources and Wastewater Management	73-75	
	303-2	Management of water discharge-related impacts	6.3 Water Resources and Wastewater Management	73-75	
	303-3	Water withdrawal	6.3 Water Resources and Wastewater Management	73-75	
	303-4	Water discharge	6.3 Water Resources and Wastewater Management	73-75	
	303-5	Water consumption	6.3 Water Resources and Wastewater Management	73-75	
★ Food Safety					
GRI 416 : Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	4.1.1 Food Quality/Safety Verification	35	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.1.2 Food Safety Laboratory 4.1.3 Food Safety and Hygiene Management	27-41	
★ Customer Service					
GRI 418 : Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.3 Customer Service	45-48	

Topic	Disclosure Item	Description	Chapter	Page	Remarks
★ General Disclosures					
GRI 306 : Waste 2020	306-1	Waste generation and significant waste-related impacts	6.4 Waste Management	76-77	
	306-2	Management of significant waste-related impacts	6.4 Waste Management	76-77	
	306-3	Waste generated	6.4 Waste Management	76-77	
	306-4	Waste diverted from disposal	6.4 Waste Management	76-77	
	306-5	Waste directed to disposal	6.4 Waste Management	76-77	
GRI 401 : Employment 2016	401-1	New employee hires and employee turnover	7.1 Employee Composition	84-87	
	401-2	Benefits provided to full-time employees not provided to temporary or part-time employees	7.2 Compensation and Benefits	84-87	
	401-3	Parental leave	7.2 Compensation and Benefits	84-87	
	Salary	Number of full-time non-managerial employees, average and median salary of such employees, and differences from the previous year	7.2 Compensation and Benefits	84-87	
GRI 403 : Occupational Health and Safety 2018	403-1	Occupational health and safety management system	7.3 Occupational Safety and Health	87-97	
	403-2	Hazard identification, risk assessment, and incident investigation	7.3 Occupational Safety and Health	87-97	

Topic	Disclosure Item	Description	Chapter	Page	Remarks
GRI 403 : Occupational Health and Safety 2018	403-3	Occupational health services	7.3 Occupational Safety and Health	87-97	
	403-4	Worker participation, consultation, and communication on occupational health and safety	7.3 Occupational Safety and Health	87-97	
	403-5	Worker training on occupational health and safety	7.3 Occupational Safety and Health	87-97	
	403-6	Promotion of worker health	7.3 Occupational Safety and Health	87-97	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	7.3 Occupational Safety and Health	87-97	
	403-8	Workers covered by an occupational health and safety management system	7.3 Occupational Safety and Health	87-97	
	403-9	Work-related injuries	7.3 Occupational Safety and Health	87-97	
	403-10	Work-related ill health	7.3 Occupational Safety and Health	87-97	
GRI 404 : Training and Education 2016	404-1	Average hours of training per year per employee	7.4 Talent Development	98-99	
	404-2	Programs for upgrading employee skills and transition assistance programs	7.4 Talent Development	98-99	
	404-3	Percentage of employees receiving regular performance and career development reviews	7.2 Compensation and Benefits	84	
GRI 405 : Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	5.1.1 Board Operations 7.1 Employee Composition	51 81-83	

8.2 United Nations Global Compact (UNGC)

Key Principles		Chapter	Page
Human Rights	<ul style="list-style-type: none"> • Support and respect internationally recognized human rights. • Ensure not to associate with or condone those who violate human rights. 	VII. Employee Care	79
Labor Standards	<ul style="list-style-type: none"> • The elimination of all forms of forced and compulsory labor. • The effective abolition of child labor. • The elimination of discrimination in respect of employment and occupation. 	VII. Employee Care	79
Environment	<ul style="list-style-type: none"> • Adopt preventive approaches to address environmental challenges. • Take proactive actions to promote more responsible practices in environmental aspects. • Encourage the development and promotion of environmentally friendly technologies. 	VI. Green Sustainability	61
Anti-Corruption	<ul style="list-style-type: none"> • Businesses should work against corruption in all its forms, including extortion and bribery. 	V. Integrity Governance	49

8.3 Task Force on Climate-related Financial Disclosures (TCFD)

Topic	Disclosure Items	Chapter	Topic	Disclosure Items	Chapter
Governance	Board Oversight of Climate-Related Risks and Opportunities	1.2 Sustainability Strategy Roadmap	Risk Management	Process for Identifying and Assessing Organizational Climate Risks	5.2 Risk Management 6.1 Climate Change
		4.4 Innovation Research and Development		Process for Managing Climate-Related Risks in the Organization	4.4 Innovation Research and Development
		5.2 Risk Management			5.2 Risk Management
		6.1 Climate Change			6.1 Climate Change
		6.1.2 Energy Management			6.1.2 Energy Management
	Management's Role in Assessing and Managing Climate-Related Risks and Opportunities	2.3 Materiality Identification	Integrating the Process of Identifying, Assessing, and Managing Climate Risks into Overall Risk Management		5.2 Risk Management
		5.2 Risk Management			6.1 Climate Change
		6.1 Climate Change	Disclosing Greenhouse Gas Emissions and Related Risks		5.2 Risk Management
		6.1.2 Energy Management			6.1 Climate Change
		4.4 Innovation Research and Development			
Strategy	Identifying Climate Change Risks and Opportunities	1.2 Sustainability Strategy Roadmap	Goals and Metrics	Metrics for Assessing Climate-Related Risks and Opportunities in the Organization	5.2 Risk Management
		5.2 Risk Management			6.1 Climate Change
		6.1 Climate Change			6.1.2 Energy Management
	Climate Risks and Opportunities with Significant Impact on Organizational Development	5.2 Risk Management			
		6.1 Climate Change			
	Potential Impacts of Different Scenarios on Organizational Business, Strategy, and Financial Planning	5.2 Risk Management			
		6.1 Climate Change			
		6.1.2 Energy Management			
		4.4 Innovation Research and Development			

8.4 TWSE Disclosure Guidelines Index Table

Disclosure Code	Description	Chapter	Page
01	To improve food hygiene, safety, and quality, evaluations and improvements have been conducted on personnel, workplace, facility hygiene management, and quality assurance systems, along with the main affected product categories and percentages.	4.1 Food Quality and Safety	34-41
02	Categories and occurrences of violations of health and safety regulations related to products and services, as well as non-compliance with product and service information and labeling regulations.	4.1 Food Quality and Safety	34-41
03	Proportion of procurement that meets internationally recognized product responsibility standards, categorized by standard.	4.2.1 Supplier Verification and Selection	41-42
04	Proportion of products produced in facilities that comply with internationally recognized third-party verified food safety management systems.	4.1.2 Food Safety Laboratory	36-37
05	Number and proportion of suppliers audited, audit items, and results.	4.2.2 Supplier Audits	43
06	Compliance with regulatory or voluntary product traceability and tracking management, and the proportion of related products.	4.1.3 Food Safety and Hygiene Management	41
07	Compliance with regulatory or voluntary establishment of food safety laboratories, testing items, testing results, and the proportion of related expenses to net operating income.	4.1.2 Food Safety Laboratory	36
N/A	"Average annual salary" of full-time employees not in managerial positions.	7.2 Compensation and Benefits	84
08	Total energy consumption, percentage of purchased electricity, and renewable energy usage rate.	6.1.2 Energy Management	71
09	Total water withdrawal and total water consumption.	6.3 Water Resources and Wastewater Management	73
10	Weight of Products Sold, Number of Production Facilities.		Cap: 4,298 Metric Tons; PET Bottle: 32,158 Metric Tons; Label: 1,420 Metric Tons; Metal Cap: 933 Metric Tons; Beverage Contract Manufacturing: 41,994 Metric Tons; Production Facilities: 10

8.5 Sustainability Accounting Standards Board (SASB) Index

SASB – Containers & Packaging

Topic	Indicator Code	Nature	Disclosure Item	Data	Unit	Page
Greenhouse Gas Emissions	RT-CP-110a.1	Quantitative	(1) Scope 1 greenhouse gas emissions; (2) Proportion of Scope 1 greenhouse gas emissions subject to emission limits	15,880.3859 0	metric tons CO ₂ e, %	72
	RT-CP-110a.2	Discussion & Analysis	Management strategies or plans for Scope 1 greenhouse gas emissions, including emission reduction targets, performance analysis, etc.	Refer to Section 6.1.3 Greenhouse Gas Inventory	N/A	72
Air Quality	RT-CP-120a.1	Quantify	Air pollutant emissions: (1) Nitrogen oxides NO _x (excluding N ₂ O) (2) Sulfur oxides SO _x (3) Volatile organic compounds (VOCs) (4) Harmful air pollutant: Particulate Matter (PM)	(1) 12.89 (2) 1.54 (3) 218.92 (4) 0.41	metric tons (t)	73
Energy Management	RT-CP-130a.1	Quantify	(1) Total energy consumption (2) Grid electricity usage proportion (3) Proportion of renewable energy use (4) Self-generated energy	(1) 843,249 (2) 100 (3) 0 (4) 0	Gigajoules (GJ), Percentage (%)	71
Water Management	RT-CP-140a.1	Quantify	(1) Total water withdrawn (2) Total water consumption, percentage of operations located in areas of high or extremely high water stress.	(1) 1,824,470 (2) 714,650 ; 0	Cubic meters (m ³) Percentage (%)	73 75
	RT-CP-140a.2	Quantify	Water management risks and strategies, and practices to mitigate such risks.	9	Item	74
	RT-CP-140a.3	Quantify	Number of non-compliance incidents related to water quality permits, water-related standards, and regulations	0	Piece	75
Waste Management	RT-CP-150a.1	Quantify	Proportion of hazardous waste generated and recycled during manufacturing processes	(1) 68.67 (2) 98	metric tons (t), Percentage (%)	76
Product Safety	RT-CP-250a.1	Quantitative	Number and volume of product recalls	(1) 0 (2) 0	Number Volume	-
	RT-CP-250a.2	Discussion & Analysis	Describe the procedures for identifying and managing emerging materials and high-concern chemicals	Refer to Section 4.4 Innovation Research and Development	N/A	46-48

Topic	Indicator Code	Nature	Disclosure Item	Data	Unit	Page
Product Life Cycle Management	RT-CP-410a.1	Quantify	Raw materials: (1) Proportion of recycled content (2) Proportion of renewable materials (3) Proportion of recyclable and renewable content	(1) 38 (2) 0 (3) 38	Weight percentage (%)	-
	RT-CP-410a.2	Quantify	Revenue from products whose raw materials are reusable, recyclable, and/or biodegradable	175,086.263	NTD (thousand)	-
	RT-CP-410a.3	Discussion & Analysis	Describe the strategies to reduce the carbon footprint of packaging throughout its life cycle	Refer to Section 4.4 Innovation Research and Development	N/A	46-48
Supply Chain Management	RT-CP-430a.1	Quantify	Total procurement volume of wood fiber and its proportion of certification	(1) 2,533.64 (2) 92.95	Metric tons (t), Percentage (%)	-
	RT-CP-430a.2	Discussion & Analysis	Total volume of aluminum purchased, percentage from certified sources	(1) 1,015.92 (2) 100	Metric tons (t), Percentage (%)	-
Operational Indicators	RT-CP-410a.5	Quantify	Annual production volume by product	Cap:4,298 PET bottle: 32,158 Label: 1,420 Metal cap: 933 Beverage contract manufacturing: 41,994 (Actual sales volume * Standard product weight)	Metric tons (t)	-
	RT-CP-410a.6	Quantify	(1) Paper/Wood, (2) Glass, (3) Metal, (4) Annual production proportion of plastic	(1) 0 (2) 0 (3) 1.2 (4) 46.9	%	-
	RT-CP-410a.7	Quantify	Number of active employees	1,605	persons	81

SASB – Non-Alcoholic Beverages

Topic	Indicator Code	Nature	Disclosure Item	Data	Unit	Page
Fuel Management	FB-NB-110a.1	Quantify	(1) Fuel consumption (2) Percentage of renewable sources	(1) 3,594.7833 (2) 0	Gigajoules (GJ), Percentage (%)	71
Energy Management	FB-NB-130a.1	Quantify	(1) Total energy consumption (2) Percentage of electricity consumption from the grid (3) Percentage of renewable energy used	(1) 843,249 (2) 100 (3) 0	Gigajoules (GJ), Percentage (%)	71
Water Management	FB-NB-140a.1	Quantify	(1) Total water withdrawal (2) Total water consumption (3) Percentage of water withdrawal and consumption from areas with high or extremely high water stress	(1) 1,824,470 (2) 714,650 (3) 0	Cubic meters (m ³) Percentage (%)	73 75
	FB-NB-140a.2	Discussion & Analysis	(1) Assessment of risks associated with water resource management processes (including withdrawal, consumption, and discharge) (2) Explanation of strategies and practices to mitigate risks	Water-saving initiatives	N/A	74
Health & Nutrition	FB-NB-260a.1	Quantify	(1) Revenue from zero- and low-calorie beverages (2) Revenue from beverages with no added sugar (3) Revenue from beverages with artificial sweeteners	(1) 0 (2) 1,486,930 (3) 0	NTD (thousand)	-
	FB-NB-260a.2	Discussion & Analysis	Disclosure Items: Identification and management of risks related to product ingredients and nutrition	Not applicable	N/A	-
Product Labeling & Marketing	FB-NB-270a.1	Quantify	(1) Percentage of advertising impressions made on children (2) Percentage of advertising impressions promoting products meeting dietary guidelines	Not applicable	Percentage (%)	-
	B-NB-270a.2	Quantify	(1) Revenue from GMO products (2) Revenue from non-GMO products	Not applicable	NTD (thousand)	-
	B-NB-270a.3	Quantify	Number of incidents of non-compliance with industry or regulatory labeling and marketing codes	0	number	-
	B-NB-270a.4	Quantitative	Monetary losses as a result of legal proceedings associated with marketing and/or labeling	Not applicable	NTD (thousand)	-

Topic	Indicator Code	Nature	Disclosure Item	Data	Unit	Page
Packaging Lifecycle Management	FB-NB-410a.1	Quantify	(1) Total weight of packaging purchased (2) Percentage made from recycled and/or renewable materials (3) Percentage recyclable, reusable, or compostable	Not applicable	Metric tons (t), Percentage (%)	-
Energy Management	FB-NB-410a.2	Discussion & Analysis	How to reduce the environmental impact of packaging lifecycle	Refer to 4.4 New Product Development	N/A	46-48
Environmental & Social Impacts of Raw Material Supply Chain	FB-NB-430a.1	Quantify	(1) Percentage of suppliers audited for social and environmental practices (2) Percentage of corrective actions taken for major non-conformance (3) Percentage of corrective actions taken for minor non-conformance	(1) 0 (2) No non compliant suppliers (3) No non-compliant suppliers	Percentage (%)	41-44
Ingredient Sourcing	FB-NB-440a.1	Quantify	Percentage of raw materials sourced from areas with high water stress	Confirmed as 0%	Percentage (%)	41-42
	FB-NB-440a.2	Discussion & Analysis	(1) List of key beverage ingredients (2) Discussion of environmental/social risks in sourcing	(1) Product traceability (2) Supplier audits	N/A	41 43
Activity Metrics	FB-NB-000.A	Quantify	Volume of products sold	Cap:4,298 PET bottle: 32,158 Label: 1,420 Metal cap: 933 Beverage contract manufacturing: 41,994 (Actual sales volume * Standard product weight)	Metric ton (t)	-
	FB-NB-000.B	Quantify	Number of manufacturing facilities	10	Unit	28
	FB-NB-000.C	Quantify	Total fleet mileage	666,281.6	Kilometer	-

8.6 Human Rights Due Diligence Management Table

Target Group	Issue of Concern	Identified Risk Source	Monitoring and Management Measures	Audit Frequency	Responsible Unit	Findings
Employees	Friendly and Safe Working Environment	Workplace Injuries Occupational Health and Safety	(1) Regular self-inspections to maintain environmental health and safety (2) Random inspections of various workplaces (3) Publish monthly EHS e-newsletter to promote occupational safety information	(1) Once per month (2) Irregular inspections	Occupational Safety and Health Center	1. Implementation of 6S competition activities 2. Holiday safety inspections
	Prohibition of Forced Labor	Excessive Overtime	(1) No cases of forced overtime (2) Overtime arranged with employee consent and in accordance with regulations, with proper overtime compensation	Ongoing	Human Resources Department	No instances of forced overtime
	Prohibition of Child Labor	Illegal Employment	Only applicants aged 18 and above are considered for employment; employment of child labor is strictly prohibited	Ongoing	Human Resources Department	No employment of child labor
	Prevention of Unlawful Discrimination and Ensuring Equal Employment Opportunities	Recruitment and Promotion	(1) Public announcement of job openings; no discrimination in pay, benefits, promotion, or salary adjustments (2) Compliance with legal requirements and internal policy development	Ongoing	Human Resources Department	216 new employees completed "Prevention of Workplace Violence and Sexual Harassment" training
	Elimination of Workplace Violence, Harassment, and Intimidation	Workplace Violence / Sexual Harassment	(1) Organize training courses on "Prevention of Workplace Violence and Sexual Harassment" (2) Implement "Workplace Violence Hazard Prevention Program"	Once per year	Human Resources Department	No cases of workplace violence or sexual harassment
	Promoting Physical and Mental Health and Work-Life Balance	Employee Health Conditions	(1) On-site nurses and physicians provide health consultations (2) Promote self-health management and education (3) Implement workload prevention programs (4) Conduct maternity health protection programs and provide prenatal consultations	Once per quarter	Occupational Safety and Health Center	(1) Health management program implemented (2) Maternity health protection program implemented
	Diverse Communication Channels	Grievance Mechanisms	(1) Regular labor-management meetings to optimize policies and work environment (2) Communication information published via work rules, company website, and bulletin boards (3) Stakeholder communication section established on company website	(1) Labor-management meetings held annually (2) Ongoing communication	General Management Department	(1) 8 labor-management meetings (2) 3 monthly meeting

8.7 Independent Verification Statement and Assurance Report



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE TAIWAN HON CHUAN ENTERPRISE CO., LTD.'S SUSTAINABILITY REPORT FOR 2024

NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by TAIWAN HON CHUAN ENTERPRISE CO., LTD. (hereinafter referred to as THC) to conduct an independent assurance of the Sustainability Report for 2024. The assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 1 Moderate level during 2025/03/28 to 2025/05/02. The boundary of this report includes THC Taiwan operational and production or service sites as disclosed in THC's Sustainability Report of 2024. The boundary is not the same as THC's consolidated financial statements.

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all THC's Stakeholders.

RESPONSIBILITIES

The sustainability information in the THC's Sustainability Report of 2024 and its presentation are the responsibility of the directors or governing body (as applicable) and management of THC. SGS has not been involved in the preparation of any of the material included in the Sustainability Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the AccountAbility Principles (AA1000AP.2018).

Assurance has been conducted at a type 1 moderate level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options

1	AA1000 Accountability Principles (2018)
2	GRI (With Reference to)

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) is conducted at a moderate level of scrutiny, and therefore the reliability and quality of specified sustainability performance information is excluded.
- The evaluation of the report against the requirements of GRI Standards is listed in the GRI content index as material in the report and is conducted with reference to the Standard.

ASSURANCE METHODOLOGY

The assurance comprised a combination of desktop research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS

Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD) and SASB have not been checked back to source as part of this assurance process.

INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from THC, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with professional qualifications such as ISO 28000, ISO 20121, ISO 50001, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

FINDINGS AND CONCLUSIONS

ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the AA1000 Accountability Principles (2018).

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY

THC has demonstrated a commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, THC may proactively consider having more direct and real-time two-ways involvement of stakeholders during future engagement.

MATERIALITY

THC has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders. It is recommended to consider incorporating financial materiality into the identification process in the future, in order to enhance the comprehensiveness of the impact analysis.

RESPONSIVENESS

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback. It could consider retaining and appropriately disclosing critical concerns to governance body to reflect the responsiveness strategy and prioritization.

IMPACT

THC has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services. It is advisable to assess the effectiveness of management processes for some material topic, and to maintain relevant records to facilitate both internal and external communication and verification.

ADHERENCE TO GRI

The report, THC's Sustainability Report of 2024, is reporting with reference to the GRI Universal Standards 2021. The significant impacts were assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021 and the relevant 200/300/400 series Topic Standard related to the material topics claimed in the GRI content index. The report has properly disclosed information related to THC's contributions to sustainability development.

For future reporting, THC is encouraged to prepare for the transition to reporting in accordance with the GRI Standards and validate the management performance of material topics, with more comprehensive details of its management processes on the identified impacts on the economy, environment, and people, including impacts on their human rights

Signed:
For and on behalf of SGS Taiwan Ltd.

Stephen Pao
Business Assurance Director
Taipei, Taiwan
02 June, 2025
www.sgs.com





ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE TAIWAN HON CHUAN ENTERPRISE CO., LTD.'S SUSTAINABILITY REPORT FOR 2024

NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by TAIWAN HON CHUAN ENTERPRISE CO., LTD. (hereinafter referred to as THC) to conduct an independent assurance of the Sustainability Report for 2024. We performed a limited assurance engagement in accordance with ISAE 3000 (International Standard on Assurance Engagements 3000) based on the SGS Sustainability Report Assurance methodology during 2025/03/28 to 2025/05/02. The boundary of this report includes THC Taiwan operational and production or service sites as disclosed in THC's Sustainability Report of 2024. The boundary is not the same as THC's consolidated financial statements.

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all THC's Stakeholders.

RESPONSIBILITIES

The sustainability information in the THC's Sustainability Report of 2024 and its presentation are the responsibility of the directors or governing body (as applicable) and management of THC. SGS has not been involved in the preparation of any of the material included in the Sustainability Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

SGS performed a limited assurance engagement in accordance with ISAE 3000 (International Standard on Assurance Engagements 3000) and we apply the SGS ESG & Sustainability Report Assurance protocols to conduct assurance for quality control, including documented policies and procedures, to meet the ethical requirements, professional standards and applicable regulatory requirements of ISAE 3000. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement.

TWLPP 5008 Issue 2502

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to THC's ESG report data sheet and relevant procedure.

SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN THE ASSURANCE SCOPE

KPI / Report Theme	Data	Notes
Water Usage Statistics	2024 Water Usage Statistics 1,824.47 million liters. 2023 Water Usage Statistics 1,741.84 million liters.	<ul style="list-style-type: none"> The data scope covers Taichung Plant, Taichung Plant 2, Aseptic Beverage Plant 1, Aseptic Beverage Plant 2, Aseptic Beverage Plant 3 and Free-trade-zones Plant. The statistics include the use of tap water and groundwater (if applicable).
Waste Generation Statistic	2024 Waste Generation Statistic 17,012.01 tons 2023 Waste Generation Statistic 15,344.61 tons	<ul style="list-style-type: none"> 2024 General industrial waste generation 16,959.69 tons 2024 Hazardous industrial waste generation 52.31 tons 2023 General industrial waste generation 15,201.59 tons 2023 Hazardous industrial waste generation 143.02 tons The data scope covers Taichung Plant, Taichung Plant 2, Aseptic Beverage Plant 1, Aseptic Beverage Plant 2, Aseptic Beverage Plant 3 and Free-trade-zones Plant.

ASSURANCE METHODOLOGY

The assurance comprised a combination of desktop research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS

Some water Usage data are estimated and allocated across fiscal years based on dates. Additionally, certain in-house water meters may not undergo regular calibration. The amount of waste generated is compiled according to government reporting specifications and is cross-checked and adjusted based on treatment and temporary storage amounts.

TWLPP 5008 Issue 2502

INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from THC, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with professional qualifications such as ISO 26000, ISO 20121, ISO 50001, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

FINDINGS AND CONCLUSIONS

ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, nothing has come to our attention that causes us to believe that the specified performance information included in the scope of assurance is not fairly stated and has not been prepared, in all material respects, in accordance with the reporting criteria.

QUALITY AND RELIABILITY OF SPECIFIED PERFORMANCE INFORMATION

On the basis of the verification work performed, we checked internal management statistical records, payment documents, and government-reported data. We have confidence that the specified performance information included in the scope of assurance is reliable at a limited level of scrutiny for THC.

For future reporting, it is recommended THC to aligning the data collection and calculation methodologies across all sites to enable consistent medium- and long-term comparative analysis.

Signed:

For and on behalf of SGS Taiwan Ltd.

Stephen Pao
Business Assurance Director
Taipei, Taiwan
02 June, 2025
www.sgs.com



TWLPP 5008 Issue 2502

8.8 Greenhouse Gas Emissions Verification Statement

Opinion TW25/00329GG

SGS


Greenhouse Gas Verification Opinion

The inventory of Greenhouse Gas emissions in year 2024 of
Taiwan Hon Chuan Enterprise Co., Ltd.
 No. 6, 2nd Road, Taichung Industrial Park, Taichung City 407249, Taiwan (R.O.C.)

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of
ISO 14064-1:2018
 Opinion Type: Modified



Direct emissions
15,880.3859 tonnes of CO₂e
 Indirect emissions
297,428.6920 tonnes of CO₂e
 Direct emissions and indirect emissions
313,309.078 tonnes of CO₂e

Authorized by



Stephen Pao
 Business Assurance Director
 Date: 01 July 2025
 Version 1

TGP588-15-1 2501
 SGS Taiwan Ltd.
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 Validation and Verification
 VB002

This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

Page 1 of 8

Opinion TW25/00329GG, continued

SGS

The emission of each category is described as below: Unit: tonnes of CO₂e

Reporting Boundaries		GHG Emissions
Inventory categories	Description	
Direct emissions	Direct emissions from stationary combustion	15,444.6956
	Direct emissions from mobile combustion	254.6180
	Direct process emissions and removals from industrial processes	0.1239
	Direct fugitive emissions arise from the release of GHGs in anthropogenic systems	180.9584
	Direct emissions and removals from land use, land use change and forestry	0.0000
Imported energy	Imported electricity	78,856.3963
Indirect emissions	Transportation	3,566.8334
	Products used by an organization	215,005.4623

This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

Page 2 of 8

Opinion TW25/00329GG, continued

SGS

Reporting Boundaries		GHG Emissions
Inventory categories	Description	
	3. Emissions from waste transport and waste/wastewater disposal.	
Associated with the use of products from the organization	NA	NA
	NA	NA
Direct emissions and indirect emissions		313,309.078

This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

Page 3 of 8



Note



For more information, please visit : <https://esg.honchuan.com/tw>

ESG Team : ESG@mail.honchuan.com.tw

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