宏全國際集團
TAIWAN HON CHUAN GROUP

2025 Sustainability Report

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Sustainability Performance

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TCSA
Sustainability Report
Gold Award

Ministry of Environment
Source Reduction
Category
Silver Award

TAFST
Innovation "Silver
Medal Award"

Taiwan International
Ports Corporation
Annual Outstanding
Golden Vessel Award

Kao
Best ESG Co-
Development Award

E.SUN Bank
Sign the Net Zero
Initiative

Taichung City
"Happy Workplace"
Award

Ministry of Education
Institution
Evaluation
First-Class Award

Words from Management

Amid climate change, resource circularity, and supply chain transformation, the beverage packaging industry is facing structural change. Evolving regulations such as the Global Plastics Treaty and the EU PPWR, together with carbon management requirements and energy price fluctuations, are reshaping business models and customer expectations for low-carbon products.

Guided by our vision of "Hon Chuan Sustainability, Building the Future Together," we integrate sustainability into governance, operations, and product development. In 2025, we established the Board-level Sustainability and Risk Management Committee and began preparing for IFRS S2 to strengthen climate risk management, information transparency, and investor confidence.

With 52 operating sites across 9 countries, we enhance supply chain resilience through localized production and global services. We continue to promote equipment upgrades, renewable energy, water management, voluntary emission reduction plans, In-House production, lightweight design, and bottle-grade rPET applications to reduce carbon emissions and support sustainable packaging.

Looking ahead, we will work with customers and partners to advance low-carbon transition and circular economy practices, creating long-term sustainable value for the industry, environment, and society.

Rex Tsao
General Manager

Carol Cheng
Chairman

Sustainability Performance

Governance

NT$ 2.817 billion
Consolidated net income after tax

20.5 points (Medium Risk)
Sustainalytics ESG Risk Rating

twA with stable outlook
Taiwan Ratings

Tier 3 (21%–35%)
TWSE Corporate Governance Evaluation

4.81 points
Board performance self-evaluation score

Zero material non-compliance incidents

Environment

11,436.59 GJ
Annual electricity savings

1,505.82 tCO_2e
Annual emission reductions from 2 energy-saving projects

NT$ 69,017,760
Annual green procurement expenditure

NT$ 135,438 thousand
Environmental & energy-saving investments

98 %
Plant-wide waste recycling rate

Passed
Ministry of Environment's voluntary emission reduction plan review

Social

100 %
Full coverage of recruitment agency fees for foreign workers coming to Taiwan

17,085 hours
Occupational safety and environmental training

32 people
Over-quota hiring of diverse groups (21 individuals with disabilities, 11 indigenous people)

108 person-times
Industry-academia collaboration interns

93.33 points
Customer satisfaction score

NT$ 1,448,000
Social charity expenditure

About this Report

GRI 2-2, 2-3, 2-5

Hon Chuan Group has published a Sustainability Report annually since 2019, and this is the seventh publication. It presents the Group's performance in key sustainability areas, including integrity governance, food quality and safety, environmental sustainability, employee well-being, and social engagement, and discloses various sustainability goals, management strategies, and implementation results.

Disclosure frameworks

The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE-Listed Companies issued by the Taiwan Stock Exchange. A detailed GRI content index is provided in the Appendix, and the full report is available on the Company's ESG website.

Issuing Authority	Frameworks Followed
The Global Reporting Initiative, GRI	• Universal Standards 2021 • Topic-specific standards
United Nations, UN	• Sustainable Development Goals (SDGs) • United Nations Global Compact (UNGC)
Financial Stability Board, FSB	• Task Force on Climate-related Financial Disclosures, TCFD
Sustainability Accounting Standards Board, SASB	• RT-CP Containers & Packaging (Industry-Specific) • FB-NB Non-Alcoholic Beverages (Partial)
Taiwan Stock Exchange Corporation, TWSE	• Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies • Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
Financial Supervisory Commission, FSC	• Taiwan Sustainable Economic Activity Recognition Guidelines 2.0 (Partial)
International Financial Reporting Standards, IFRS	• Financial reporting • Climate-related disclosures (Partial)

Report Management and Assurance

This report was compiled by the Sustainability Task Force, convened by the Sustainability Development under the Sustainability and Risk Management Committee. Prepared in accordance with the Management Rules for the Preparation and Filing of Sustainability Reports, it incorporates internal control systems. The contents were consolidated by the Sustainability Development and approved by the Board of Directors prior to publication.

External Verification

SGS Taiwan was commissioned to conduct verification in accordance with GRI Standards and AA1000 ASv3 (Type 1) moderate assurance level, and to perform ISAE 3000 assurance on "water consumption" and "waste weight." Please refer to the Appendix for the assurance statement.

Financial Assurance

Deloitte Taiwan was commissioned to provide assurance for the consolidated financial statements and independent auditors' report (for fiscal years 2024 and 2025).

Scope and Boundary

The sustainability performance disclosed in this report primarily covers the Group's operations in Taiwan. Financial performance data encompasses all entities within the Group, excluding overseas subsidiaries and Bon Trust International Trading Co., Ltd. For detailed information on related enterprises, please refer to the 2025 Annual Report. Any deviations from the stated reporting boundaries are disclosed in the relevant sections of this report.

Taiwan production base

Packaging Division

Taichung Plant I
Taichung Plant II
Free Trade Plant

In-House

Ruifang Shalu
Taoyuan Chiayi

Beverage Division

Aseptic Filling Plant I
Aseptic Filling Plant II
Aseptic Filling Plant III

Reporting Period and Publishing Cycle

Reporting Period: January 1 to December 31, 2025
(consistent with the consolidated financial reporting period)
Publishing Cycle: Published annually and disclosed on the ESG website.
Previous Issue Date: July 2025
Current Issue Date: July 2026
Next Issue Date: July 2027

Sustainability Contact

This report is published in both Chinese and English, available on the Hon Chuan official website and ESG website.
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ESG Website: https://esg.honchuan.com/tw

01 Our Commitments

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

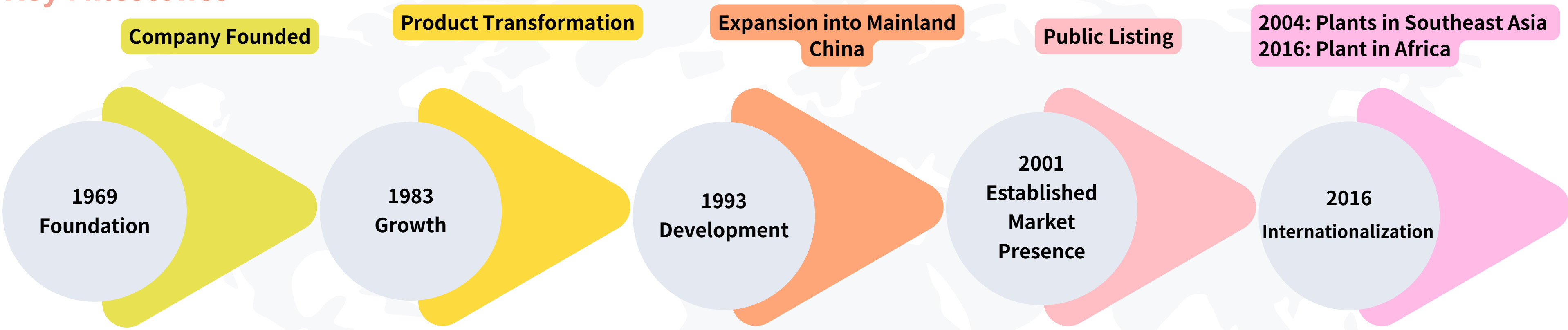
17 PARTNERSHIPS FOR THE GOALS

1.1 About Hon Chuan

GRI 2-1, 2-2

Founded in 1969 and headquartered in Taichung City, Taiwan, Hon Chuan Enterprise Co., Ltd. (Hon Chuan) has evolved over more than 50 years from an early metal cap manufacturer into a leading global provider of vertically integrated beverage packaging and aseptic filling OEM services. Hon Chuan drives industry upgrades through innovative business models. It pioneered the "In-House" production model, setting up blow molding and filling lines directly within customers' plants. This enhances supply chain efficiency, reduces logistics and warehousing costs, and lowers transportation carbon emissions, achieving the dual value of economic benefit and environmental sustainability.

Key Milestones



- Company Name: Hon Chuan Enterprise Co., Ltd. (Stock Code: 9939)
- Date of Establishment: July 15, 1969 (Listed on TWSE in 2001)
- Paid-in Capital: NT$2,957,865 thousand
- Group Operational Headquarters: No. 6, Industrial 2nd Rd., Xitun Dist., Taichung City

Development Goals

Short-term: Strengthen R&D innovation and product value to solidify the operational foundation

Medium-term: Deepen strategic alliances with international brands to capture market trends and growth opportunities

Long-term: Serve the global food and beverage packaging market, becoming a model for corporate sustainable development

Corporate Vision

"Hon Chuan Sustainability, Building the Future Together" - To be a global sustainability leader in beverage and packaging manufacturing

Corporate Mission

To steadily expand markets through innovative business models and strategic alliances, provide safe, high-quality products, and create a win-win-win outcome for the company, customers, and consumers

Corporate Philosophy

Integrity in management, treating employees well, giving back to society, and emphasizing market, customer, and talent development while fulfilling ESG commitments

Core Values

Integrity, Innovation, Quality, Service, Proactivity, Responsibility

1.2 Strategy and Deployment

GRI 2-1, 2-6

With "servitization of manufacturing" at its core, Hon Chuan combines short-term and long-term strategies to drive its global deployment and strengthen overall competitiveness.

Short-term Strategy

- Strengthen management and talent training to enhance marketing and service capabilities
- Introduce digital management systems and develop carbon-reduction and sustainable products

Long-term Strategy

- Deepen the In-House model to reduce transportation costs and carbon emissions
- Establish global supply chain strategies to enhance operational resilience

2025 Global Operational Performance

Region		Production Sites	Number of Employees
Taiwan		10	1,672
Mainland China		15	1,701
Southeast Asia	Thailand, Vietnam, Indonesia, Malaysia, Myanmar, Cambodia	25	1,766
Africa	Mozambique	2	139
Total		52	5,278

Notes:
1. Production sites include In-House operations
2. Data calculation base date is December 31, 2025; employee headcount is based on active employees on that date

In-House Production Model

The In-House operational model stems from the beverage industry's high demand for logistical efficiency and space cost savings. In the traditional model, packaging manufacturers transport bulky empty bottles to filling plants, resulting in high transportation and warehousing costs. Hon Chuan installs blow molding equipment directly within customers' production facilities, seamlessly connecting packaging manufacturing with filling operations. This enhances customers' production and warehousing efficiency, transforming Hon Chuan from a mere "packaging supplier" into a "long-term strategic partner." As of 2025, Hon Chuan operates 22 In-House sites globally.

Enhance Efficiency & Reduce Costs

The "just-in-time production and filling" model reduces empty bottle transportation, secondary packaging, and warehousing costs.

Carbon Reduction & Sustainability Value

Lower transportation emissions and packaging material usage, strengthening the competitiveness of the green supply chain.

Deepen Strategic Cooperation

- Participate in joint product development with customers to deepen partnerships.
- Utilize long-term contracts and resource integration to enhance operational stability.

1.3 Economic Performance

GRI 2-1, 2-2, 201-1, 201-4

Hon Chuan's main operational sites span Taiwan, Mainland China, and Southeast Asia. In 2025, the group's consolidated revenue was NT$28.877 billion, up 1.65% from NT$28.408 billion in 2024. Consolidated net income after tax was NT$2.817 billion, down approximately 4.80% from NT$2.959 billion in 2024. Gross profit margin rose from 22.06% to 22.25%. Post-tax earnings per share (EPS) for 2025 stood at NT$9.10. Through strategic deployment and operational efficiency enhancements, the company continues to strengthen profitability and mitigate external risks. In 2025, the consolidated production of main products included: 31,822,804 thousand plastic caps, 11,029,033 thousand PET bottles, 2,098,981 thousand labels, and 2,437,308 thousand bottles of beverage filling OEM.

Economic Value Generated and Distributed

Unit: NT$ Thousand

Item / Year		2023	2024	2025
Direct economic value generated	Net sales revenue	26,409,207	28,408,164	28,876,866
Economic value distributed	Operating costs	20,789,102	22,142,337	22,451,306
	Employee wages and benefits Note 1	2,622,912	2,880,216	2,950,528
	Payments to providers of capital Note 2	1,671,055	1,838,395	2,133,036
	Payments to government Note 3	1,707,402	1,681,583	1,495,848
	Community investments Note 4	1,626	2,991	1,730
Economic value retained	Retained funds	1,399,113	1,778,143	1,829,221
	Net income after tax	2,559,986	2,959,499	2,817,256
Other disclosures	Financial assistance received from government	17,142	70,064	68,643
	R&D expenditures	227,389	324,386	375,020

Note 1: Employee wages and benefits include salaries, bonuses, pensions, and insurance.
Note 2: Payments of interest and cash dividends.
Note 3: Various taxes (including business tax, corporate income tax, commodity tax, and property-related taxes) and fines.
Note 4: Community investments include donations and sponsorship expenditures.

Top 10 Shareholders

GRI 2-15

Shareholder Name	Shares Held	Shareholding Ratio
Fubon Life Insurance Co., Ltd.	14,759,000	4.99
Chunghwa Post Co., Ltd.	10,256,264	3.47
Yuanta Taiwan High Dividend Low Volatility ETF Fund Account	9,243,597	3.13
Taishin International Bank Co., Ltd.	7,444,000	2.52
Tsao, Hung-Yu	6,674,333	2.26
Tai, Hung-I	5,807,111	1.96
Labor Pension Fund (New System)	5,039,478	1.7
Tsao, Shih-Chung	4,469,476	1.51
Hong Yi Investment Co., Ltd.	4,234,737	1.43
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Robeco Capital Growth Funds	4,223,695	1.43

Note: Data as of March 31, 2026. The shares held by Tai, Hung-I include 1,800,000 shares held in a trust with retained discretionary power.

1.4 Participation in External Organizations

GRI 2-28

Hon Chuan actively participates in business associations and events to promote industry information exchange and consolidate mutually supportive partnerships.

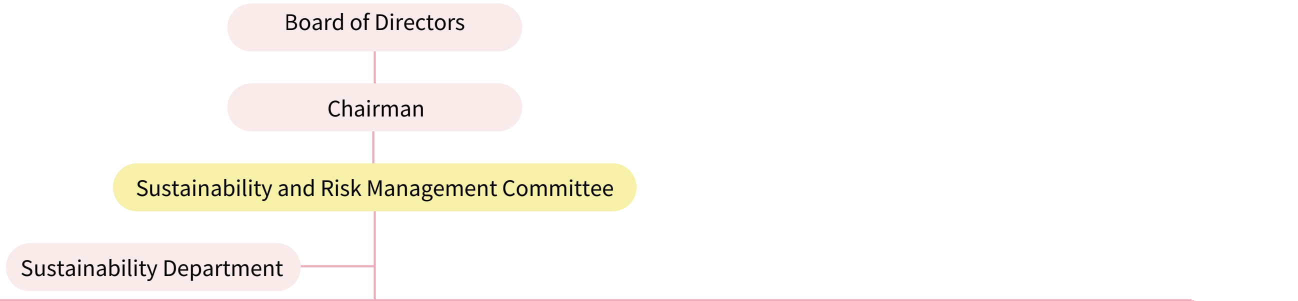
Organization	Level of Participation
Taiwan Beverage Industry Association	Executive Director (represented by Mr. Liu)
Food Industry Research and Development Institute	Director (represented by Mr. Tsao)
Taiwan Food Industry Development Association	Director (represented by Mr. Tsao)
Taiwan Institute of Food Science and Technology	Member
Taiwan Plastics Industry Association	Member
Taiwan Quality Food Association	Director (represented by Mr. Liu)
Taiwan Africa Trade Association	Member
Taiwan Packaging Association	Member
Taichung Industrial Association	Director (represented by Mr. Liu)
Taichung City Industrial and Commercial Development and Investment Promotion Association	Member (represented by Mr. Liu)
Taichung Industrial Zone Entrepreneurs Association	Advisory Committee Member (represented by Mr. Liu)
Taichung City Zhongyang 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

1.5 Sustainability Strategy Roadmap

GRI 2-12~14, 2-16, 2-22~24

Governance Structure

Upholding the vision of "Hon Chuan Sustainability, Building the Future Together," the company integrates sustainable development into its core operations. Following a Board of Directors resolution on May 9, 2025, the former "Sustainability Development Committee" was upgraded to the "Sustainability and Risk Management Committee." Composed of 5 members (including 3 independent directors), it reports regularly to the Board. To enhance governance efficiency, the "Sustainability Development" was established under the Committee to coordinate execution, alongside seven specialized task forces. These task forces divide responsibilities to drive sustainability and risk management efforts, strengthening oversight of material topics such as climate, finance, information security, and human rights, while establishing mechanisms linking ESG with business performance.



Task force	Responsibilities	Lead unit
Sustainability Strategy	1.Sustainability strategy planning 2.Material topics identification 3.Sustainability reporting 4.Alignment with standards	Sustainability Dept.
Environment & Climate	1.GHG inventory 2.Energy & GHG reduction 3.Water management 4.Waste management 5.TCFD 6.Carbon pricing	Sustainability Dept. EHS Engineering Finance
Social & Supply Chain	1.Occupational health & safety 2.Labor rights 3.Diversity & inclusion 4.Supply chain	EHS HR Procurement Quality Assurance
Sustainable Energy	1.Energy management 2.Efficiency measures 3.Equipment upgrade 4.Renewable energy	Sustainability Dept. Engineering
Governance & Compliance	1.Corporate governance 2.Compliance 3.Information security 4.Data protection 5.Anti-corruption	Legal Audit IT
Stakeholder Engagement	1.Materiality analysis 2.Sustainability data integration 3.Brand & reputation	Sustainability Dept. Shareholder Service
Risk & Resilience	1.ERM risk identification 2.Risk matrix 3.Business continuity 4.Emerging risks	Sustainability Dept. Audit Finance

Sustainability Pillars and SDG Integration

Integrity Management

Strengthen risk and internal controls
Comply with laws and regulations
Sound corporate governance

Giving Back to Society

Safeguard stakeholder rights
Sustainable protection and transformation
Participate in social charity

Treating Employees Well

Create a happy workplace
Care for employees' physical and mental health
Establish talent development mechanisms

Key Focuses and Achievements

In 2025, 2 meetings were held to focus on international ratings, risk management, sustainability policies, and the promotion of material topics. The primary approved items are as follows:

- **Environmental Performance Management:** Planned the 2025 greenhouse gas tracking and performed variance analysis against 2024 data
- **Regulatory Optimization:** Amended the Sustainable Development Best Practice Principles and approved the Management Rules for the Preparation and Filing of Sustainability Reports
- **Sustainability Policy Formulation:** Newly enacted the Human Rights Policy, Biodiversity Policy, and Sustainable Procurement Policy
- **Risk and Materiality Management:** Reviewed and approved the 2025 Risk Management Report and the materiality assessment results for the sustainability report.

02 Stakeholder Engagement

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

2.1 Stakeholder Engagement and Response

GRI 2-29, 3-3

Hon Chuan enhances interaction with stakeholders through diverse and transparent communication channels, including the ESG website interactive zone, emails, regular interviews and meetings, and questionnaires. Beyond regulatory compliance, these efforts aim to respond to stakeholder expectations, gather feedback through two-way interaction, and use the results as a vital basis for future corporate planning and operational decision-making.

Stakeholders	Significance to Hon Chuan	Topics of Concern	Channels & Frequency	Communication Achievements	Corresponding Sections
Employees	Core assets, crucial partners supporting production, driving sustainability, and realizing corporate value	• Talent Attraction, Retention, and Well-being • Diversity and Human Rights • Food Safety • Financial Performance • Occupational Health and Safety Management	1. Remuneration Committee / Annually 2. Labor-management meetings, monthly employee meetings, Occupational Health and Safety Committee / Quarterly 3. New hire training / Ad hoc 4. Employee satisfaction survey / Annually 5. Employee health checkups / Annually 6. Department morning briefings / Ad hoc 7. ESG, HR, and OHS newsletter / Monthly 8. President's Mailbox / Permanent	1. 2 Remuneration Committee meetings held 2. 24 labor-management, monthly, and OHS meetings held in total 3. 2,759 hours of new hire training completed 4. Average employee satisfaction score of 3.57 5. Special health exams and individual guidance provided to 648 people 6. Enhanced employee ESG awareness; implemented food and occupational safety risk controls 7. Provided direct, confidential employee channels; established response and improvement tracking	4.1.2 Operations of Functional Committees 6.1 Human Rights Protection 6.3 Compensation and Benefits 6.5 Occupational Health and Safety
Funders	Key capital providers (shareholders, financial institutions); treated fairly to protect rights, ensure awareness, and involve them in material decisions	• Financial Performance • Food Safety • Governance and Risk Management • Air Pollution Control • Talent Attraction, Retention, and Well-being	1. Shareholders' & Board meetings / Annually 2. Earnings calls / Ad hoc 3. Investor section on official website, material information disclosures / Permanent 4. Financial reports / Quarterly 5. Annual & Sustainability reports / Annually 6. Investor relations email & hotline / Permanent	1. 1 Shareholders' meeting and 4 Board meetings held 2. 5 domestic earnings calls conducted 3. 42 material information announcements published in Chinese and English 4. 81 institutional investor calls or visits completed	4. Integrity Governance
Communities / Local-Organizations	Hon Chuan values local connections, aims to reduce environmental impact, and co-creates a sustainable ecosystem with communities	• Air Pollution Control • Food Safety • Community Engagement • Sustainable Innovation and R&D • Water Resource Management	1. Sponsoring & promoting charity / Ad hoc 2. Official & ESG websites / Permanent 3. Annual & Sustainability reports / Annually 4. Regulatory authority inspections / Ad hoc	1. Donated over NT$450,000 to support multiple schools 2. Mobilized 151 volunteer person-times, participated in 58 exchange visits, and collected 79 bags of blood donations	6.6 Community Investment

Stakeholders	Significance to Hon Chuan	Topics of Concern	Channels & Frequency	Communication Achievements	Corresponding Sections
Government Agencies	Supervise Hon Chuan's legal compliance and provide policy recommendations to guide compliant operations	• Sustainable innovation and R&D • Financial Performance • Energy Management • Governance and Risk Management • Climate Change	1. Policy briefings, forums, seminars, public hearings, official letters / Ad hoc 2. Regulatory compliance filings / Real-time 3. Corporate rules and regulations / Real-time 4. Annual & Sustainability reports / Annually 5. Participation in Corporate Governance Evaluation / Annually	1. 8 environmental and OHS symposiums held 2. 80 factory visits/inspections by competent authorities 3. 359 announcements/letters from competent authorities processed	1. Our Commitment 4. Integrity Governance 5. Green Sustainability
Suppliers	Vital partners for sustainable operations; stable cooperation enhances product/service quality and mitigates operational risks	• Sustainable Innovation and R&D • Supply Chain and Procurement Management • Waste Management • Water Resource Management • Customer Service	1. International certifications / Ad hoc 2. Communication meetings / Real-time 3. Supplier on-site audits / Ad hoc 4. Supplier evaluations / Annually 5. Contractor agreement conferences / Annually 6. Whistleblowing mailbox / Permanent	1. Ensured product safety and stable quality 2. Conducted 57 on-site visits, all rated Excellent/Grade A 3. 100% supplier evaluation pass rate 4. Contractor assessment results: 1,051 hazardous operations, 4,864 entry person-times, 76,650 total man-hours 5. Provided direct, confidential channels; established response and improvement tracking mechanisms	3. Product and Service 6.5.5 Contractor Management
Customers	Primary source of revenue; meeting their expectations for products and services is a key driving force toward sustainability	• Food Safety • Customer Service • Information Security • Sustainable Innovation and R&D • Supply Chain and Procurement Management	1. Customer-commissioned third-party verifications / Ad hoc 2. Customer factory audits / Ad hoc 3. Quality review meetings / Weekly 4. Customer satisfaction surveys / Annually 5. International ratings / Annually 6. Business visits / Ad hoc 7. Customer section on official website / Permanent	1. All plants passed food safety/quality management certifications 2. 100% pass rate in laboratory testing 3. Participated in 14 quality improvement projects 4. Average customer satisfaction score of 93.33 5. Global ratings: CDP rating C, S&P score 47, EcoVadis score 39; passed Sedex (SMETA) ethical audit	3. Product and Service
Associations & Academic Institutions	Provide policy recommendations and technical exchanges, serving as a vital advisory source for sustainability policies and action plans	• Food Safety • Occupational Health and Safety Management • Waste Management • Diversity and Human Rights • Training and Talent Development	1. Industry-academia collaboration with universities / Ad hoc 2. Participation in seminars and forums / Ad hoc 3. Participation in industry-government-academia ratings / Ad hoc	1. 108 participants in industry-academia collaboration; won the Ministry of Education's "First-Class Institution Award" for cooperative education assessment 2. Won the "Silver Award" and "Merit Award" for innovative Packaging design from the Taiwan Association for Food Science and Technology, and the "Innovation Excellence Award" from the Taichung Industrial Association	6.4 Talent Cultivation 6.6 Community Investment

2.2 Materiality Assessment

GRI 3-1, 3-2, 3-3

Hon Chuan conducts a materiality analysis every two years to review and adjust the disclosure, strategies, and goals of sustainability topics. The analysis process consists of two stages and 5 steps. The first stage assesses the impact level of sustainability issues, and the second stage prioritizes and determines material topics based on their economic, environmental, and social impacts, alongside stakeholder concern levels.

Materiality Assessment Process

Stage 1: Identify the Impact Level of Sustainability Topics

STEP 1 Understand Context

7 Stakeholder Categories

18 Sustainability Issues

- Based on the five core principles of AA1000 SES (Stakeholder Engagement Standard) - dependency, responsibility, influence, diverse perspectives, and tension - the company systematically inventoried its operational context to identify 7 major stakeholder categories: providers of capital, government agencies, suppliers, customers, employees, local communities/groups, and associations/academic institutions.
- Integrating sustainability frameworks and rating indicators such as Global Risks Reports, SDGs, TCFD, TNFD, CDP, and SASB, while referencing industry trends, stakeholder communication results, and corporate business goals, the original 16 issues were consolidated into 18 sustainability issues.

STEP 2 Identify Impacts

- The Sustainability Development and ESG task forces under the Sustainability and Risk Management Committee are responsible for identifying significant impacts of corporate operations and business relationships on the economy, environment, and society (including human rights)

STEP 3 Assess and prioritize significance

18 Sustainability Impact

563 Stakeholder Concern

- Mid-to-senior executives evaluated the positive and negative sustainability impacts of each issue based on "severity of impact" and "likelihood of occurrence."
- Collected stakeholder concern levels for each issue, including 410 from employees, 33 from capital providers, 6 from government agencies, 13 from suppliers/contractors, 47 from customers, 49 from associations/academic institutions, and 5 from local communities.

Environmental 6 Issues

- Climate Change
- Energy Management
- Air Pollution Control
- Water Resource Management
- Waste Management
- Biodiversity

Social 7 Issues

- Talent Attraction, Retention, and Well-being
- Diversity and Human Rights
- Training and Talent Development
- Occupational Health and Safety Management
- Food Safety
- Customer Service
- Community Engagement

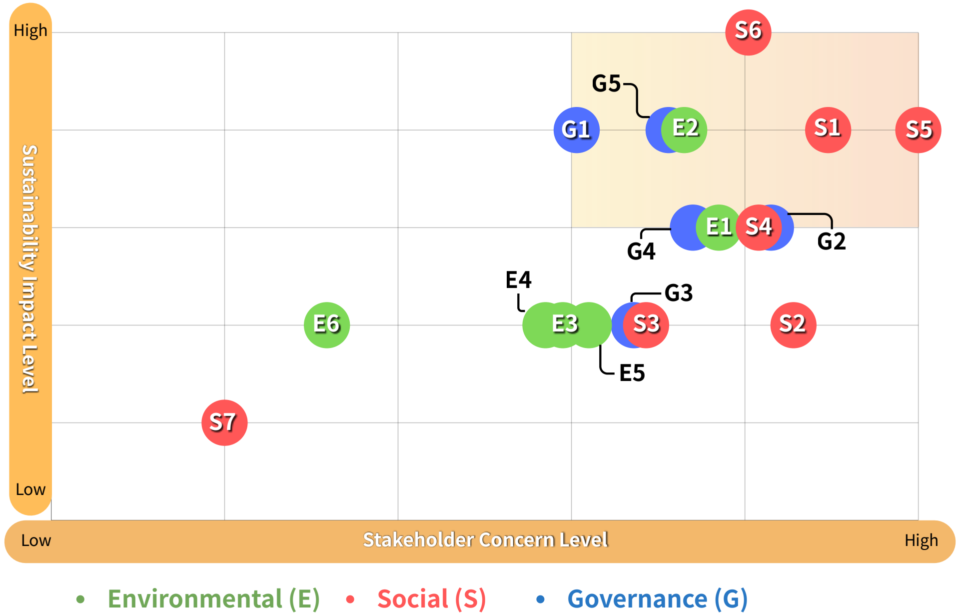
Governance 5 Issues

- Governance and Risk Management
- Financial Performance
- Sustainable Innovation and R&D
- Information Security
- Supply Chain and Procurement Management

Stage 2: Confirm the Materiality of Sustainability Topics

STEP 4 Determine and disclose **10 Material Topics**

- In accordance with GRI 2021 Standards, the positive and negative impact levels of each issue on sustainable development and stakeholder concern levels were comprehensively evaluated. After completing the prioritization, the results were submitted to the Sustainability and Risk Management Committee for review, resulting in 10 material topics.
- **2 Environmental (E) Topics**
  - Climate Change E1
  - Energy Management E2
- **4 Social (S) Topics**
  - Talent Attraction, Retention, and Well-being S1
  - Occupational Health and Safety Management S4
  - Food Safety S6
  - Customer Service S5
- **4 Governance (G) Topics**
  - Governance and Risk Management G1
  - Financial Performance G2
  - Supply Chain and Procurement Management G5
  - Information Security G4



STEP 5 Set Sustainability Goals

- Based on the results of the material topics, the Sustainability and Risk Management Committee plans short-, medium-, and long-term sustainability strategies and action plans. Execution results are reported to the Committee annually to ensure the concrete implementation of resource investment and strategy execution, with continuous adjustments based on internal and external environmental changes.

Explanation of Changes in Material Topics GRI 2-4, 3-2

Rank	Sustainability Issues	Description	Change
1	Customer Service S5	–	–
2	Food Safety S6	–	–
3	Talent Attraction, Retention, and Well-being S1	Expanded to respond to stakeholder needs	↑
4	Energy Management E2	Extended from the original topic to address international focus on climate risk management	↑
5	Supply Chain and Procurement Management G5	Expanded to respond to stakeholder needs	↓
6	Financial Performance G2	Subdivided from previous issue to enhance specificity	↓
7	Occupational Health and Safety Management S4	–	↑
8	Governance and Risk Management G1	New issue	↓
9	Climate Change E1	Subdivided from previous issue to echo international standards' emphasis on climate risk management	↑
10	Information Security G4	–	–
11	Diversity and Human Rights S2	Expanded to respond to stakeholder needs	↑
12	Training and Talent Development S3	Expanded to respond to stakeholder needs	↑
13	Sustainable Innovation and R&D G3	–	↓
14	Waste Management E5	–	↓
15	Air Pollution Control E3	–	↓
16	Water Resource Management E4	–	↓
17	Biodiversity E6	New issue	–
18	Community Engagement S7	–	–

2.3 Management of Material Topics

●Direct Impact ◎Indirect Impact

Material Topic	Significance to Hon Chuan	Value Chain Boundaries			Impacts	Management Approach	2025 Performance	Short/Medium term Goals (3-5years) Long-term Goals (2035)	Reference
		Upstream Suppliers	Hon Chuan	Downstream Customers					
Corporate Governance G									
Governance and Risk Management	Sound corporate governance and risk management form the foundation of stable business operations and investor trust	◎	●	◎	• **Positive** 1. Enhance decision-making efficiency and transparency 2. Increase investor trust and corporate value • **Negative** 1. Regulatory violations 2. Decision-making errors 3. Loss of investor confidence	1. Strengthen Board diversity and independence; conduct regular performance evaluations 2. Perform annual internal audits and risk controls 3. Introduce sustainability risk identification mechanisms	1. Held 2 Sustainability and Risk Management Committee meetings 2. Completed a comprehensive corporate risk inventory and reported to the Board	• **Short/Medium-term** 1. Board members complete ESG governance training 2. Clearly define duties of the Sustainability and Risk Management Committee 3. Integrate risk management into internal audit processes • **Long-term** Become an ESG benchmark enterprise with a comprehensive governance system	1.5 Sustainability Strategy Roadmap 4.1 Governance Practice 4.2 Risk Management
Financial Performance	Robust financial performance supports global expansion and sustainability investments, ensuring shareholder value and corporate resilience	◎	●	●	• **Positive** 1. Enhance market competitiveness and shareholder returns 2. Ensure sufficient funding for sustainability strategies • **Negative** 1. Improper capital allocation 2. Market volatility	1. Independent directors regularly oversee financial risks 2. Implement regular internal controls to enhance operational efficiency	1. Consolidated revenue grew by 1.65% 2. Phase 1 of the Free Trade Zone plant completed, producing 690 million PET preforms 3. Maintained a sound financial structure and cash flow management	• **Short/Medium-term** Maintain positive growth in revenue and profitability • **Long-term** Establish a diversified market presence and stable profitability structure	1.3 Economic Performance
Information Security	Safeguard customers' confidential business data and ensure operational data continuity	◎	●	●	• **Positive** 1. Secure customer data and enhance trust 2. Safeguard intellectual property rights 3. Reduce cyberattack risks • **Negative** 1. Data breaches 2. Operational disruptions	1. Implement information security management; update and patch vulnerabilities monthly 2. Strengthen personal data and supply chain security management	1. Zero material security incidents during the year 2. Achieved 100% information security training coverage 3. Completed 2 vulnerability scans 4. Conducted 2 disaster recovery drills	• **Short/Medium-term** 1. 100% employee info-security training 2. Enhance backup protection, disaster recovery, vulnerability scanning, and patching 3. Implement ISO 27001 certification • **Long-term** 1. Maintain zero information security incidents 2. Establish an early-warning security system	4.4 Information Security

●Direct Impact ◎Indirect Impact

Material Topic	Significance to Hon Chuan	Value Chain Boundaries			Impacts	Management Approach	2025 Performance	Short/Medium term Goals (3-5years) Long-term Goals (2035)	Reference
		Upstream Suppliers	Hon Chuan	Downstream Customers					
Supply Chain and Procurement Management	A responsible supply chain with enhanced management and sustainability assessment mechanisms can mitigate materials shortage and reputational risks	●	●	◎	• **Positive** 1. Reduce disruption risks 2. Meet customer requirements for sustainable supply chains • **Negative** Collateral risks from supplier non-compliance	1. Require suppliers to sign sustainability commitment letters 2. Integrate into performance ratings 3. Conduct regular supplier audits	1. 8 newly added suppliers all signed sustainability commitments 2. All supplier evaluation results were rated Excellent/Grade A, with zero unqualified suppliers	• **Short/Medium-term** 1. Establish sustainable procurement decisions 2. Optimize supplier rating verification • **Long-term** 1. Fully implement supply chain carbon management 2. Incorporate supplier sustainability performance into procurement decision weightings by 10%	3.2 Supply Chain Management
Environmental Dimension E									
Climate Change	Climate change affects energy costs and raw material prices. Proactively managing risks and transformation opportunities helps reduce carbon impacts and seize opportunities in emerging markets	●	●	●	• **Positive** 1. Low-carbon supply chain demands 2. Identify new business opportunities through TCFD to reduce energy costs and risks • **Negative** 1. Rising carbon fees 2. Operational disruptions	1. Regularly identify and manage TCFD climate risks 2. Complete annual greenhouse gas (GHG) inventories and verifications 3. Implement carbon management systems	1. Completed financial impact assessments of climate risks and opportunities 2. 10 plants in Taiwan completed GHG inventories and third-party verification 3. Promoted 2 energy-saving projects, reducing GHG emissions by approx. 1,505.82 tCO_2e	• **Short/Medium-term** 1. Complete carbon reduction target setting 2. Complete third-party verification for Scope 1 and Scope 2 across global operational sites 3. Complete TCFD climate risk analysis and propose short/medium-term plans • **Long-term** Achieve carbon neutrality by 2035	5.1 Climate Change
Energy Management	Energy efficiency is critical to production costs. Introducing energy-saving improvements and renewable energy can lower operational costs and carbon emissions	◎	●	◎	• **Positive** 1. Improve production efficiency and reduce carbon emissions 2. Enhanced energy efficiency drives operational profit growth 3. Lower manufacturing costs to secure green procurement orders • **Negative** 1. Energy price volatility 2. Increased compliance costs	1. Implement ISO 50001 2. Invest in and construct renewable energy systems 3. Drive energy-saving projects and equipment upgrades to improve energy utilization	1. Completed grid connection of a 1,600 kWp solar system, with an annual generation of 275,275.88 kWh 2. Invested NT$1.64 million in production lean projects, with an estimated annual electricity saving of 139,850 kWh. 3. Invested NT$49.03 million in ESPC energy-saving projects, with an estimated annual electricity saving of approx. 3,036,980 kWh	• **Short/Medium-term** 1. Reduce product energy intensity (kWh/ton of product) by 3% annually 2. Phase out 15% of legacy equipment 3. Reach 2% renewable energy usage 4. Expected to initiate ISO 50001 in 2027 • **Long-term** Achieve a renewable energy utilization rate of 20%	5.1.3 Energy Management

●Direct Impact ◎Indirect Impact

Material Topic	Significance to Hon Chuan	Value Chain Boundaries			Impacts	Management Approach	2025 Performance	Short/Medium term Goals (3-5years) Long-term Goals (2035)	Reference
		Upstream Suppliers	Hon Chuan	Downstream Customers					
Social Dimension S									
Talent Attraction, Retention, and Well-being	A comprehensive talent cultivation and benefits system helps stabilize key technical and managerial talent, ensuring knowledge succession and sustainable corporate development		●		• **Positive** 1. Key talent retention 2. Optimization of talent structure 3. Knowledge and skills succession • **Negative** 1. Brain drain / Talent loss 2. Technical and skills gap	1. Optimize compensation and benefits 2. Review the talent training system and optimize mechanisms 3. Strengthen employee feedback mechanisms; regularly evaluate appropriate communication channels	1. Talent retention rate: 91.1% 2. Total training hours: 41,685 hours (annual average of 24.93 hours/person) 3. Internal managerial promotion rate: 3.4% 4. Average employee satisfaction score: 3.57 points Note: Retention rate = (Headcount at start of year - Terminations during year) ÷ Headcount at start of year	• Short/Medium-term 1. Maintain a talent retention rate of 85% 2. Achieve an annual average of 30 training hours per person 3. Implement cross-border rotation mechanisms 4. Reach a 5% internal promotion rate 5. Conduct employee satisfaction surveys • **Long-term** 1. Enhance management succession planning 2. Achieve a key talent retention rate of 90%	6.1 Human Rights Protection 6.2 Employee Structure 6.3 Compensation and Benefits 6.4 Talent Cultivation
Occupational Health and Safety Management	A safe production environment ensures supply stability. Strengthening occupational health and safety (OHS) management lowers the risks of work-related injuries and shutdowns, along with potential legal and financial impacts	◎	●	◎	• **Positive** 1. Reduce workplace injuries 2. Enhance safety levels • **Negative** 1. Occupational safety accidents 2. Losses from work stoppages and regulatory fines	1. Implement ISO 45001 and conduct regular audits 2. Introduce and monitor incident indicators (DIFR, LTIFR) 3. Strengthen contractor management	1. Completed internal and external ISO 45001 audits for 6 plants in Taiwan 2. Achieved a 100% completion rate for correcting internal audit deficiencies 3. Invested approximately NT$19.649 million in OHS improvement projects	• **Short/Medium-term** 1. Reduce Disabling Injury Frequency Rate (DIFR) and Lost Time Injury Frequency Rate (LTIFR) by 5% year-on-year 2. Implement monitoring in high-risk operation zones • **Long-term** 1. Maintain zero material industrial safety accidents 2. Extend OHS education and training to cover all employees and contractors 3. Expand OHS management systems to cover all newly established overseas plant areas	6.5 Occupational Health and Safety

●Direct Impact ◎Indirect Impact

Material Topic	Significance to Hon Chuan	Value Chain Boundaries			Impacts	Management Approach	2025 Performance	Short-Medium term Goals (3-5years) Long-term Goals (2035)	Reference
		Upstream Suppliers	Hon Chuan	Downstream Customers					
Food Safety	Food safety is Hon Chuan's core competitiveness. Robust quality and traceability management ensure zero material food safety incidents, solidifying long-term partnerships and market trust	◎	●	◎	• **Positive** 1. Enhance brand reputation 2. Enhance customer loyalty • **Negative** 1. Product recalls 2. Customer defection / loss	1. FSSC 22000 certification 2. Strengthen traceability and monitoring 3. Conduct regular annual management reviews	1. Zero material food safety incidents and product recalls 2. Regularly completed internal and external quality system verification audits 3. Third-party audits for critical materials reached 39% for the Beverage Division and 48% for the Packaging Division Note: Critical suppliers refer to bulk material suppliers, top 30 by procurement value, or exclusive material suppliers	• **Short/Medium-term** 1. Maintain zero material food safety complaints or recall incidents 2. Maintain FSSC 22000 certification 3. Conduct third-party audits for critical materials • **Long-term** 1. Become a benchmark enterprise in packaging safety 2. Implement intelligent food safety monitoring	3.1 Food Quality and Safety
Customer Service	Form strategic partnerships with customers through customized products and integrated filling services. Optimize product and service quality to create added value		●	●	• **Positive** 1. Enhance satisfaction 2. Increase revenue • **Negative** 1. Customer attrition or loss 2. Brand damage	1. Regularly review customer relationship management and complaint mechanisms 2. Strengthen collaborative development to enhance customer satisfaction	1. Customer satisfaction score of 93.33 2. 100% customer complaint resolution rate 3. Added 1 new "Taiwan Tobacco & Liquor Corporation (Taichung Plant) In-House" BOT cooperation project	• **Short/Medium-term** 1. Achieve a satisfaction score of 90 or above 2. Reach a 75% customer complaint resolution rate 3. Add 3 large-scale cooperation projects • **Long-term** 1. Form customer strategic alliances 2. Increase sustainable products revenue to 1.5% 3. Achieve a 100% resolution rate for material customer complaints	3.3 Customer Service

03 Products and Services

Product and Service

As a leading global provider of vertically integrated beverage packaging and OEM filling services, Hon Chuan is committed to delivering safe, high-quality, and environmentally beneficial products and services. The company possesses one-stop service capabilities spanning R&D design, packaging manufacturing, and professional filling, helping brand customers implement sustainable packaging transformations in a competitive market and enhancing the overall value of products and supply chains.

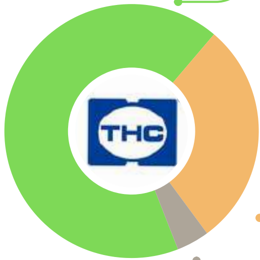
R&D Innovation | **Safety & Quality** | **Environmental Sustainability** | **Strategic Alliances**

Industry Supply Chain GRI 2-6

Hon Chuan plays a midstream role in the industry chain, possessing a vertically integrated advantage in both packaging manufacturing and beverage OEM filling. Through the "In-House" business model, production lines are extended directly into customers' plants, enhancing supply chain efficiency and optimizing resource utilization.

	Caps	Labels	PET Bottles/ Preforms	Beverage Filling
Upstream Raw Material Supply	Metal and plastic raw materials	Plastic raw materials and eco-friendly inks	Plastic raw materials	Beverage formula ingredients such as tea leaves and sugar
Midstream Hon Chuan	Cap manufacturing	Label printing	PET bottle production (incl. In-House)	Beverage filling
Downstream Application Fields	Food, beverage, pharmaceutical, and chemical industries			Beverage brands

2025 Revenue Breakdown by Business Group



67.16 % Packaging Division

Core products include various caps (plastic caps, aluminum caps, and lug caps), label products (color-printed labels, shrink films, etc.), and Packaging products such as PET bottles and preforms

28.67 % Beverage Division

Provides high-quality hot-filling, aseptic-filling, and bottled water filling OEM services, covering a diverse range of products including tea, juice, functional drinks, and dairy beverages

4.17 % Other Products

Includes commercial trading packaging and customized application materials

Main Products


Plastic Caps


Aluminum Caps


Lug Caps / Twist-off Caps


Labels


PET Preforms


LDPE Heat Shrinkable Packaging Film


PET Bottles


Beverage Filling OEM


Sustainable Products

Note: Sustainable products include "tethered caps, rPET bottles/preforms/labels, and lightweight products." For more product types, please visit https://www.honchuan.com/tw/product-finder

3.1 Food Quality and Safety

Hon Chuan is committed to providing non-toxic, safe, eco-friendly, and compliant food packaging materials. Through advanced aseptic filling technology, we ensure the quality and safety of beverage products during the production process, meeting the high demands of customers and consumers for food safety.

Food Safety Policy

"Attentiveness, Carefulness, Responsibility", "Food Safety Awareness, Quality Awareness, Environmental Awareness"

Guided by the principle of "Excellent Hon Chuan, Guarantee of Quality," and driven by our business philosophy of integrity, innovation, quality, service, proactivity, and responsibility, we promote a food safety management system integrated with Hazard Analysis Critical Control Point (HACCP) principles. We commit to:

- **Build a comprehensive food safety management system**
- **Fulfill the responsibilities of a manufacturer in the supply chain**
- **Comply with regulations and customers' food safety standards**

Quality Policy

We promote food safety and quality management systems, continuously improve, and prevent problems. We strictly implement the "Three No's policy - no accepting, no manufacturing, and no delivering defective products." By introducing the ISO 9001 quality management system, we comply with regulations and customer requirements to enhance quality management and product reliability.

3.1.1 Food Quality and Safety Certification GRI 416-1

By systematically identifying hazards and strengthening food safety control capabilities, we effectively manage production and supply chain risks. Since 1996, we have established a safety management system responsible for driving safety policies and maintaining goal execution, passing verifications to ensure the effectiveness of our management systems.

Management System Certification Status

	Regulatory requirements	Voluntary Certifications		
Production Plants	Food Safety System	ISO 9001	FSSC22000	TQF
Taichung Plant 1	Non-mandatory sector	V	V	-
Taichung Plant 2	Non-mandatory sector	V	V	-
Aseptic Beverage Plant 1	V	V	V	V
Aseptic Beverage Plant 2	V	V	V	V
Aseptic Beverage Plant 3	V	V	V	V
Free Trade Zone Plant	Non-mandatory sector	-	V	-

Note: In 2025, the Free Trade Zone Plant engaged solely in packaging-related production; therefore, the scope of the management system is limited to packaging technology operations.

Certificate of Verification

All products must undergo phased evaluations before launch to ensure safety, stable quality, and sustainability.

Evaluation Phase	Evaluation Item	Description	Examples
Initial Product Design	Material Selection Analysis	Avoid improper additives	Adopt food-grade rPET: • Achieve a 30% rPET incorporation rate target • Non-Food Contact Material (Non-FCM) blend rate must be < 5%
Pre-Pilot Production	HACCP Analysis & Control	Packaging material hygiene risk control	Microbiological and chemical hazard prevention • Surface swab test for Aerobic Colony Count (ACC) must be < 10 CFU / 10x10 cm^2 • Production equipment in contact with food packaging must undergo annual swab tests (except non-contact label films)
Verification & Testing	Internal Testing & Third-Party Inspection	Internal safety tests such as container SST sealing and top-load pressure, alongside heavy metal migration tests	Regularly submit to the Plastics Industry Development Center annually for testing reports Internal Inspection: • 6 SST sealing tests (every 2 months) • Bottle top-load strength test (daily) Third-Party Inspection: • Annual heavy metal migration tests for all PET bottles/preforms and HDPE plastic caps
Pre-Launch / Mid-Market	Market Feedback & Complaint Analysis	Optimize products based on complaints and market feedback	Functional analysis of bottle resistance to refrigeration negative pressure and packaging barrier properties, with continuous design and material substitution optimization
Innovative R&D Feedback	ESG Impact Assessment & PDCA Cycle Correction	Incorporate product carbon footprint and environmental impacts as bases for R&D adjustments	Develop lightweight products and add food-grade recycled materials to enhance plastic and carbon reduction

3.1.2 Food Safety and Hygiene Management

GRI 3-3,416-2

Hon Chuan has established a cross-departmental Food Safety Task Force responsible for HACCP training, plan execution, and audit improvements. Each review meeting examines improvement efficacy, internal/external changes, and stakeholder demands, deciding follow-up measures and system updates to ensure effective operations.

Food Safety and Quality Goals

Unit: Case

Item	Target	2023		2024		2025		Status
		Beverage Division	Packaging Division	Beverage Division	Packaging Division	Beverage Division	Packaging Division	
Food Poisoning Incidents	**0**	0	0	0	0	0	0	Achieved
Material Abnormal Incidents	**0**	0	0	0	1	0	0	Achieved

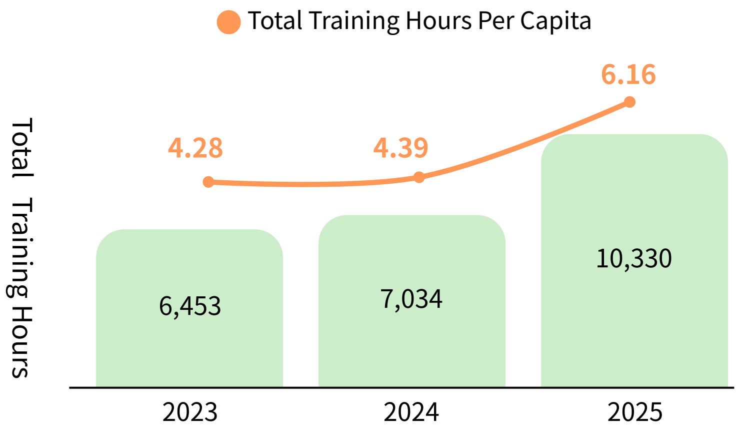
Note: Material abnormal incidents refer to a single event causing a loss exceeding NT$500,000 in the Packaging Division, or an event in the Beverage Division that may jeopardize personal safety or cause a single-event loss of NT$500,000 or more.

Promoting "Food Safety Culture"

"Food Safety Culture" as the Shared Value and Code of Conduct for All Employees

R&D and Quality Assurance regularly review food regulations, inventory gaps, and formulate countermeasures to ensure compliance. They monitor international food safety anomalies to maintain a zero-violation record. To deepen professional capabilities and ensure the continuity of key technologies, Hon Chuan establishes specialized training tailored to the characteristics of different technology groups.

- **Beverage Division:** Focuses on competency enhancement in processing technologies (e.g., sterilization, filling, and packaging), inspection techniques, food hygiene, and risk management
- **Packaging Division:** Introduces a blended training model of "Apprenticeship × E-Learning." The curriculum covers foundational skills (instrument calibration, quality auditing) and advanced capabilities (project management, anomaly analysis) to reinforce professional skills and ensure the inheritance of key technologies



Notes:
1. Starting from 2025, in response to the professional requirements of each technology group, training plans have been comprehensively optimized, leading to a significant increase in training hours
2. Hours Per Capita = Total Hours / Number of Employees in Taiwan Region

Environmental Monitoring and Management

Comprehensively control on-site personnel, workplaces, equipment, and production processes to ensure all operations comply with regulations and quality standards.

- **Packaging Division**

Each plant establishes and strictly executes environmental monitoring plans. Regular microbiological testing is conducted for export products, and overseas plants implement management aligned with customer monitoring standards. Through systematic risk control and monitoring mechanisms, process stability, product safety, and the reliability of traceability management are ensured.

- **Beverage Division**

Continuously monitor potential contamination sources in the production process, establish early-warning and elimination mechanisms for high-risk areas, and implement quantitative management.

Main Inspection Items

- Microorganisms: Total aerobic plate count, mold/yeast, Enterobacteriaceae, Salmonella, Listeria monocytogenes
- Allergens: Gluten, milk, fish, soybeans, mango, coconut

Environmental Monitoring Management Statistics

	2023		2024		2025	
	Tests	Pass Rate	Tests	Pass Rate	Tests	Pass Rate
Beverage Division	2,371	100%	2,610	100%	2,946	100%
Packaging Division	-	-	49	100%	56	100%

Note: Starting from 2024, the Packaging Division has included environmental monitoring plan testing into its monitoring data statistics

Product Tracking and Traceability Management

To ensure end-to-end transparency and safety from source to final shipment, Hon Chuan has established a comprehensive digital tracking system and emergency response drill mechanism, strengthening product quality management and risk control to fulfill its quality commitment to customers and consumers.

Digital System Integration

Implemented the SAP system to record the workflow of "raw material receipt - production input - finished product output," establishing batch management and real-time tracking mechanisms

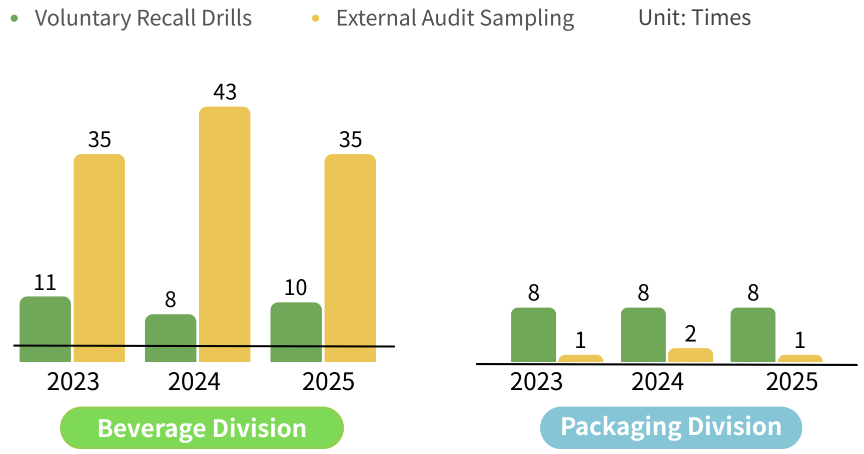
Regulatory Information Transparency

Regularly upload production and tracking data to the "Food Traceability Management Information System" monthly as required to ensure completeness and transparency of disclosures

Traceability Drills and Response Mechanisms

Conduct at least one voluntary product traceability drill and external audit sampling annually, setting a target to complete consolidation and verification within 2 hours. If results do not meet indicators, deficiencies are reviewed and continuously improved until targets are met, ensuring the effectiveness of the traceability mechanism

Product Tracking and Traceability Management Statistics



3.1.3 Food Safety Laboratories

Packaging Division

The "Packaging R&D Laboratory" received certification from PepsiCo's US headquarters in September 2021, becoming the first third-party laboratory in Taiwan to be recognized by the brand. The company's testing technology and quality control capabilities have reached the standards of top international brands, enhancing market credibility and competitiveness.

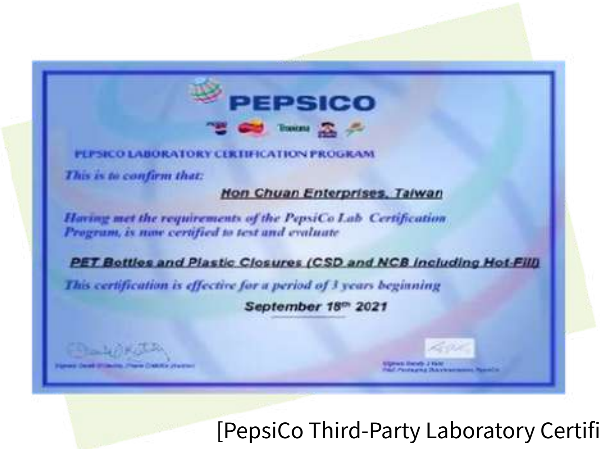
In 2025, the packaging material testing pass rate maintained 100% for the third consecutive year

Global Compliance Verification

Products fully comply with international food packaging regulations, including Taiwan's food container and packaging standards, European food packaging regulations (EU), the US Food and Drug Administration (FDA), and Mainland China's food safety standards (GB)

Third-Party Inspection

SGS Taiwan, PIDC, TÜV Rheinland, and Intertek are regularly commissioned annually to execute precise migration and extractable testing



[PepsiCo Third-Party Laboratory Certificate]
Valid from September 2021 to September 2026, for a five-year period

Beverage Division

The "Beverage Quality Control Laboratory" is committed to implementing a comprehensive monitoring system from raw materials to finished products. It strictly controls the accuracy and reliability of testing data and actively aligns with national standards and international regulations to pursue stable quality and food safety.

In 2025, all proficiency test results were rated "Satisfactory," and the pass rate for key mandatory testing items reached 100%, demonstrating that the laboratory's testing quality and reliability remain stable

Laboratory Proficiency Testing

Instrument Precision Calibration

To ensure the authority and credibility of testing data, all laboratory testing instruments are regularly commissioned to professional third-party institutions for comprehensive calibration annually

SuperLab	International Brand Customer
Testing Items	**Testing Items**
Total aerobic plate count, coliforms, E. coli, Enterobacteriaceae, mold and yeast, Salmonella in food	Food acidity, soluble solids, mold and yeast, etc.; coliforms, total aerobic plate count, mold and yeast in water

Mandatory Testing of Key Items

Strictly complying with the Act Governing Food Safety and Sanitation, a mandatory testing mechanism has been established for high-risk key indicators. For critical chemical indicators such as plasticizers, caffeine, and heavy metals, a double-check mechanism consisting of internal screening and third-party official verification is adopted

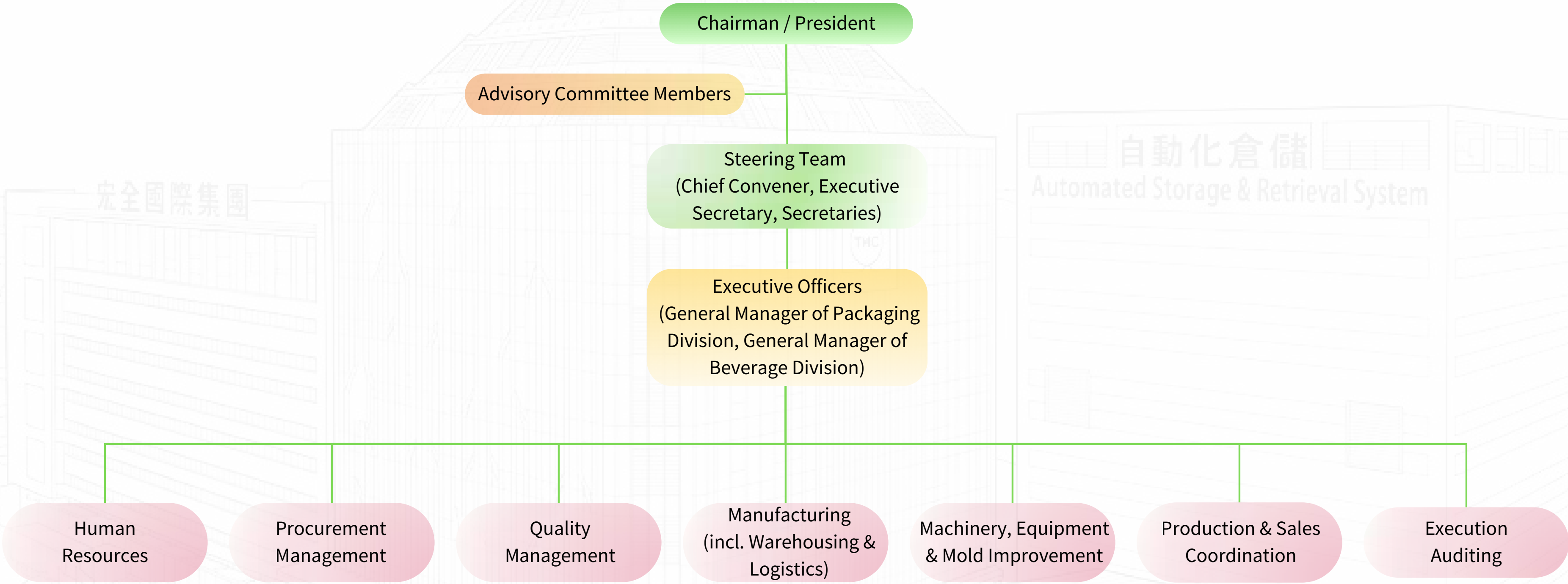
- **Non-Alcoholic Beverage Products:** Product microorganisms
- **Packaged Tea Beverages:** Product microorganisms, pesticide residues in tea raw materials

Notes:
1. Microbiological testing items: Total aerobic plate count, E. coli, coliforms, Enterobacteriaceae, mold/yeast.
2. Pesticide residues in tea raw materials: Multiresidue Analysis Method (V) (MOHWP0055.05) (410 items)

3.1.4 Quality Management Improvement Committee (QMIC)

Upholding the core values of "customer orientation and quality-centricity," Hon Chuan established the "Quality Management Improvement Committee" in 2022 to build a cross-departmental quality communication platform. Through weekly internal reviews and monthly cross-departmental meetings, quality anomalies are tracked in real time. Corrective actions are integrated into the KM (Knowledge Management) system, creating a quality improvement database to facilitate knowledge inheritance.

Starting from 2025, Hon Chuan has further deepened its quality culture. Led by the Quality Assurance Division, improvement activities have been pushed to root at the grassroots level, introducing quality performance evaluations alongside rewards and penalties mechanisms, while enhancing engagement and morale through on-site improvement presentation forums. In 2026, the company will fully promote voluntary daily management, continuously optimize SOPs and training, and ensure quality management is internalized into daily operations to achieve long-term, stable quality performance.



On-site Improvement Presentation Forum

The company continuously promotes quality improvement and management capability enhancement, fostering exchange and learning across production lines to boost overall performance. In 2025, the evaluation mechanism was optimized by increasing the weighting of historical quality improvement performance and adding a Progress Award. Seven improvement projects each from the Beverage and Packaging Divisions participated.

2025 Quality Improvement Cases

Case 1

Aseptic Line 3: Significantly Reducing Equipment Downtime Losses

Problem Diagnosis

Pareto analysis revealed that the "filling machine" accounted for the highest share of downtime (40.89%), with the "post-filling exit conveyor and bottle tipping" causing the longest downtime (1,549 minutes)

Improvement Measures

To address issues such as potential bottle crashes during production and visual inspection misjudgments, the company continuously strengthened the mechanical structures and sensor systems of the equipment. Standard Operating Procedures (SOPs) were established, and personnel training along with regular maintenance mechanisms were implemented to improve equipment stability and inspection accuracy, ensuring product quality

Improvement Achievements

In 2025, downtime dropped from 1,549 minutes to 673 minutes, representing a 56% reduction in breakdown-induced downtime compared to the previous period, thereby improving production efficiency

Case 2

Label Plant: Improving Tear Line Quality Anomalies

Problem Diagnosis

Following the introduction of the DL06 label seaming machine in May 2025, quality anomalies such as rough tear lines and a scratchy texture occurred during production. Analysis showed that the structural designs of the new and old blades did not match, and a unified quality judgment standard for "tear line texture" had not yet been established, leading to quality fluctuations

Improvement Measures

After optimizing blade design and process parameters, boundary samples were established for on-site self-inspection, and QC conducted online spot checks every 2 hours to strengthen quality control

Improvement Achievements

The tear line quality of the labels returned to smooth without scratchiness. Through institutionalized management, the risk of recurring quality anomalies was effectively reduced

3.2 Supply Chain Management

Supplier Management Policy

Hon Chuan promotes procurement diversification and long-term partnerships, developing domestic and international critical, Tier 1, and non-Tier 1 suppliers to ensure stable supply. By amending the subcontractor management regulations, ESG topics have been integrated into on-site audits. Suppliers are required to sign a sustainability responsibility commitment letter (covering governance, labor rights, safety and health, and environmental protection). Furthermore, regulatory compliance is listed as an evaluation indicator for new suppliers, working together with partners toward a sustainable transformation

In 2025, the United States adjusted certain import tariff policies, causing the global manufacturing and raw material supply chains to once again face challenges from cost fluctuations and regional restructuring. To mitigate the impact of policy changes in a single market on operations, Hon Chuan continuously strengthens its regional procurement diversification strategy and establishes long-term cooperation mechanisms with major suppliers to enhance supply chain resilience and stability.

Through supplier verification, auditing, and evaluation systems, the company ensures raw material quality and compliance, remains focused on sustainable operations and corporate social responsibility topics, and encourages mutual participation from suppliers. In 2025, the company revised the Subcontractor Management Regulations to incorporate ESG (Environmental, Social, and Governance) topics into supplier management, conducting interviews and keeping records during sampled on-site audits to promote the overall sustainable development and social responsibility awareness of the supply chain.

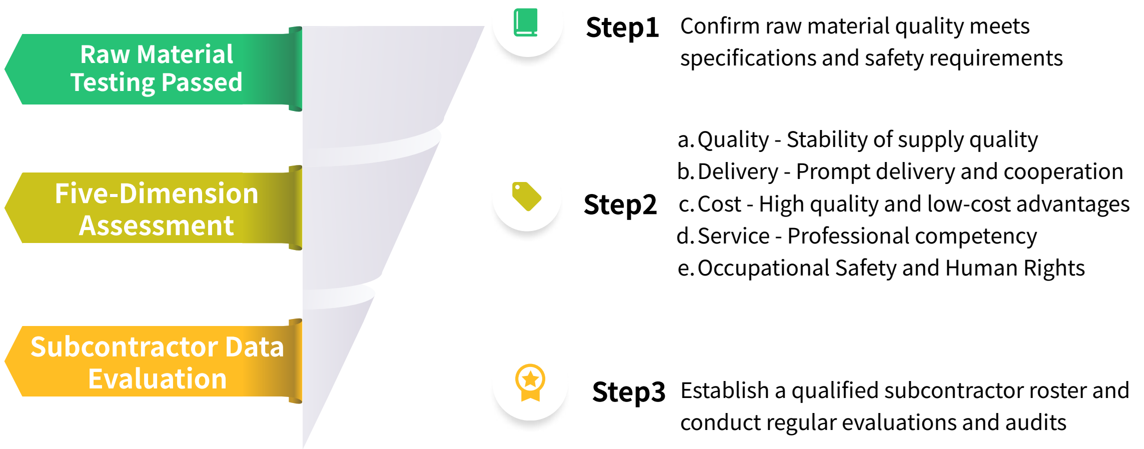
In 2025, the company cooperated with a total of 323 suppliers, of which 36 (11.15%) signed the Supplier Sustainability Responsibility Commitment Letter, covering four major dimensions: corporate governance, labor rights, occupational safety, and environmental protection. Environmental regulations and labor rights have also been integrated into the evaluation items for new suppliers to continuously reinforce the sustainable management of the supply chain.

3.2.1 Supplier Verification and Selection

GRI 308-1

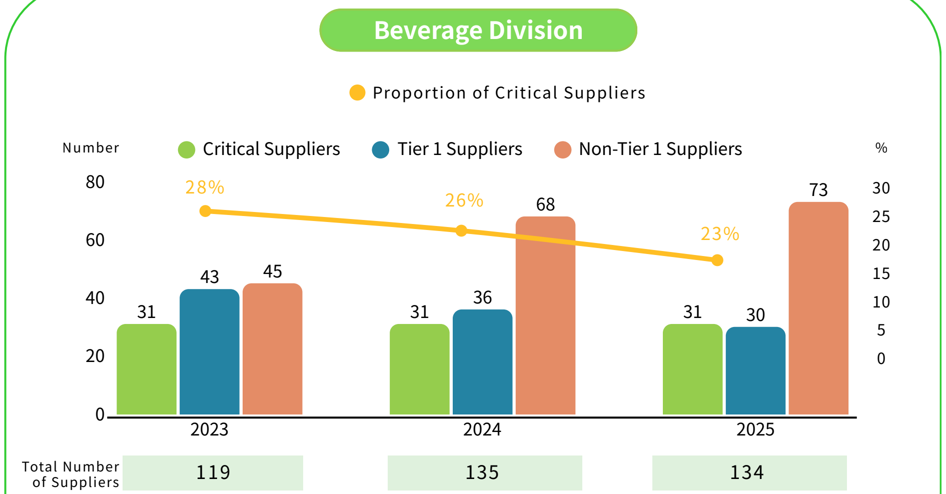
Hon Chuan regards suppliers as long-term strategic partners. To ensure stable raw material quality and implement sustainable governance, priority is given to packaging and beverage ingredient suppliers that have obtained international certifications such as ISO 9001 (Quality Management) and ISO 22000 (Food Safety Management). In 2025, 8 new subcontractors were added, achieving a 100% pass rate in environmental and human rights-related due diligence

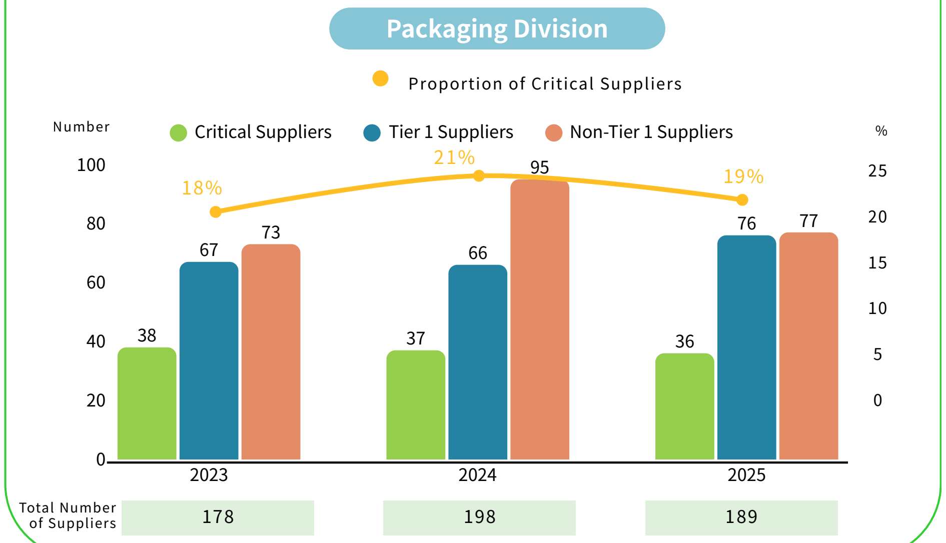
Three-Step Selection and Management Process for Qualified Subcontractors



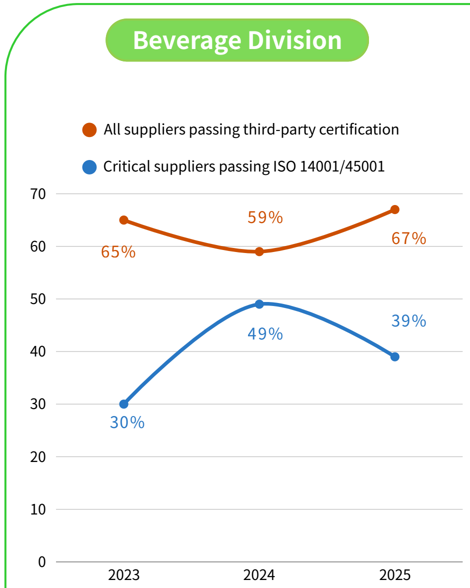
Supplier Hierarchy Analysis

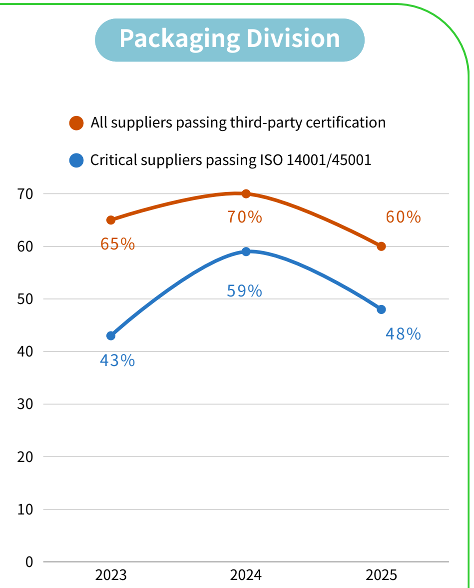
- **Critical Suppliers:** Bulk materials, top 30 by procurement value, exclusive materials
- **Tier 1 Suppliers:** Own production plants, self-producing and self-selling
- **Non-Tier 1 Suppliers:** Outsourced factories, agents, trading vendors





Proportion of Suppliers Passing Third-Party Certification Analysis (Procurement Value)





Note: Most critical suppliers are professional trading agents with ISO 9001 certification. Although they have not obtained ISO 14001/45001 certification due to the nature of their business operations, the raw materials they represent all originate from compliant original manufacturer plants, featuring high traceability in quality management, and the overall quality is stable and secure

Water Stress Screening for Critical Suppliers

	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	27	1	5	2

Note: A water stress assessment was conducted for the locations of critical suppliers. It revealed that some suppliers are situated in high water stress areas, posing a potential risk of supply disruption. To enhance supply chain resilience and operational stability, secondary supplier sources have been pre-established as alternative and backup mechanisms

3.2.2 Supplier On-site Audits GRI 414-1

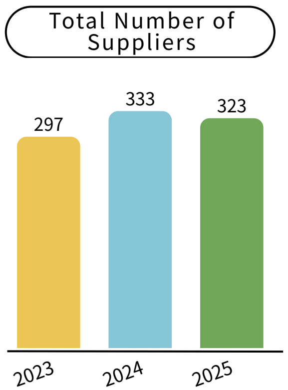
The company's procurement and quality assurance departments conduct tiered audits of suppliers in accordance with the "Supplier On-site Evaluation Operational Procedures" to ensure that the quality of raw materials and packaging materials meets food safety standards, and to review regulatory compliance and operational conformity at the suppliers' production sites.

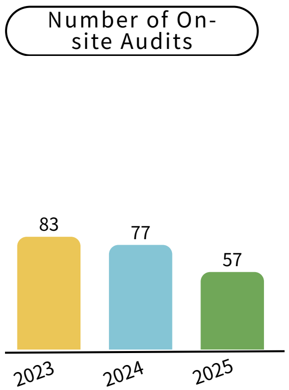
Supplier On-site Audit Categories and Frequency

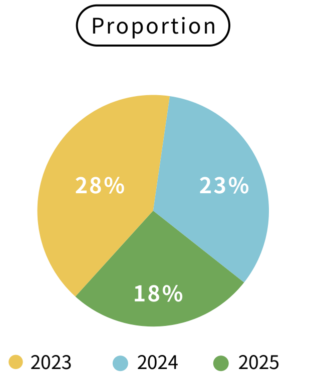
	Suppliers	Evaluation Frequency
Packaging Division	Top 30 suppliers by procurement value or suppliers in direct contact with food	Annually
Beverage Division	Traders with domestic OEM factories	Every two years
	Traders that purely import and have no production activities	Every three years
	Special suppliers, customer-designated suppliers, or special commercial agreements	Every three years

Notes:
1. If a supplier changes its factory or warehouse, a re-evaluation is required
2. All raw material suppliers in the Beverage Division undergo regular on-site evaluations and are classified into high-risk and low-risk based on the type of vendor

Number of On-site Audits and Proportion







Proportion = Number of On-site Audits / Total Number of Suppliers

Supplier On-site Audit Standards

Beverage Division

Rating	Score	Non-compliance & Improvement Description
Excellent	80 points or above	None
Qualified	60-79 points	1 or more major non-compliances, improvement required
Disqualified	Below 60 points	1 or more critical non-compliances; increase audit frequency or suspend procurement for observation

Packaging Division

Rating	Score (With Certified System)	Score (Without Certified System)	Non-compliance & Improvement Description
Grade A	70~84 points	40~48 points	Issue 1 or more non-compliances or recommendations; require supplier response and verify if the previous non-compliances have been corrected during the next audit
Grade B	57~69 points	32~39 points	
Grade C (Under Observation)	43~56 points	24~31 points	
Grade D (Unqualified)	42 points or below	23 points	

According to the 2025 on-site evaluation results, all supplier ratings were "Excellent" (Beverage Division) and "Grade A" (Packaging Division), with zero unqualified suppliers or suppliers requiring observation

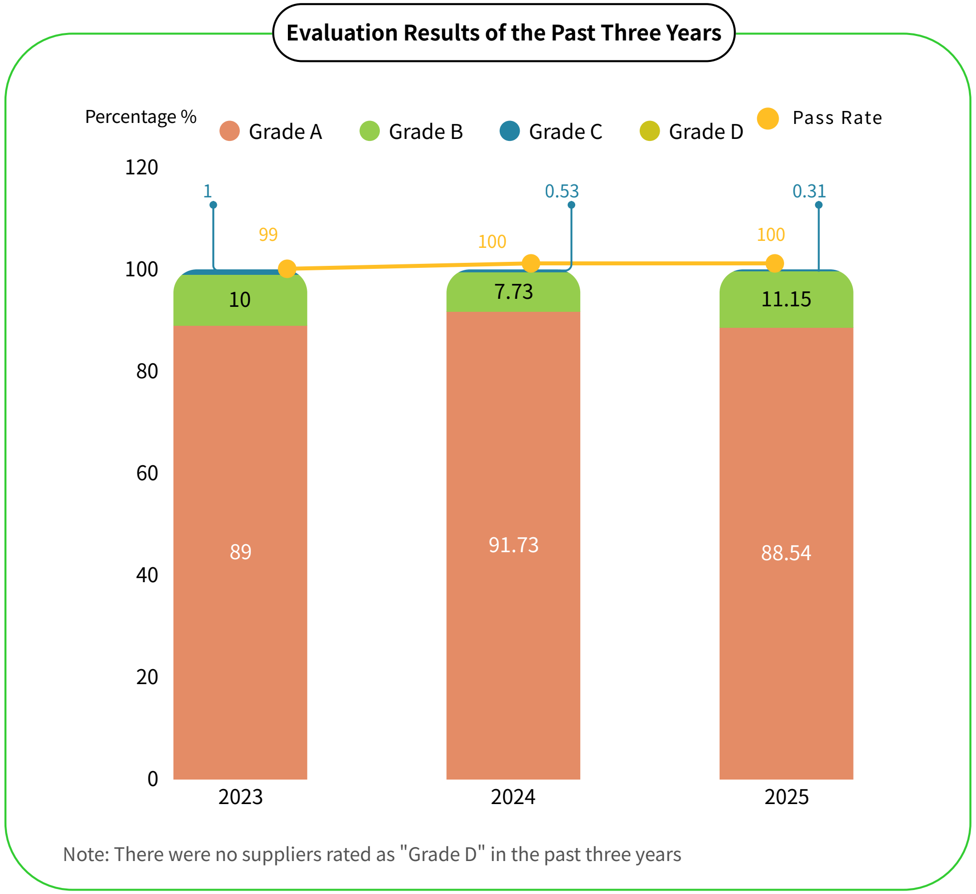
Non-compliance Improvement and Response Mechanism

1. Suppliers must submit a written corrective action plan addressing the identified deficiencies.
2. The quality assurance unit monitors progress using the "Raw Material Supplier Improvement Tracking Form."
3. Those who fail the evaluation must complete corrections within the deadline specified in the email. If the non-compliance is severe or remains uncorrected past the deadline, procurement will be suspended

Note: The 2025 management strategy was adjusted based on a "risk-oriented" principle. For suppliers with stable performance and no quality anomalies, tracking was shifted to a semi-annual written evaluation, while on-site audits targeted entities with customer complaint risks or quality fluctuations. Due to this management model optimization, the absolute number of on-site audits has been adjusted compared to previous years

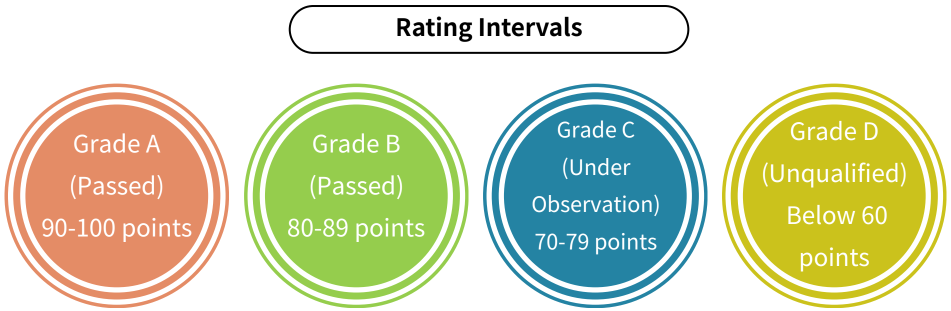
3.2.3 Supplier Evaluation GRI 414-1

In addition to annual on-site audits, the company conducts supplier evaluations every six months. Through cross-departmental assessments of supplier performance in quality, safety, price, delivery, and after-sales service, the overall competitiveness and stability of the supply chain are ensured.



Deficiency Improvement and Response Mechanisms

- **Grade A** Included in the list of excellent suppliers, publicly commended, and prioritized for subsequent increases in procurement volume.
- **Grade B** Continuously observe supply stability and maintain normal procurement relationships.
- **Grade C** Must submit an "Improvement Report" explaining the causes of anomalies and corrective actions; the QA unit will also increase audit frequency.
- **Grade D** Must submit an improvement report. If rated Grade D three cumulative times, measures to reduce procurement volume or terminate cooperation will be taken.

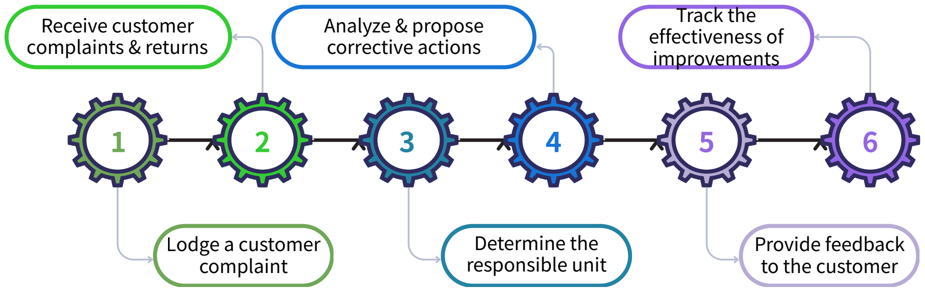


3.3 Customer Service GRI 3-3 , 418-1

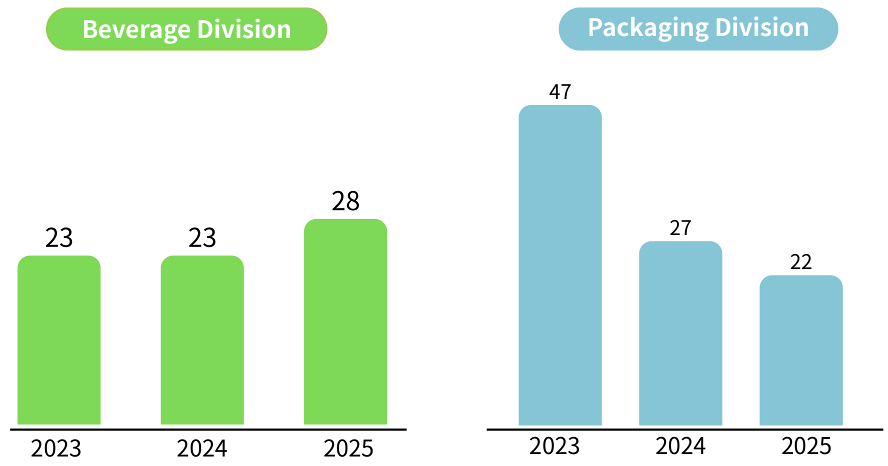
Hon Chuan upholds a policy of "Quality First, Customer Supreme" to provide packaging solutions that comply with global food safety regulations. Through the Customer Service Measures, Customer Complaint Handling Management Procedures, and Customer Satisfaction Evaluation Measures, we have established standardized service processes, with dedicated windows set up by the business and quality assurance units to respond in real time. In addition, the company regularly conducts an annual "Customer Satisfaction Survey" across seven major dimensions to serve as a basis for continuously optimizing service quality.

Customer Complaint Handling Management Process

The company has established diverse communication channels through which customers can provide feedback via the website or sales windows. Product complaints are analyzed for causes and anomalies by the quality assurance unit in accordance with the Customer Complaint Handling Procedures. The responsible unit is then determined to propose corrective actions within a specified time limit and track their effectiveness. If it is determined not to be the company's responsibility, the business unit will reply to the customer and close the case after approval by the QA manager.



Statistics on the Number of Customer Complaints



Note: Targets for the Number of Customer Complaints
1. Beverage Division: Less than 20 cases in 2023; less than 15 cases in both 2024 and 2025
2. Packaging Division: Less than 20 cases for each year

Deficiency Improvement and Response Mechanisms

Packaging Division

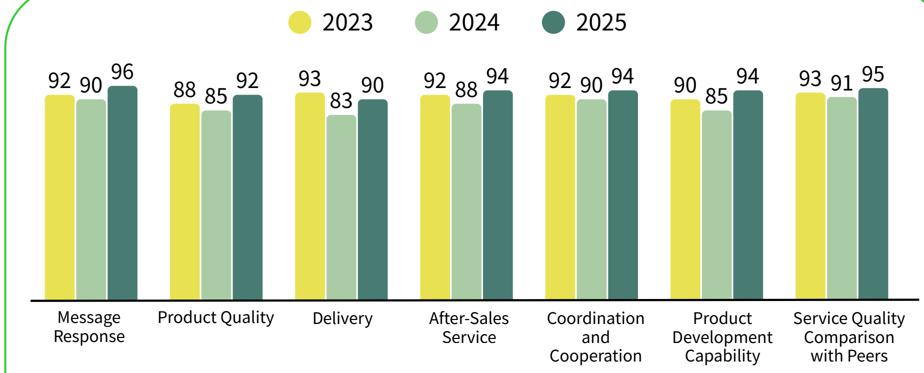
Starting from 2023, customer complaint incidents have continuously decreased, reflecting the steady growth of the quality management system. Through the systematic optimization of equipment stability and the strict enforcement of SOP regulations, we have successfully transformed from rear-end handling to front-end prevention, driving down the complaint rate year after year.

Beverage Division

The main reason for the increase in customer complaint incidents in 2025 compared to 2024 was that damaged parts were not replaced in time and equipment performance was limited. The company has already launched a transformation and improvement plan. Through three core strategies - "upgrading the preventive maintenance plan," "strengthening personnel competency," and "introducing automated inspection equipment" - we carry out specialized project control over flavor and packaging quality. At present, the relevant equipment maintenance and updates have all been completed, thereby consolidating process stability and effectively reducing potential risks.

Customer Satisfaction Survey

Every year, customers are sampled and invited to fill out the "Customer Satisfaction Survey Form" (covering 7 major dimensions: message response, quality, delivery, after-sales, coordination, development capability, and comparison with peers). Corrective actions are proposed based on the survey results to improve service quality. The overall average score for customer satisfaction in 2025 was 93.33.



Note: The scores shown for each dimension are averages; the calculation of the overall average score excludes the "Service Quality Comparison with Peers" dimension

Explanation of Changes in Customer Satisfaction Indicators

Delivery: 83→90, Stocked inventory in advance during the off-season and increased capacity flexibility to meet customer delivery requirements
Product Quality: 85→92, Held regular quality review meetings to enhance process management and quality
Product Development Capability: 85→94, Optimized R&D processes to shorten testing schedules
After-Sales Service: 88→94, Strengthened cross-departmental collaboration and continuously tracked product usage
Message Response: 90→96, Optimized communication workflows across units to increase response efficiency
Coordination and Cooperation: 90→94, Planned capacity for peak and off-peak seasons to improve capacity coordination and cooperation

Competitiveness Indicator

Service Quality Comparison with Peers: 91→95, Strengthened service and quality to enhance customer trust and competitiveness

Data Protection GRI 418-1

To improve the intellectual property management system and enhance technology and brand competitiveness, an Intellectual Property Management Plan was established in 2025. It governs patents, trademarks, copyrights, trade secrets, and other intellectual property rights by creating management practices for data querying, maintenance, inventorying, and early warnings. At least one annual all-hands intellectual property training is held to ensure confidential information security is effectively implemented. In 2025, there were no complaints regarding breaches of customer privacy or losses of data.

Management Category	Core Management Item	Concrete Implementation & Goals
Patent Management	Portfolio Strategy & Maintenance	• Evaluate patentability of product and technology development directions • Apply for protection over core technologies to secure market competitiveness • Regularly review patent status to execute maintenance or abandonment
Trademark Management	Branding & Maintenance	• Apply for trademark registration based on business strategies to build brand identity • Track trademark registration status and renewal schedules across countries • Prevent infringement, counterfeiting, and market confusion events
Trade Secrets	Confidentiality & Control	• Establish protection mechanisms (including visitor control and data access permissions) • Enforce the fulfillment of confidentiality obligations upon employee resignation
Licensing & Collaboration	Valorization & Contracts	• Formulate technology licensing or alliance strategies to enhance IP value • Establish contract management workflows to strengthen risk control

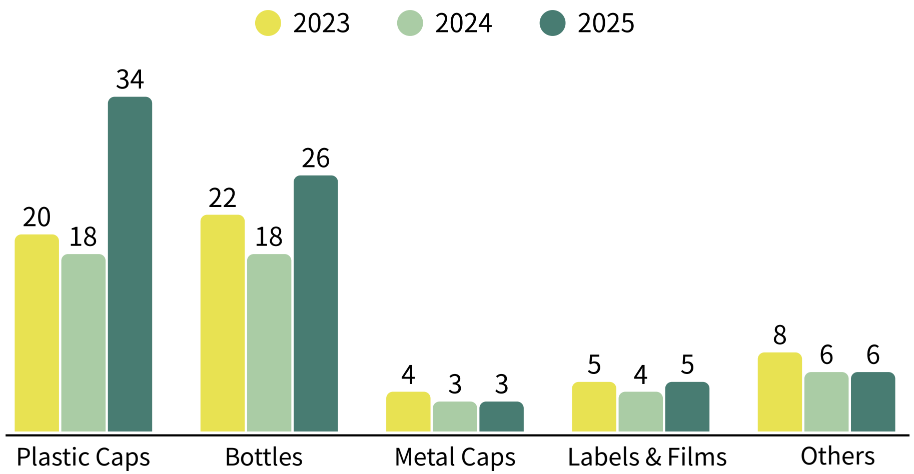
3.4 Innovative R&D

GRI 3-3

In 2025, Hon Chuan participated in Tokyo Pack in Japan, Natural Products Expo West in the United States, MAFBEX in the Philippines, and the Food and beverage Exhibition in Mexico. These events allowed us to promote products and develop new customers, as well as observe innovative technologies within the industry to master global market trends.

Patent Distribution

Hon Chuan's operational headquarters is located in Taiwan, responsible for R&D, market intelligence research, and knowledge management. We cultivate talents through the Hon Chuan Academy and continuously develop functional, green, and high-value-added products. In 2025, a total of 74 patents were obtained.



R&D Focus

Hon Chuan optimizes product functions and safety through innovative R&D, balancing environmental protection and customer needs to maintain corporate competitiveness. In 2025, the focus was placed on the environmental outcomes following the addition of a third flexographic printing line, as well as the optimization of sustainable packaging materials, such as packaging lightweighting and the use of PCR materials-to continuously introduce high-value-added and green circular economy products.

2025 Production Volume of Sustainable Products

Item	Production Volume	Unit	Description
Eco-Friendly Tethered Caps	103,395	thousand pcs	Sustainable benefits of tethered caps complying with the EU Single-Use Plastics (SUP) Directive
rPET Bottles/Preforms	937,039	thousand pcs	Reduced 14,734 metric tons of CO2e greenhouse gas emissions
rPET Labels	26,483	thousand pcs	Each label reduces greenhouse gas emissions by approximately 10%–30%, resulting in a total reduction of 21 metric tons of CO2e emissions

Introduction of the Third Flexographic Printing Machine

Background

Enhance printing technology, use eco-friendly UV inks, and reduce VOC emissions and environmental impact.

Implementation Status

In January 2025, the construction of the flexographic label production line was completed and put into operation. All 3 original rotogravure printing machines were replaced with flexographic equipment, shifting to eco-friendly inks to effectively lower process emissions. This reduces volatile organic compounds (VOCs) by approximately 509.7 metric tons per year.

In 2025, the total annual output of the flexographic label line reached approximately 3.16 billion pieces. Compared with rotogravure labels, it achieved an annual carbon emission reduction of about 33.3 tCO_2e, demonstrating real pollution and carbon reduction outcomes brought by process transformation.

Sustainable Packaging Optimization

Background

In response to the sustainable cycle of packaging materials, lessen environmental burdens through lightweighting and increasing PCR material content

Implementation Status

The bottle finish and cap feature a lightweight design. The bottle body and labels are made from 100% PCR PET material, which can reduce total carbon emissions by 60%

04 Integrity Governance

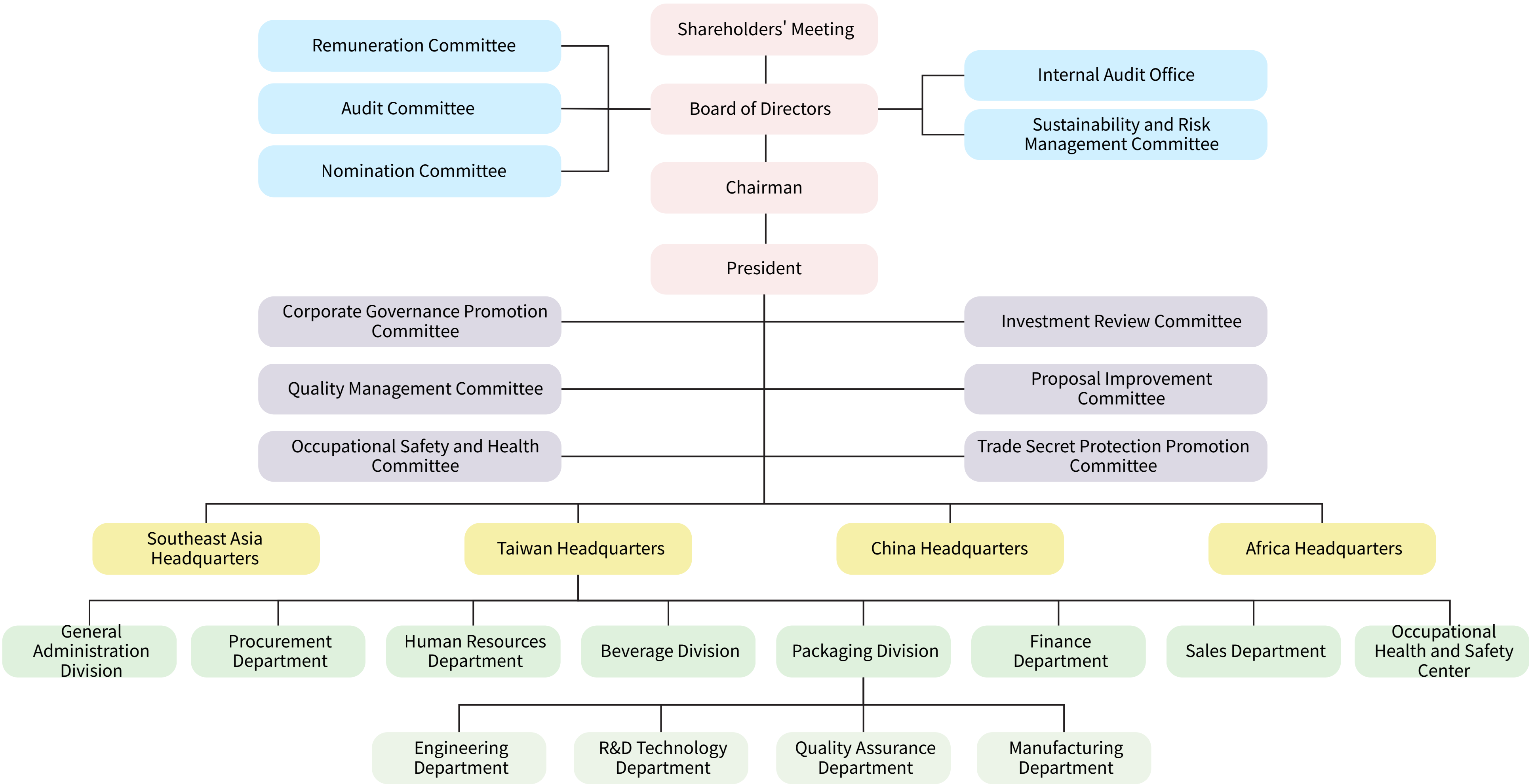
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Integrity Governance GRI 2-9 , 2-14

Through board supervision, optimized internal controls, and sound financial management mechanisms, we mitigate operational risks and reinforce corporate governance. Maintaining steady operations and deepening our global presence, we have continuously achieved a "twA" long-term stable credit rating and ranked in the third tier (21%–35%) in the 2025 Corporate Governance Evaluation by the Taiwan Stock Exchange, demonstrating the maturity of our governance system and the foundation of market trust.

Corporate Organizational Structure



4.1 Governance Practices GRI 2-13 , 2-14

Hon Chuan deeply understands that corporate governance is the cornerstone of corporate sustainable development. We have formulated and implemented the Corporate Governance Practice Principles, tightly integrating sustainable development with corporate value enhancement, and regularly reporting to the Board of Directors to track execution performance and strengthen the governance oversight mechanism.

Core Governance Principles Coverage

- **Safeguarding Shareholders' Rights and Interests**: Ensure timely, transparent, and equitable information disclosure
- **Strengthening Board Functions**: Enhance decision-making quality through professional division of labor and continuous education
- **Respecting Stakeholder Rights and Interests**: Establish diverse communication channels and incorporate external opinions into business considerations
- **Enhancing Information Transparency**: File operational information according to the law, disclosing it on the official website and the Market Observation Post System (MOPS)

Board Information

4.1.1 Board Operations GRI 2-9~11 , 2-15 , 2-17~18 , 405-1

Hon Chuan's Board of Directors is the highest governance body, responsible for formulating business policies and supervising the execution performance of management. The re-election was completed on May 31, 2023, with a total of 9 directors (6 general directors, 3 independent directors), serving a three-year term.

Board Composition Characteristics

- **Division of Labor:** Separate Chairman and President roles to ensure oversight and operational efficiency.
- **Independence:** 33% independent directors; all within term limits to maintain objectivity.
- **Professional Diversity:** Expertise spanning strategy, finance, tech, risk control, and international markets.
- **Gender & Age Diversity:** 33% female representation; well-balanced age distribution (2 under 50, 4 over 50).

2025 Board of Directors Operational Performance

Convened 4 board meetings with an average attendance rate of 92%. Major resolution items included:

Production and operational strategies	Dividend distribution and shareholders' meeting matters	Investment plans and equity changes
Financial proposals	Sustainable development topics	Other material matters

Director Continuing Education GRI 2-17

66 Hours
Total Continuing Education Hours

The continuing education hours in 2025 grew by 10% compared to the previous year. The curriculum covered sustainable finance (IFRS), climate risk management (TCFD/TNFD), regulatory compliance, and governance practices.

Directors and Officers (D&O) Liability Insurance

During the board meeting on March 6, 2025, the company purchased liability insurance for all directors and key officers in accordance with Article 39 of the Corporate Governance Practice Principles. The term, coverage amount, and scope of underwriting are clearly specified to safeguard the execution of duties and reinforce governance and risk management.

Recusal of Directors Due to Conflicts of Interest GRI 2-15

If a director has a personal interest or an interest through the juridical person they represent in a board proposal, they must explain it at the board meeting and recuse themselves from the discussion and voting on that proposal. In 2025, no such instances requiring recusal occurred during board meetings.

Board Performance Evaluation

GRI 2-18

Annual self-evaluations are conducted in accordance with the Board Performance Evaluation Measures to review the operational efficiency and governance quality of the board. The 2025 evaluation results have been disclosed in the Annual Report for the Shareholders' Meeting and on the official company website.

Board Performance Evaluation Measures

Board Performance Evaluation Results

2025 Annual Report

4.1.2 Functional Committee Operations GRI 2-12 , 2-19

Hon Chuan has established four functional committees: the Audit Committee, Remuneration Committee, Nomination Committee (newly established on August 8, 2025), and Sustainability and Risk Management Committee. Each committee operates according to its organizational charter and regularly reports to the Board of Directors to strengthen financial governance, remuneration systems, talent selection, and sustainable risk management. The Internal Audit Office conducts regular internal audits and reports to the Audit Committee and the Board of Directors to continuously strengthen internal control systems and information transparency.

Functional	Responsibilities	No. of	2025 Major Resolution Items	Attendance Rate / Performance Evaluation
Audit Committee	• Supervise the fair presentation of financial reports • Operational risk control • Regulatory compliance • Effectiveness of internal controls • Independence of CPAs	3	• Financial reports and earnings distribution • Distribution of employee and director remuneration • Independence assessment of the certifying CPA • Internal audit reports • Material investment plans and endorsement/guarantee cases • Regulatory amendment proposals	Attendance Rate 100% Self-Evaluation 4.91
Remuneration Committee	• Review the rationality of director and executive performance and remuneration • Evaluate the inclusion of sustainability performance into the remuneration system	3	• Distribution of employee and director remuneration • Executive dividend/bonus proposals	Attendance Rate 100% Self-Evaluation 5
Sustainability & Risk Management Committee	• Supervise sustainability policies and risk management systems • Review climate risks, energy management, and material sustainability topics	5	• Sustainability development strategic blueprint • Environmental performance management • Optimization of sustainability regulations and systems • Sustainability risk and materiality management	Attendance Rate 100% Self-Evaluation 4.83
Nomination Committee	• Formulate/review selection criteria for directors and executives • Review candidate qualifications • Other matters resolved by the Board of Directors	5	• Establishment of the Nomination Committee • Submission of the organizational charter to the Board of Directors for review	Attendance Rate 100%

Notes:
1. The Nomination Committee was established on August 8, 2025, and therefore its results are not included in the 2025 performance evaluations. Members of the Audit and Remuneration Committees are all Independent Directors.
2. The self-evaluation score is the average score of the self-assessments by the Board and individual directors regarding the committee's overall performance (maximum score of 5 points)
3. For detailed information on director and executive remuneration, please refer to the Corporate Governance chapter of the 2025 Annual Report
4. For organizational charters and operational details of each committee, please visit the company's official website

Functional Committee Operations

4.1.3 Ethics and Integrity GRI 2-23 , 2-24

Hon Chuan has established a comprehensive integrity governance framework, formulating management systems such as the Corporate Integrity Management Code and the Code of Ethical Conduct for Directors and Executive Officers. We require the Board of Directors, management, and all employees to strictly abide by the principles of integrity. The Internal Audit Office monitors the internal control system through regular and irregular audits to effectively prevent regulatory violations and misconduct.

Corporate Integrity Management Code

The Corporate Integrity Management Code was revised in 2020, requiring all employees to sign an integrity commitment letter and suppliers to sign an integrity declaration. On March 6, 2026, the Board of Directors approved the formulation of the Operating Procedures and Behavior Guidelines for Integrity Management and concurrently revised the Whistleblowing Measures for Violations of Corporate Integrity Management to strengthen internal control and integrity governance mechanisms.

Unethical behaviors include:
- Bribery and acceptance of bribes
- Improper political contributions
- Improper sponsorship or gifts
- Infringement of intellectual property rights

Target Audience: All employees

Code of Ethical Conduct

On August 8, 2025, the Board of Directors approved the revision of the text to the Code of Ethical Conduct for Directors (Including Independent Directors) and Executive Officers, regulating that directors and senior management must follow the principles of integrity, legality, and fairness when performing their duties.

- Avoid conflicts of interest and competitive acts
- Do not use one's position to seek personal gain
- Strictly observe confidentiality obligations regarding customer and company information
- Treat stakeholders fairly
- Properly protect company assets

Target Audience: Directors, Executive Officers

Multiple Integrity Management and Whistleblowing Mechanisms

The company adopts a principle of strict confidentiality regarding the personal data of whistleblowers and interested parties. Whistleblowing cases are received by the President and the Internal Audit Office, while the Occupational Health and Safety Center and the Human Resources Department are responsible for communication and management regarding workplace violence and human rights. In 2025, no related complaint cases occurred.

Procurement Management System: Formulated the Procurement Bidding Management Measures to prevent illegal acts such as collusive bidding and bribery. Violators will have their qualifications revoked and be punished in accordance with the law.

Integrity Whistleblowing System: Formulated the Whistleblowing Measures for Violations of Corporate Integrity Management, establishing a written channel (Internal Audit Office, No. 6, Gongyequ 2nd Rd., Taichung City) and an email channel (ethics@mail.honchuan.com.tw) to protect whistleblowers' privacy. Those making malicious accusations or leaking secrets will be held legally responsible.

Workplace Violence Complaint Mechanism: Formulated the Measures for Workplace Violence Complaints and Handling, under which a dedicated committee is responsible for case investigation and processing to ensure employees' labor rights

2025 Integrity Promotion Achievements

The company regularly conducts integrity promotions, and the 2025 implementation results were reported to the Board of Directors on March 6, 2026. The main courses for new employees (including employees who resigned that year) cover integrity management and human rights advocacy, while the main courses for mid-to-senior executives (managers at the plant director level and above) focus on the prevention of insider trading

Integrity Management		Human Rights Advocacy		Insider Trading Prevention	
Training Hours	Person-times	Training Hours	Person-times	Training Hours	Person-times
184	368	184	368	26.5	53

4.1.4 Internal Audit Mechanism

The Internal Audit Office, established under the Board of Directors, formulates audit plans based on annual risk assessments, executes audits, tracks the rectification of deficiencies, and regularly reports to the Board of Directors and the Audit Committee. In 2025, a total of 62 audit tasks were completed, achieving a 100% improvement completion rate.

4.2 Risk Management GRI 2-24 , 3-3

In accordance with the Risk Management Policy and Procedures and Risk Management Best Practice Principles, Hon Chuan identifies and evaluates environmental, social, and governance risks. We have built a management mechanism featuring company-wide participation and multiple lines of defense, reporting the implementation status to the Board of Directors at least once a year. On November 7, 2025, the Risk Management Policy and Procedures was revised. The main highlights include: the risk response organization's convener was changed to be coordinated by the "Sustainability and Risk Management Committee," with the Board of Directors serving as the highest decision-making and supervisory body; a risk level and governance maturity matrix was introduced, and a Key Performance Indicator (KPI) tracking mechanism was established. The 2025 Risk Management Report was approved by the Sustainability and Risk Management Committee on November 7, 2025, and reported to the Board of Directors on March 6, 2026.

Risk Identification and Assessment

Identify environmental, social, and governance (ESG) as well as financial-related risk types, and assess risk levels based on the risk level and governance maturity matrix

Risk Response and Strategies

Formulate improvement plans and control measures based on risk levels, and establish responsible units and key indicators

Supervision and Review

Regularly review the effectiveness of risk management and report to the Sustainability and Risk Management Committee and the Board of Directors

2025 Major Risks and Management Outcomes

Dimension	Category	Item	Risk Level	Description	Management Strategies	Management Unit
Environmental E	Environment	Climate Change & Carbon Fees	Medium	Taiwan's carbon fee collection mechanism increases operational costs, impacting product profitability and market competitiveness	1. Promote 2050 Net-Zero goal and plan carbon reduction pathways with SBTi 2. Introduce renewable energy 3. Enhance the application of low-carbon materials (such as rPET) and product development 4. Conduct greenhouse gas inventories	Sustainability Dept.
		Water Resources & Wastewater Discharge	Low	Water shortages or restrictions will impact production; wastewater discharges exceeding standards may result in fines and liability for pollution	1. Strengthen water recycling and reuse 2. Regularly monitor wastewater discharge to ensure compliant emissions	Occupational Health & Safety Center
		Waste & Air Pollution	High	Air emissions or waste disposal failing to comply with regulations or meet reuse rate targets may lead to fines	1. Improve waste sorting, reduction, and reuse rates 2. Regularly maintain air pollution control equipment	Occupational Health & Safety Center
Social S	Operations	Product Quality & Food Safety	Extremely High	Anomalies in product quality or food safety may trigger claims, recalls, or the loss of FSSC 22000 certification	1. Maintain FSSC 22000 food safety certification 2. Strengthen supplier audits and traceability management	Quality Assurance Dept.
		Information Security	High	Hacker attacks or disruptions may cause operational shutdowns or data leaks	1. The Board of Directors reviews information security policies and examines management effectiveness annually 2. Establish backup and disaster recovery mechanisms	IT Office
		Supply Chain Disruption	High	The supply of critical raw materials (such as PET, PP) being disrupted by geopolitical impacts affects production and delivery schedules	1. Establish diversification mechanisms for supply sources 2. Incorporate ESG into supplier evaluations	Procurement Dept.
		Occupational Health & Safety	Extremely High	Operational negligence leading to industrial safety accidents, work stoppages, and casualties	1. Strengthen education and training 2. Implement equipment inspection and fire drills 3. Strengthen accident notification and emergency response workflows	Occupational Health & Safety Center
	Market	Dependence on Critical Customers	Extremely High	High customer concentration; if customers are lost or disputes arise, it will impact revenue and reputation	1. Deepen the "In-House" cooperation model 2. Expand into emerging markets and establish diversified customer bases	Sales Dept.
	Human Rights & Business Ethics	Labor Human Rights & Talent Retention	High	Labor discrimination, migrant worker disputes, or talent drain may damage reputation and operations	1. Implement the migrant worker agency "Zero-Fee" policy 2. Enhance a friendly working environment to create employee happiness 3. Perfect talent development systems	Human Resources Dept.
Governance G		Integrity Management & Anti-Corruption	Extremely High	Fraud or insider trading may damage corporate reputation and shareholders' rights	1. Regularly conduct training on integrity and insider trading prevention 2. Regularly implement fraud risk audits	Internal Audit Office Legal Office
	Finance	Exchange Rate Fluctuations	Extremely High	Overseas operations involve foreign currency assets and liabilities; exchange rate fluctuations may cause foreign exchange gains or losses	Adopt a natural hedging strategy, utilizing foreign currency liabilities to balance foreign currency assets. Concurrently manage exchange rate volatility risks through hedging mechanisms with derivative financial products	Finance Dept.

4.3 Regulatory Compliance

GRI 2-27

Hon Chuan's Legal Office coordinates legal compliance affairs, keeping track of the latest regulatory trends to ensure compliant corporate operations, mitigate risks of regulatory fines and reputational damage, and protect the rights and interests of the company and its stakeholders. In 2025, there were no material violations involving a single fine exceeding NT$1 million.

Core Responsibilities

- Routinely draft and review legal documents annually
- Handle legal disputes and incidents
- Assist in revising internal management regulations
- Plan legal and compliance education and training
- Conduct regulatory inventories and audit verifications

Trade Secrets and Confidential Information Management

The company has formulated the Confidential Information Management Measures to reinforce trade secret protection and reduce the risk of data leaks. A mechanism for confidential information classification and access control has been established to restrict external transmissions and implement encryption management. New employees must complete confidentiality training and sign a commitment letter. The Legal Office conducts irregular random checks and continuously optimizes the system.

Violations and Corrective Measures

In 2025, a total of 4 labor regulation-related penalties occurred, all of which have been resolved with improvements made, fines paid, and internal controls strengthened:

Date	Description of Incident	Penalty Result (NT$)	Corrective Measures
08.27	Insufficient anti-slip measures on stairs at the workplace of Aseptic Beverage Plant 2, violating Article 21 of the Regulations for Occupational Safety and Health Facilities and Article 6, Paragraph 1 of the Occupational Safety and Health Act	Fine NT$100,000	1. Improved stair design and anti-slip measures 2. Inventoried and corrected risk points in other plant areas 3. Strengthened fall-prevention education and training
09.15	Extended working hours for employed workers (5 in total) exceeded the statutory limit, violating Article 32, Paragraph 2 of the Labor Standards Act	Fine NT$50,000	Strengthen production manpower allocation and working hour management
12.03	Insufficient disclosure of salary items (advances) (lacking calculation methods), violating Article 23, Paragraph 1 of the Labor Standards Act	Fine NT$20,000	1. Optimize the system to disclose salary calculation details 2. Allow employees to look up various calculation details
12.26	Incorrect calculation of overtime pay for a worker (1 person) on a rest day, violating Article 24, Paragraph 2 of the Labor Standards Act	Fine NT$50,000	Strengthen HR training on working hour calculations

Note: A worker fall incident occurred in the plant in October 2025, unfortunately resulting in the death of 1 employee. The case is currently under judicial investigation.

2026 Compliance Targets

Zero Material Violations

Continuously reinforce compliance management to strictly prevent the occurrence of material incidents involving fines of NT$1 million or above

Strengthen Trade Secret Protection

Regularly review the effectiveness of the Confidential Information Management Measures to strengthen information security and personnel control

Enhance Company-Wide Compliance Awareness

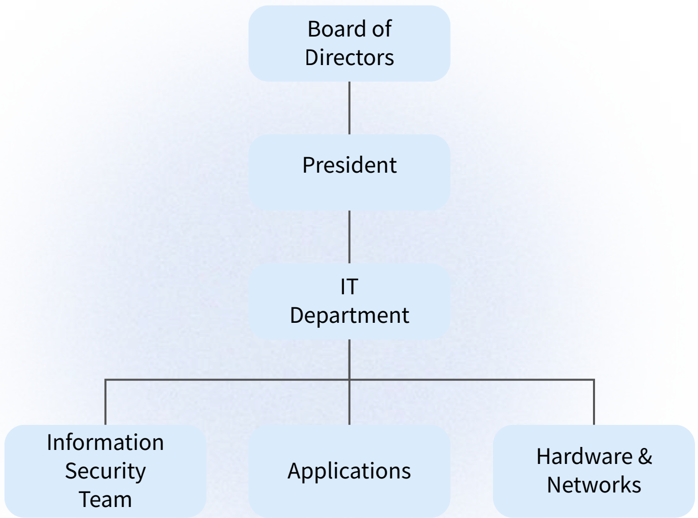
Conduct regulatory and internal control education training to enhance the legal concepts of all personnel

4.4 Information Security

GRI 3-3

Hon Chuan is committed to strengthening cyber security protection and implementing group governance through the Hon Chuan Information Security Management Measures, covering all plant areas in Taiwan and overseas to ensure the confidentiality, integrity, and availability of information assets. The company has established an "Information Security Team" under the IT Department to coordinate information security policy formulation, risk management, and compliance auditing, and regularly reports management performance and technical trends to the Board of Directors. On May 8, 2026, the Board of Directors reviewed and approved the "2025 Annual Results and 2026 Cyber Security Plan."

Organizational Structure



Cyber Security Policy

Maintain company cyber security, excel in self-management, and possess information security awareness

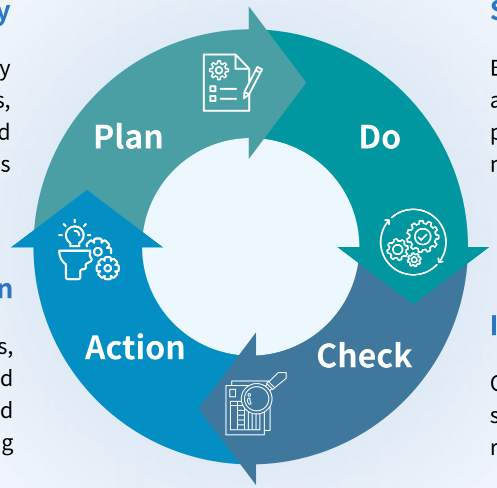
Management Mechanism

Security Policy

Formulate information security policies and measures, clarifying access control and system classification principles

Security Management

Build a multi-layered defense architecture and access permission management mechanism



Improvement Action

Remediate vulnerabilities, optimize defenses, and strengthen education and training

Internal Audit

Conduct regular vulnerability scanning, account permission reviews, and internal audits

Management Targets

1. Zero material information security incidents
2. Review ERP accounts and permissions at least once a year
3. Deactivate system accounts of resigned personnel within 5 days after their resignation

Management Action Plans

In 2025, the information security defense and monitoring mechanisms were continuously strengthened. No major information security incidents occurred throughout the year that affected corporate operations.

Plan Name	Plan Description	Implementation Outcomes
Awareness Education & Training	1. Regularly conduct information security promotions and social engineering drills (such as phishing email tests) 2. Professional course training for dedicated information security managers and personnel	• 2 social engineering drills • 4 information security promotions • 22 hours of professional course training
Defense Mechanisms	Build multi-layered defense mechanisms, including access control and identity authentication, network and system protection (such as firewalls, intrusion detection, email filtering, and other systems), physical and environmental security, data backup, and recovery, etc	• Continuously update versions of defense mechanisms • 2 disaster recovery drills
Vulnerability Scanning & System Updates	Regularly conduct annual host and network vulnerability scanning and remediation, and update systems	• Monthly system updates and vulnerability patching • 2 vulnerability scans
Information Security Monitoring	1. Introduce NDR to monitor and analyze network traffic, and MDR to detect endpoint threats 2. External information security audit commissioned to a CPA firm to evaluate the effectiveness of the company's internal controls over information operations	• Detected 1 external attack; the defense mechanism was activated, resulting in zero impact on corporate operations • Passed the audit for "Understanding the Client's Computer Processing Environment" along with "General Computer Controls" and "Automated Application Controls Testing" on 2025/12/8. (External Audit Unit: Deloitte & Touche)

05 Green Sustainability

Green Sustainability GRI 3-3

Commitment and Principles

Hon Chuan recognizes the close link between its operations and the natural environment. Guided by its philosophy of "environmental protection, energy saving, and sustainable production," the Company reduces environmental impacts, responds to climate change, and protects biodiversity. Based on its Sustainable Development Practice Principles, the Company promotes environmental management through five key principles. The Sustainability Development coordinates planning and cross-departmental resources to advance energy conservation, carbon reduction, pollution prevention, and resource efficiency, while adopting international standards and government certifications to enhance environmental performance.

Information Disclosure

Regularly inventory GHG emissions, water use, and waste

Compliant Operations

Comply with domestic and foreign environmental regulations and international standards

Risk Assessment

Regularly assess climate change risks and opportunities, and adopt appropriate pollution prevention and control measures

Low-Carbon Transformation

Continuously promote carbon reduction actions and process optimization to reduce the environmental impact of operations

Sustainable Production

Promote energy saving, carbon reduction, and resource efficiency enhancement, prioritizing raw materials with low environmental impact or recycled content

Accountable Department

Sustainability Dept. → **Occupational Health and Safety Center** → **Mechanical & Electrical Section, Engineering Dept.**

- **Sustainability Dept.**: Coordinate sustainability policy planning and resource integration, and supervise the promotion and execution across all units
- **Occupational Health and Safety Center**: Execute audits and management in accordance with environmental regulations to ensure policy implementation
- **Mechanical & Electrical Section, Engineering Dept.**: Promote energy-saving projects and the introduction of green energy equipment to implement various carbon reduction measures

System Certifications

ISO 14001 Environmental Management System Certification

Beverage Division, Packaging Division

Clean Production Assessment System Certificate for Green Factories by the Industrial Development Administration, Ministry of Economic Affairs

Beverage Division

5.1 Climate Change GRI 3-3

In response to global warming and extreme weather, Hon Chuan refers to IFRS S2 and TCFD frameworks to disclose its climate actions. The Company has established a cross-departmental risk management and scenario assessment mechanism to identify climate-related physical and transition risks and opportunities. Climate issues are also integrated into material sustainability topics, with management and execution progress regularly reported to the Board.

5.1.1 Climate Change Response

Governance (IFRS S2.6)

Establish a climate governance framework across the Board, Sustainability and Risk Management Committee, Sustainability Development, and operational departments to implement climate governance and risk management.

Communication Mechanism

The Board oversees progress on climate strategies and targets, while the Sustainability and Risk Management Committee reviews execution quarterly and reports to the Board semiannually.

Risk Management Process (IFRS S2.25)

An overall risk management framework where the Sustainability and Risk Management Committee coordinates the management of climate risks and opportunities, conducting the identification and assessment of physical and transition risks annually.

Strategy

Explain the potential impact of climate change on corporate operations from three dimensions: the time horizons of climate risks and opportunities, the impact on business models and value chains, and the financial impacts

Disclosure of Climate-related Risks and Opportunities by Time Horizon (IFRS S2.10(b))

Climate-related risks and opportunities are categorized into short-term (within 3 years), medium-term (3–5 years), and long-term (over 5 years) horizons. Their impacts on business models, value chains, business strategies, and financial management are evaluated to serve as a basis for capital expenditures, energy strategies, and operational adjustments.

Type	Impact Driver	Description		Impact Horizon		
				short-term	medium-term	long-term
Transition Risks	Policy & Legal	Carbon Fee Collection	Levied by Taiwan's Ministry of the Environment starting in 2025 and paid in 2026; it increases operational costs and may drive up raw material and logistics costs	◎	◎	◎
		Water Regulation	Levied by Taiwan's Ministry of Economic Affairs since 2023; it increases the cost of process water and affects supply stability	◎	◎	
		Carbon Disclosure	Disclosures required by competent authorities, increasing compliance and management costs	◎	◎	
		Renewable Mandates	Require renewable energy installations, increasing transition and investment costs	◎	◎	
		Plastic Packaging Laws	Tightening regulations in the EU, Australia, etc., raising product compliance and operational costs	◎	◎	◎
	Market	Shift in Customer Behavior	Growing environmental awareness shifts customer demand toward low-carbon products and services, increasing product development and transition pressures	◎	◎	
		Rising Material Costs	Rising raw material prices compress profit margins		◎	◎
Physical Risks	Acute	Extreme Weather Events	Disrupt production, affect revenue stability, and increase scrap costs from damaged packaging materials	◎		
	Chronic	Droughts & Water Scarcity	May impact process water and equipment cooling efficiency, further affecting production stability		◎	
		Rising Mean Temperatures	Elevates energy demands for air conditioning and manufacturing processes, increasing energy costs			◎
Opportunities	Resource Efficiency	Improve Logistics Efficiency	In-house production at customer sites, transporting preforms instead of empty bottles to lower transport emissions	◎		
		Improve Energy Efficiency	Replacing forklifts with lithium battery types and optimizing chilled water and air compressor systems to reduce energy consumption and costs	◎		
		Packaging Recycling	Recycling and reusing PET packaging materials to lower the consumption of petrochemical virgin raw materials and waste	◎		
		Reduce Water Consumption	Enhancing water use efficiency through water-saving measures and process optimization	◎		
		Gov Energy Subsidies	Participating in government ESCO subsidy projects to reduce costs and increase efficiency	◎	◎	
	Government	Develop Low-Carbon Goods	R&D and application of low-carbon products to avoid the impact of price-cutting competition in the market	◎	◎	
	Products /Services	Business Diversification	Promoting the In-House "plant-in-plant" model to deepen collaboration with customers and strengthen our role in green supply chains	◎	◎	
	Market	Incentives & Frameworks	Use energy-saving subsidies and carbon fee incentives to reduce operating costs	◎	◎	
	Resilience	Renewable Investment	Participating in renewable energy investment or procurement to lower carbon costs	◎	◎	◎

Impact on Business Model and Value Chain (IFRS S2.13a)

Evaluate the current and potential future impacts of climate risks and opportunities on company operations and the upstream/downstream value chain to understand the potential shocks of climate change on the supply chain, operational activities, and customer demands.

Type	Impact Driver	Item	Impact on Business Model	Impact on Value Chain	Impact Horizon		
					short-term	medium-term	long-term
Transition Risks	Policy & Legal	Carbon Regulations	• **Current Impact:** No current impact • **Anticipated Impact:** Driving carbon inventories, carbon management, and third-party verification	• **Current Impact:** The entire supply chain needs to provide carbon inventory data • **Anticipated Impact:** Upstream suppliers pass down costs incurred from carbon reduction	◎	◎	◎
		Water Regulation	• **Current Impact:** Water regulations are tightening, potentially increasing water costs • **Anticipated Impact:** Introducing water-saving technologies and recycling systems	• **Current Impact:** Suppliers may be charged water consumption fees • **Anticipated Impact:** Suppliers pass down water resource management costs		◎	
		Plastic Packaging Laws	• **Current Impact:** No current impact • **Anticipated Impact:** Incorporating into mid-to-long-term strategies, adjusting compliance costs and product pricing	• **Current Impact:** No current impact • **Anticipated Impact:** Downstream value chain cooperates in using recycled materials and passes down costs	◎	◎	
Physical Risks	Acute	Extreme Weather Events	• **Current Impact:** Employee commuting may be disrupted, while salary and related operating costs may still be incurred • **Anticipated Impact:** Damaged packaging materials, production disruption	• **Current Impact:** No current impact • **Anticipated Impact:** Upstream transportation disrupted, logistics affected	◎	◎	
	Chronic	Droughts & Water Scarcity	• **Current Impact:** Optimizing and introducing recycling and water-saving equipment • **Anticipated Impact:** Establishing drought response mechanisms to ensure production stability	• **Current Impact:** Strengthening supplier collaboration and water resource management • **Anticipated Impact:** Evaluating raw materials with low water footprints to reduce supply chain dependency on water resources	◎	◎	◎
		Heatwaves & Energy Load	• **Current Impact:** No current impact • **Anticipated Impact:** Rising temperatures increase air conditioning, electricity, and energy costs	• **Current Impact:** No current impact • **Anticipated Impact:** Production of certain suppliers affected, increasing the risk of delivery delays	◎	◎	

Type	Impact Driver	Impact on Business Model	Impact on Value Chain	Impact Horizon		
				short-term	medium-term	long-term
Opportunities	Promoting Low-Carbon Green Production	• **Current Impact:** A dedicated team monitors environmental indicators • **Anticipated Impact:** Introducing low-carbon manufacturing processes and energy-saving equipment	• **Current Impact:** Promoting green supply chains • **Anticipated Impact:** Prioritizing the adoption of eco-friendly raw materials and suppliers	◎	◎	
	Using Renewable Energy	• **Current Impact:** Planning the use of renewable energy • **Anticipated Impact:** Constructing solar power systems and procuring renewable energy to lower carbon emissions	• **Current Impact:** No current impact. • **Anticipated Impact:** Customers obtain low-carbon products, lowering the carbon footprint of products.	◎	◎	◎
	Developing Low-Carbon Products or Services	• **Current Impact:** Evaluating low-carbon product development • **Anticipated Impact:** Investing in low-carbon products and manufacturing process optimization	• **Current Impact:** No current impact • **Anticipated Impact:** Adjusting the supply chain to select eco-friendly materials and raw material suppliers with higher energy efficiency	◎	◎	
	Diversification of Business Activities	• **Current Impact:** Implementing the In-House "plant-in-plant" model to reduce warehousing and transportation costs • **Anticipated Impact:** Expanding the scale of business operations to achieve a win-win outcome for both the company and customers	• **Current Impact:** Mitigating supply risks and stabilizing product provisions • **Anticipated Impact:** Enhancing customer transportation and warehousing efficiency, transforming relationships into long-term strategic partnerships		◎	◎
	Enhancing Corporate Reputation & Brand Awareness	• **Current Impact:** Participating in international sustainability initiatives and ratings • **Anticipated Impact:** Reinforcing the corporate ESG image and market competitiveness	• **Current Impact:** Driving supply chain sustainability management • **Anticipated Impact:** Collaborating with suppliers dedicated to sustainable development	◎	◎	

Financial Impact Disclosure (IFRS S2.15)

In accordance with IFRS S2 requirements, evaluate and disclose the current and potential future financial impacts of climate-related risks and opportunities. This helps stakeholders understand the effects of climate issues on corporate operating costs, capital expenditures, and revenue opportunities.

Type	Impact Driver	Item	Financial Impact During the Reporting Period S2.16(a)	Anticipated Financial Impact S2.16(c)-(d), S2.21(a) to (c)
Transition Risks	Market	Shift in Customer Behavior	R&D and testing expenses for low-carbon products totaled NT$1.298 million	Enhance production efficiency and material development integration, increasing operational and capital expenditures
		Rising Material Costs	No material financial impact has occurred during this period	By 2050, climate change may make 50% of current coffee-growing land unsuitable, potentially doubling coffee prices and agricultural product costs. Upstream PET suppliers may also pass on about 3% carbon-related costs

Type	Impact Driver	Item	Financial Impact During the Reporting Period S2.16(a)	Anticipated Financial Impact S2.16(c)-(d), S2.21(a) to (c)
Transition Risks	Policy & Legal	Carbon Fee Collection	Replaced air compressors and chillers, and constructed solar power systems, totaling approximately NT$140 million in capital expenditure	Carbon fees may raise annual operating costs by about NT$3 million short term and NT$30 million mid-to-long term.
		Water Regulation	Water consumption fees were levied on Taiwan plant areas, increasing annual production costs by NT$758,000	Introduce water-saving equipment, increasing capital expenditures in the short term
		Carbon Disclosure	Carbon inventory counseling and verification expenses totaled about NT$5 million	Introduce carbon management systems and training, increasing capital expenditures
		Renewable Mandates	Constructed a 1,600 kWp solar system generating 1.8 million kWh annually, saving approximately NT$7.2 million in energy costs per year	Construct and procure renewable energy, increasing operational and capital expenditures
		Plastic Packaging Laws	No material financial impact occurred during this period	The cost of using recycled plastics such as rPET is about 30% higher, increasing operating expenses
Physical Risks	Acute	Extreme Weather Events	Paid typhoon day employee salaries of NT$3.6 million; flood insurance premiums cost around NT$9 million	If production at 3 beverage plants is affected, the potential financial impact is about NT$7.50 million
	Chronic	Droughts & Water Scarcity	No material financial impact occurred during this period	The average drought duration is 4 months. If tap water supply drops by 10%, it may cause an estimated revenue loss of NT$93 million
		Rising Mean Temperatures	No material financial impact occurred during this period	Each 1°C rise increases A/C power use by about 6%; under SSP5-8.5, operating costs may rise by NT$2.765 million by 2040.
Opportunities	Resource Efficiency	Improve Logistics Efficiency	Shifting product transportation from empty bottles to preforms saved NT$1.816 million in logistics costs	The opportunity's financial impact cannot yet be reasonably estimated for the reporting period.
		Improve Energy Efficiency	Replacing lead-acid batteries with lithium batteries in forklifts saved NT$1.76 million in annual battery costs	This opportunity's financial impact cannot yet be reasonably estimated for the reporting period.
		Packaging Recycling	Reusing raw material pallets and packaging materials reduced production expenses by NT$7.668 million	This opportunity's financial impact cannot yet be reasonably estimated for the reporting period.
		Reduce Water Consumption	Improving soft water treatment equipment saved NT$15,000 annually	Continuously increase the water recycling rate, which is expected to lower operating costs
	Gov Incentives	Gov Energy Subsidies	ESCO subsidies reduced CAPEX by NT$11.30 million.	Expected to reduce capital expenditures
	Products /Services	In-House plant	Added new In-House plant services for customers, generating approximately NT$120 million in revenue	Expand the In-House production model, expected to grow revenue
		Low-Carbon Goods Sales	Sales of low-carbon products (recycled materials) increased by NT$59 million	Expected to drive revenue growth
	Market	Gov Financing Incentives	Applied for government special-project equipment upgrade loans, saving NT$1.58 million in interest	If loan tranches continue to be disbursed, interest expenses will be further reduced
	Resilience	Renewable Investment	No material financial impact occurred during this period	It is projected to procure ~2.6 million kWh of renewable energy from 2026 to 2030, which will increase energy costs by about NT$15.60 million

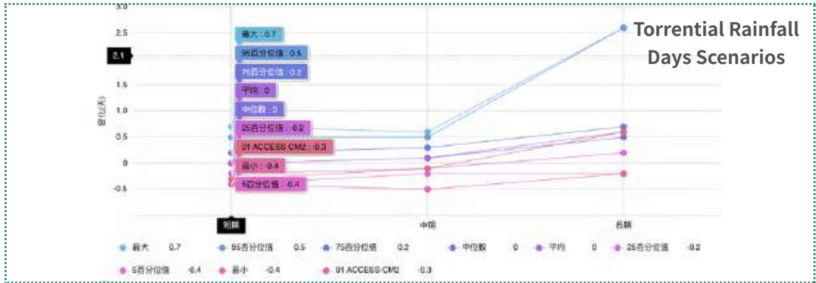
Scenario Analysis

Climate Physical Risks

- Assuming Taiwan's INDC target, 2030 GHG emissions will be 50% below the BAU scenario.
- Based on the 2025 power mix assumption, assess climate policy and energy transition impacts on market, technology, reputation, finance, and operations.

Climate Transition Risks

- Refer to data from TCCIP and the National Science and Technology Center for Disaster Reduction.
- Using the SSP5–8.5 scenario to project the potential operational impacts of rising temperatures and increased days of torrential rainfall from 2021 to 2040



2030 Metrics and Targets

Increase Rainwater/Wastewater Recycling by 30%

Introduce rainwater harvesting and wastewater recycling technologies to enhance water resource reuse rates and implement water conservation targets

Renewable Energy Proportion Reaches 10%

Construct solar power systems and procure renewable energy to increase the proportion of renewable energy use and reduce operational carbon emissions

Reduce Virgin Plastic Consumption by 10%

Reduce virgin plastic usage through lightweight bottle preform designs and by increasing the application ratio of recycled materials (such as rPET)

2035 Metrics and Targets & 2050 Target

Reduce Total Waste Generation by 10%

Enhance resource utilization efficiency through process improvements, source reductions, and recycling measures

Energy Intensity Decreases by 10% Compared to 2025

Reduce energy consumption intensity through equipment upgrades, process optimization, and energy management systems.

Achieve Carbon Neutrality by 2035 | Realize Net-Zero Carbon Emissions by 2050

Using 2024 as the base year, reduce Scope 1 and 2 emissions by 2% annually through energy-saving improvements, renewable energy, and low-carbon production.

5.1.2 Greenhouse Gas Inventory GRI 305-1~5

Hon Chuan has established a GHG inventory system in accordance with ISO 14064-1, using the operational control approach. The inventory covers ten production sites in Taiwan and key Scope 3 activities, including raw material procurement, transportation, employee commuting, business travel, and waste treatment.

Using 2024 as the base year, the Company aims to achieve carbon neutrality by 2035 and reduce Scope 1 and 2 emissions by 2% annually through process optimization, energy efficiency improvements, and green power adoption.

In 2025, total GHG emissions were 301,944 metric tons of CO_2e, with an emission intensity of 30.38, down 4.53% from 2024. Energy optimization projects and the In-House "plant-in-plant" model helped reduce emissions, including approximately 113.91 metric tons of CO_2e from transportation.

Item	2023	2024	2025
Category 1: Direct Emissions (tCO2e)	20,062.3833	15,880.3859	16,165.0644
Category 2: Indirect Energy Emissions (tCO2e)	74,689.4729	81,890.2345	78,984.1653
Category 3: Indirect Transportation Emissions (tCO2e)	3,934.4372	3,566.8334	3,759.6164
Category 4: Indirect Emissions from Product Use (tCO2e)	191,293.3548	214,947.6661	203,035.0261
Total Emissions (tCO2e)	289,979.6482	316,285.1199	301,943.8722
Revenue (Million NT$)	9,186	9,825	9,939
Emission Intensity	31.5680	32.1912	30.3797

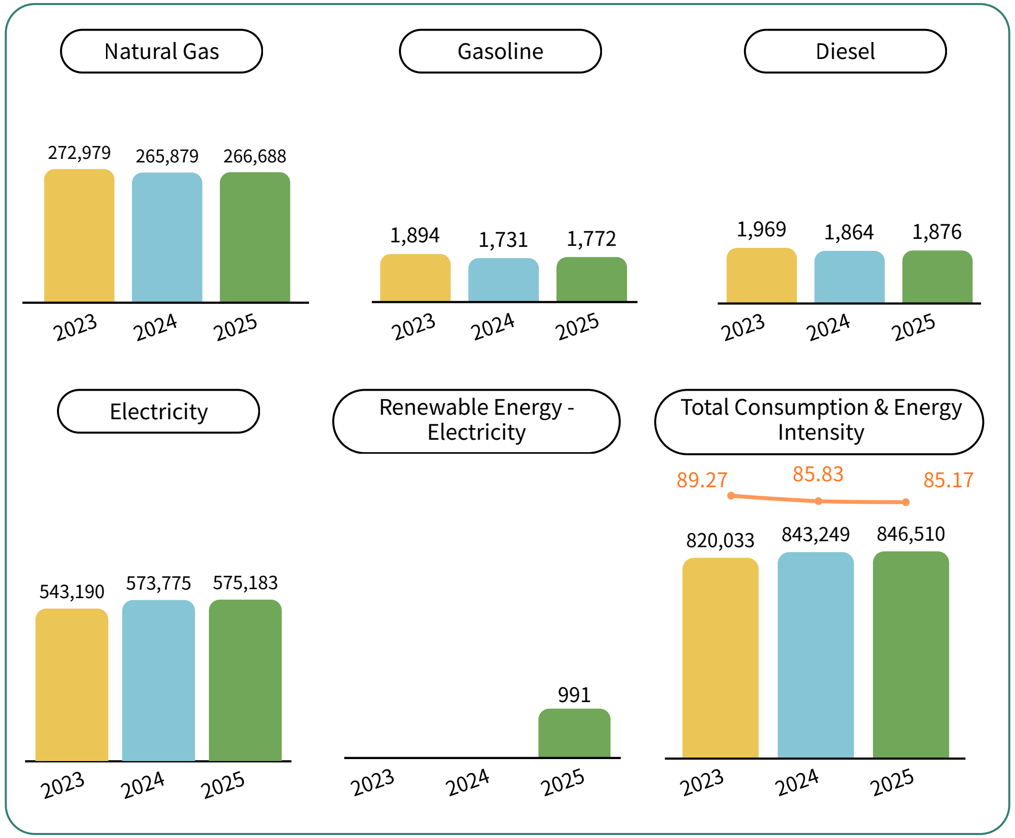
Notes:
1. The greenhouse gas inventory has been verified by SGS Taiwan Ltd., and an ISO 14064-1:2018 Verification Statement has been obtained
2. Inventory sites: Aseptic Plants 1, 2, and 3 were added in 2023; the Free Trade Zone Plant and In-House plants (Ruifang, Taoyuan, Chiayi, Shalu) were added in 2024
3. Emission factors: Calculated based on announcements by the Ministry of the Environment and heating values provided by suppliers
4. Global Warming Potential (GWP): Calculated based on the IPCC AR6 (2021) version
5. Taiwan grid electricity emission factors: 0.495 in 2023, 0.494 in 2024, and 0.474 $kgCO_2e/kWh$ in 2025
6. Emission Intensity = Total Emissions (tCO_2e) / Taiwan Region Revenue (Million NT$)

5.1.3 Energy Management GRI 3-3 , 302-1 , 302-3 , 302-4

Hon Chuan improves energy efficiency through equipment upgrades, process optimization, and energy-saving projects. Using 2024 as the base year, the Company set an annual electricity-saving target of 1.5%. In 2025, total energy consumption increased slightly by 0.39% to 846,510 GJ, mainly due to new production lines at the Free Trade Zone Plant. However, energy intensity decreased by 0.66, reflecting improved energy efficiency.

Energy Consumption

Unit: GJ



Notes:
1. Energy Intensity = Total Energy Consumption (GJ) / Taiwan Region Revenue (Million NT$)
2. Taiwan Region Revenue: NT$9,186 million in 2023, NT$9,825 million in 2024, and NT$9,939 million in 2025
3. Inventory sites: Taichung Plant, Taichung Plant 2, Taichung Harbor Branch (Aseptic Plant 1), Aseptic Beverage Plant 2, Aseptic Plant 3, and Free Trade Zone Plant
4. Source of heating value citations: 2023 Energy Statistics Handbook, Energy Administration, Ministry of Economic Affairs

Electricity-Saving Initiatives GRI 302-4

Hon Chuan implemented two electricity-saving initiatives: the ESPC Energy-Saving Project and a Lean Production Project involving HVAC system optimization at the Taichung Plant. Together, these initiatives saved approximately 11,436.59 GJ, equivalent to around 3,176.83 MWh, of electricity during the year, reducing greenhouse gas emissions by 1,505.82 metric tons of CO_2e.

Lean Production Project

HVAC system optimization at the Taichung Plant, adding 11 sets of water pump variable frequency drives (VFDs)

Annual Electricity Saved
503.46 GJ

Annual Emission Reduction
66.29 Tons

ESPC Energy-Saving Project

1 variable frequency chiller, 4 sets of variable frequency pumps, 4 variable frequency high-pressure air compressors, and 1 refrigerated air dryer

Annual Electricity Saved
10,933.13 GJ

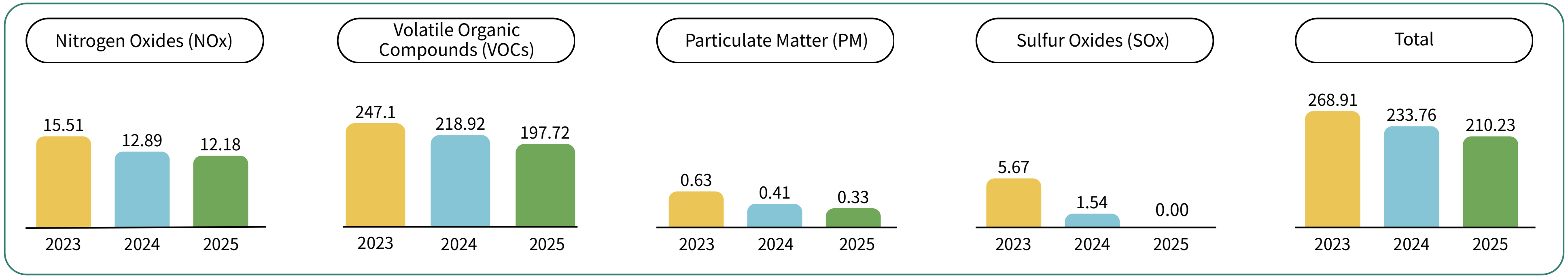
Annual Emission Reduction
1,439.53 Tons

Notes:
1. Electricity savings are estimated from measured power consumption differences and annual operating hours.
2. Carbon reduction = electricity saved*grid emission factor. Energy conversion: 1,000 kWh = 3.6 GJ.
3. The 2025 grid emission factor is 0.474 $kgCO_2e/kWh$, as announced by the Energy Administration, MOEA.

5.2 Air Pollution Control GRI 305-7 , 2-25 , 2-27

Hon Chuan manages air emissions through its Air Emission Management Operational Regulations, reducing PM, NO_x, SO_x, and VOCs through process improvements, high-efficiency control equipment, and regular regulatory testing and reporting. Main emission sources include cleaning and sterilization chemicals in the Beverage division, and injection molding and printing in the Packaging Division. Since September 2024, the Company has adopted low-pollution UV printing for cap printing to reduce VOC emissions. In 2025, total air pollutant emissions were 210.23 tons, down 10.06% from 2024, reflecting the effectiveness of pollution reduction measures.

Unit: Metric Tons



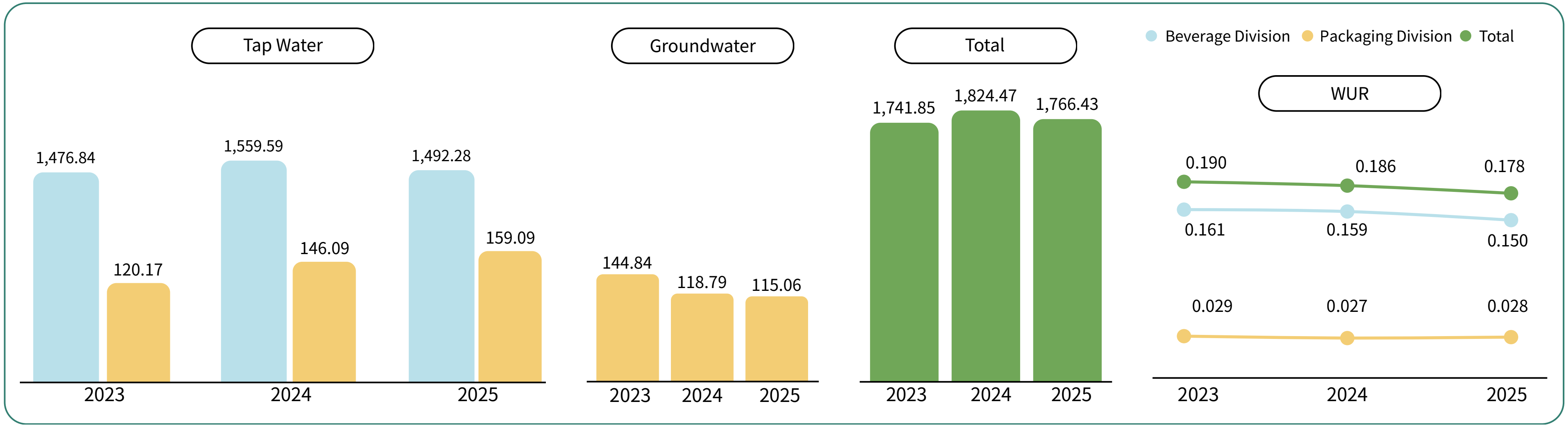
Notes:
1. Emissions are estimated using MOENV's stationary source calculation methods and emission factors.
2. Hazardous air pollutant emissions were 10.9 kg in 2023, 3.79 kg in 2024, and 3.05 kg in 2025, based on MOENV air pollution fee and emission reporting data.

5.3 Water Resources and Wastewater Management GRI 303-1 ~ 5

The Company manages water resources as a key sustainability issue by evaluating water-saving technologies, monitoring monthly consumption, preparing water balance diagrams, and tracking hotspots to ensure regulatory compliance. Water strategies are tailored to each plant's location to reduce local impacts. Major Taichung sites use water from Liyutan Reservoir, Shigang Dam, and legal groundwater. The Packaging Division (Xitun) mainly uses groundwater for cooling, while the Beverage Division (Wuqi) mainly uses tap water and strengthens water dispatching during the April–October peak season.

5.3.1 Water Consumption Overview

In 2025, total water withdrawal was 1,766.43 million liters, down 3.18% from 2024, mainly due to production planning adjustments and improved equipment efficiency. Since Sidel Aseptic Combi Predis™ blow-fill-cap system was introduced in 2023, water demand has been reduced by about 50% compared with traditional processes. As operations stabilized, the Beverage Division Water Use Ratio (WUR) decreased from 0.159 in 2024 to 0.150 in 2025, reflecting continued improvement in water efficiency.



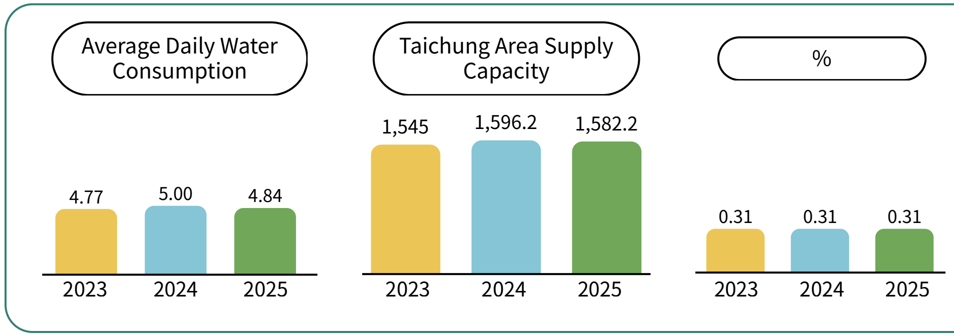
Notes:

1. WUR = Water Consumption (Million Liters) / Taiwan Region Revenue (Million NT$)
2. Taiwan Region Revenue: NT$9,186 million in 2023, NT$9,825 million in 2024, and NT$9,939 million in 2025
3. Data statistics are based on meter-reading records

Unit: Million Liters

5.3.2 Water Risk Analysis

According to the WRI Aqueduct assessment, the Company's Taichung plant area is rated "Low-Medium" for water risk and is not located in a high water-stress zone. In 2025, average daily water use was approximately 4.84 million liters, accounting for only 0.31% of Taichung's total water supply capacity, indicating limited impact on regional water resources.



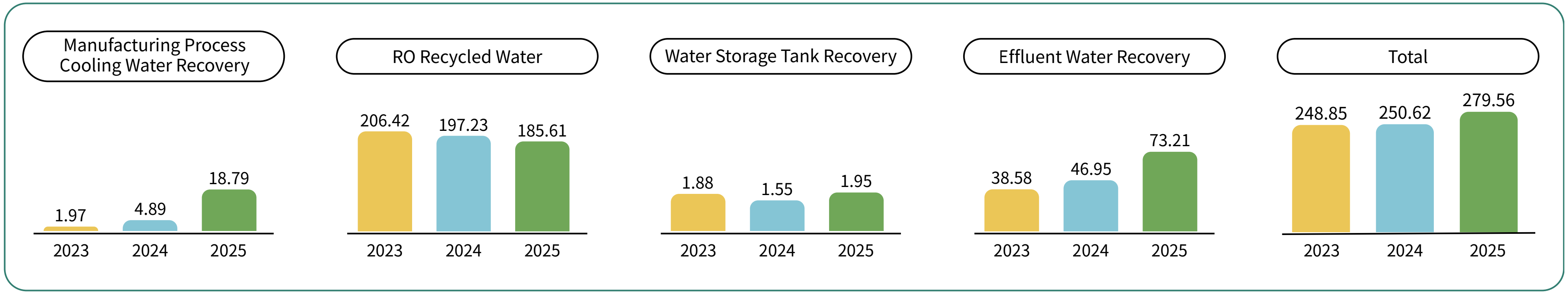
Notes:

1. Taichung water supply capacity is based on the Central Region Water Resources Branch, WRA, MOEA
2. Average daily water consumption and supply capacity are measured in million liters/day
3. Percentage = average daily water consumption / Taichung area supply capacity

Unit: Million Liters

5.3.3 Water Recycling and Reuse GRI 303-2 , 303-3 , 303-4

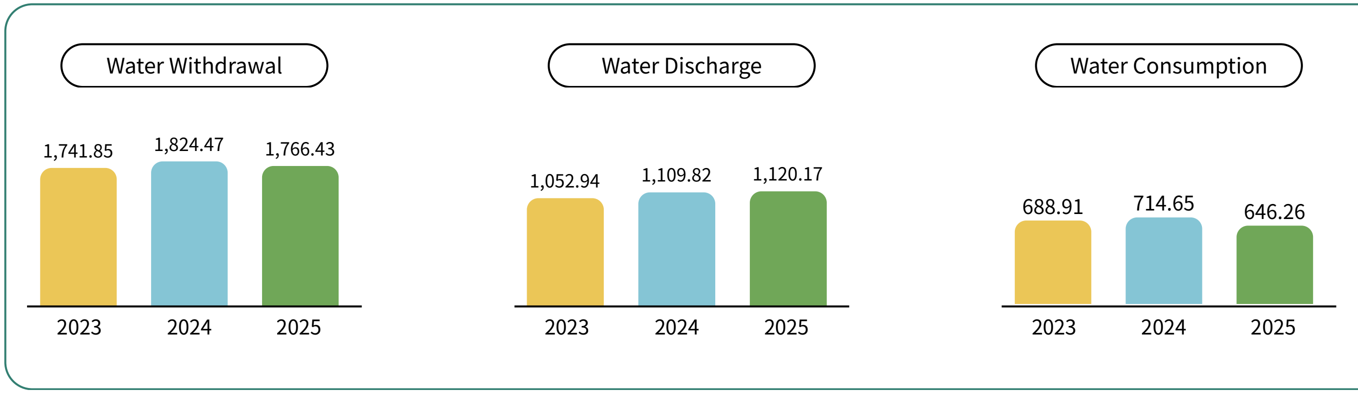
The company actively promotes the reuse of water resources. In 2025, the total volume of recycled water across all plants reached 279.56 million liters, representing an increase of approximately 11.5% compared to 2024. Recycled water is primarily utilized for cooling, cleaning, and manufacturing process loops.



Unit: Million Liters

5.3.4 Wastewater Discharge

Hon Chuan manages wastewater through compliant discharge and water monitoring. The Packaging Division treats process cooling water, while the Beverage Division applies biochemical treatment to cleaning and process wastewater. Wastewater is discharged only after meeting standards, either to surface water bodies or industrial park sewerage systems. In 2025, wastewater discharge was 1,120.17 million liters, up 0.9%, while water consumption fell 9.57% to 646.26 million liters. The Company will promote RO wastewater recycling and evaluate cooling tower recovery systems to improve water reuse.



Note:
Free Trade Zone Plant wastewater discharge is estimated based on daily domestic wastewater per person.

Unit: Million Liters

5.4 Waste Management

GRI 3-3 , 306-1~5

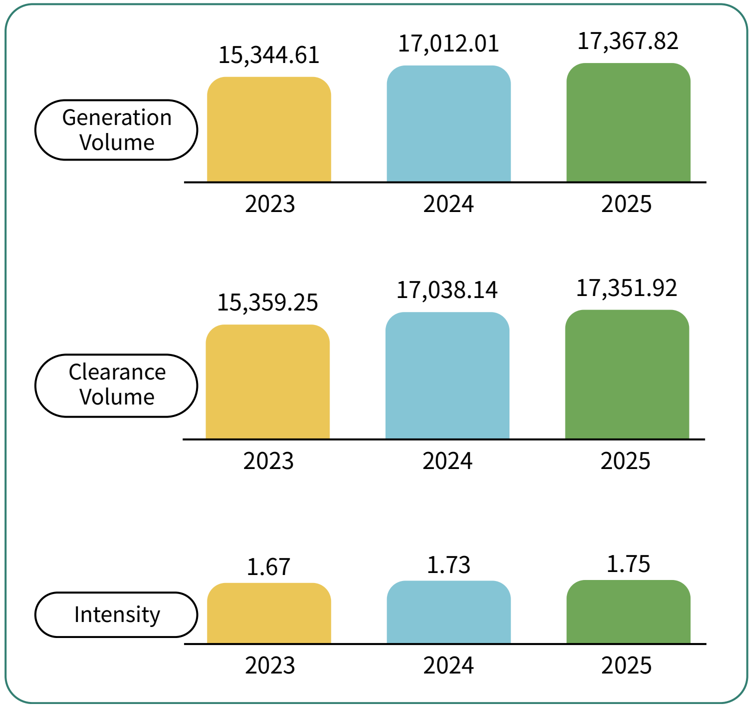
Hon Chuan manages waste in accordance with its Waste Management Operational Regulations, covering classification, storage, and clearance to ensure compliance and reduce environmental impacts. The Company targets a 10% reduction in waste intensity by 2035 from the 2024 baseline through process improvements, source reduction, and recycling. In 2025, waste generation was 17,367.82 metric tons, up 355.81 metric tons, and waste clearance was 17,351.92 metric tons, up 313.78 metric tons. Waste intensity was 1.75, with the increase mainly due to a higher share of plant-based products and higher moisture content in tea dregs.

Waste Clearance Statistics Table

Unit: Metric Tons

Item	2023		2024		2025	
	General	Hazardous	General	Hazardous	General	Hazardous
Chemical Treatment	–	0.11	–	0.14	–	0.1
Reuse / Recycling	15020.24	–	16758.72	–	17047.34	–
Physical Treatment	17.83	–	20.41	0.05	31.21	0.07
Washing Treatment	–	23.65	0.38	14.77	9.24	3.03
Landfill	–	–	–	–	–	–
Incineration	197.44	99.98	189.96	53.71	228.89	32.04
Thermal Treatment	–	–	–	–	–	–
Total	**15,235.51**	**123.74**	**16,969.47**	**68.67**	**17,316.68**	**35.24**

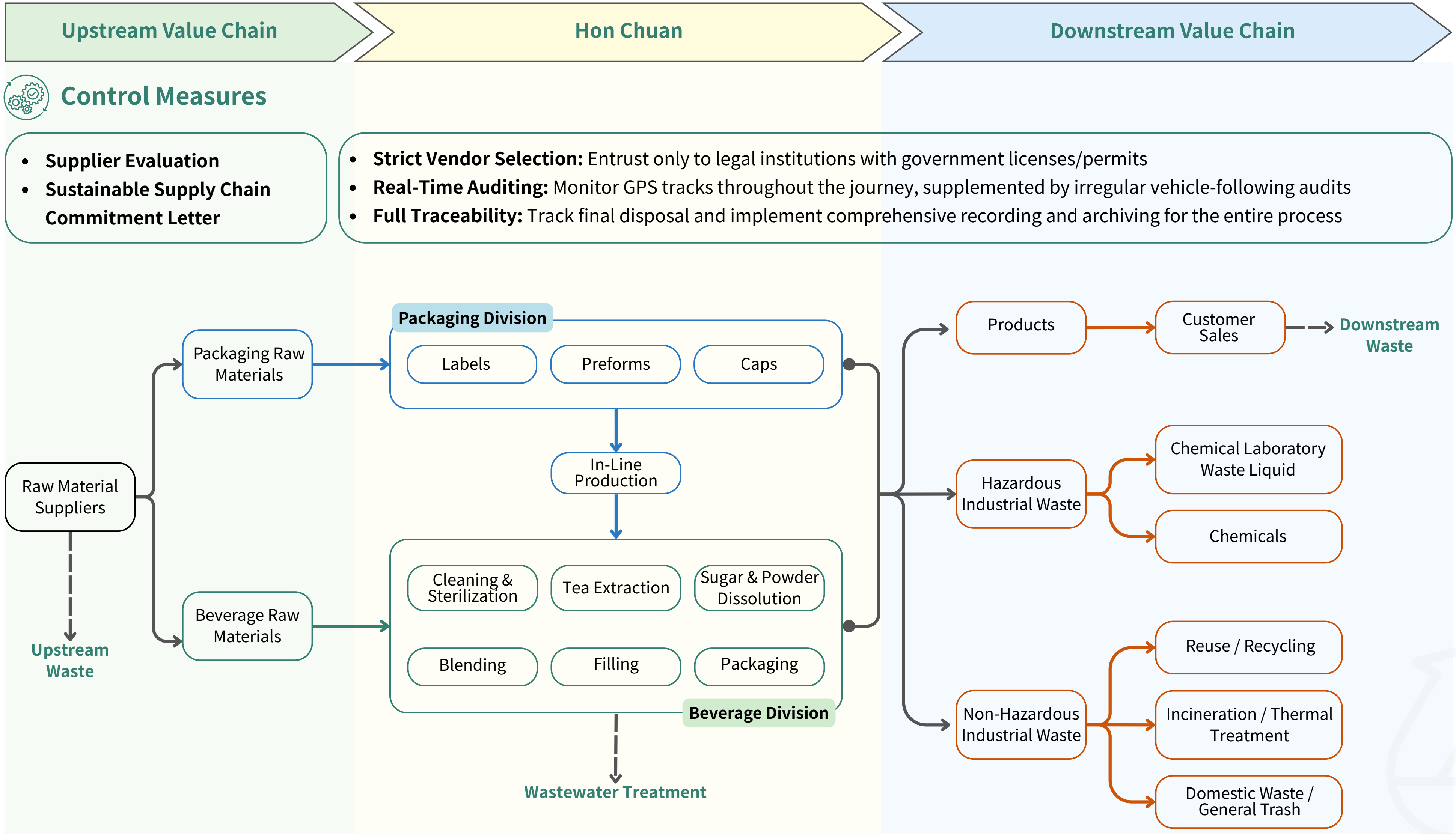
Unit: Metric Tons



Notes:
1. Generation intensity = total waste generation (metric tons) / Taiwan revenue (NT$ million).
2. Taiwan revenue was NT$9,186 million in 2023, NT$9,825 million in 2024, and NT$9,939 million in 2025.
3. Data sources include the Industrial Waste Report and Management Information System and tracked domestic waste clearance weights.

Waste Disposal Management

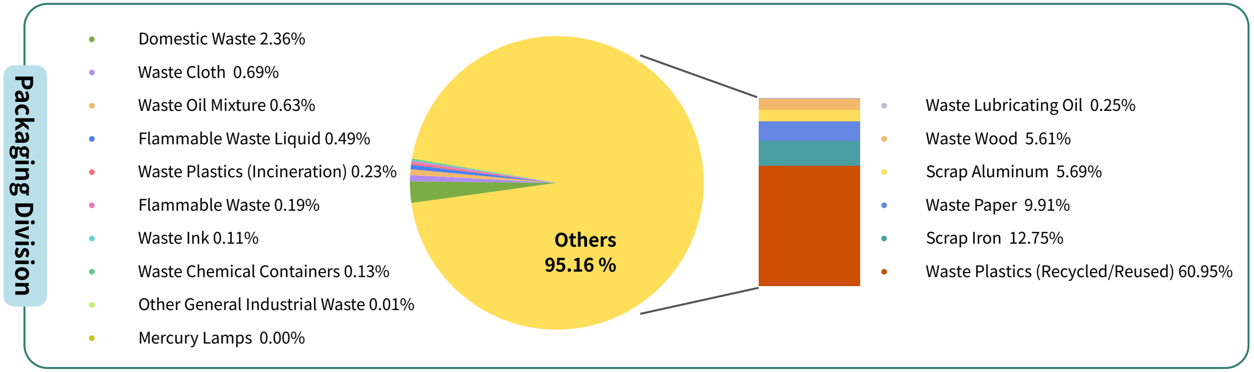
Establish classification and disposal management mechanisms based on the types of waste, achieving resource utilization through recycling, reuse, and outsourcing to qualified disposal entities. The primary waste treatment pathways are shown in the flowchart below.



Packaging Division

Waste mainly includes PET preforms and bottles, HDPE caps, and labels, which are sorted and recycled by qualified vendors. Low-VOC consumables and flexographic printing help reduce waste solvents and inks at the source.

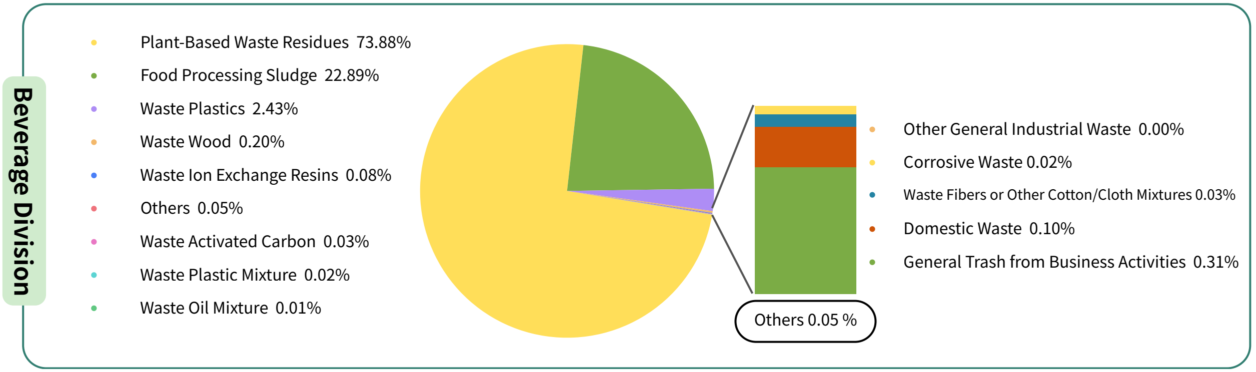
In 2025, waste clearance decreased by 2.23% due to reduced plastic scrap. Through pelletization, SRF fuel pellet conversion, and waste oil reuse, the recycling rate reached 95%.



Beverage Division

Waste mainly includes plant-based residues and process sludge. Plant-based residues are processed into organic fertilizer by qualified vendors, while sludge is used for energy recovery.

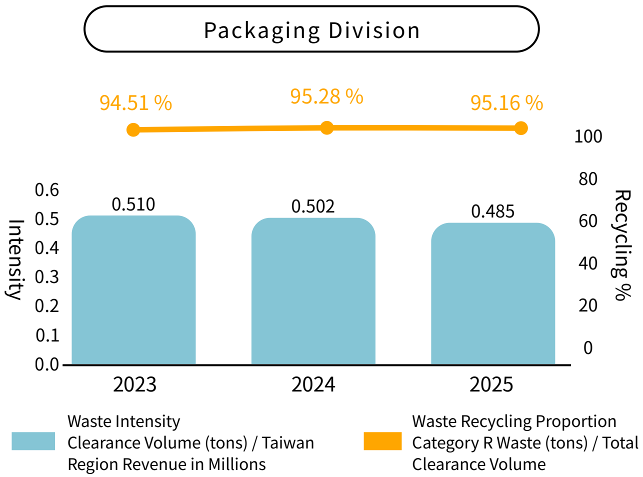
In 2025, waste clearance increased by 3.50% due to higher coffee and tea beverage orders, while the recycling rate remained at 99.4%.

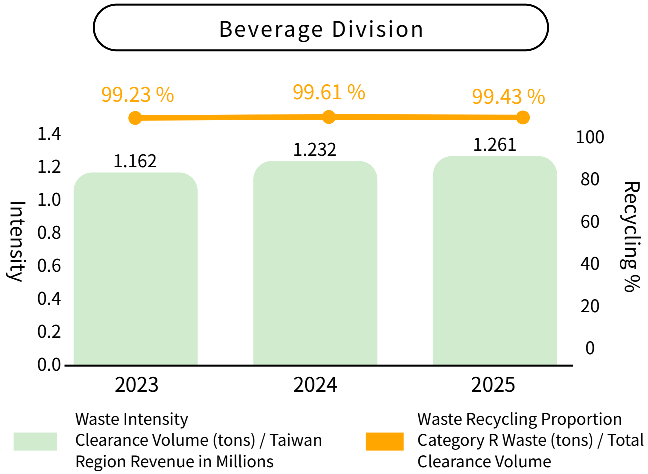


External Management

In 2025, the Company engaged 64 waste clearance and disposal vendors. Among them, 18 had 44 historical regulatory penalties. Verification confirmed none were related to the Company's entrusted waste, ensuring compliant and traceable disposal.

Waste Intensity and Overall Recycling Proportions





Waste Reduction Projects

1 Sludge System Improvement Project

Completed the replacement of aeration discs in August 2025, upgrading to 240 high-efficiency aeration balls to improve system operational efficiency at the source

Improvement Results

Enhanced gas-liquid mass transfer efficiency and dissolved oxygen distribution uniformity, improved the stability of the treatment system, and projected a 1–3% reduction in sludge

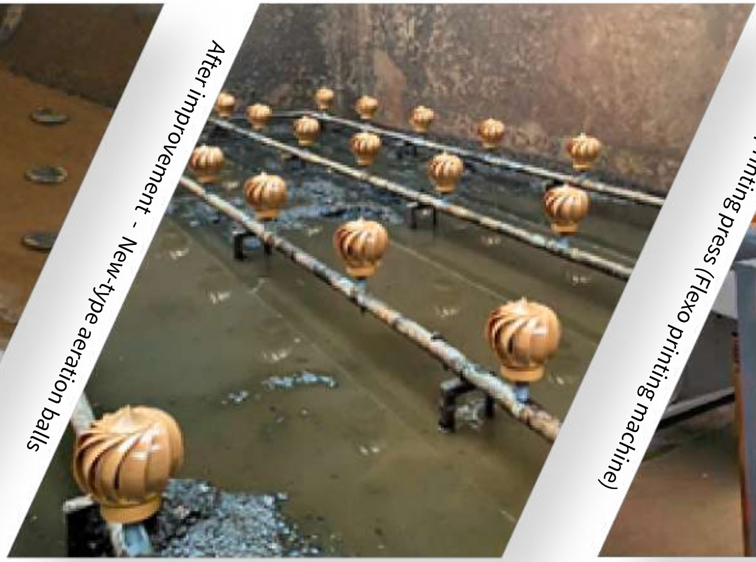
2 Hazardous Industrial Waste Reduction Project

Completely phased out traditional label gravure printing processes in 2025, switching to low-pollution printing technologies to reduce the use of solvent-based inks at the source

Improvement Results

Reduced hazardous industrial waste by 33.43 metric tons, effectively minimizing the environmental impact of operations

Before improvement - Old-type aeration discs



After improvement - New-type aeration balls

Flexographic printing press (Flexo printing machine)

5.5 Biodiversity

Biodiversity Commitment Declaration

Hon Chuan recognizes the importance of ecosystems and biodiversity to sustainable development. To realize its vision of "Hon Chuan Sustainability, Building the Future Together," the Company released its Biodiversity Policy in November 2025. The policy applies to employees, suppliers, and value chain partners, aligning with the Convention on Biological Diversity, the Kunming-Montreal Global Biodiversity Framework, and SDG 15: Life on Land.

Implementation Guidelines

1. **Operational Site Selection and Habitat Protection:** All current operating sites in Taiwan are located within industrial zones. Future plants will prioritize existing industrial zones to avoid ecologically sensitive areas, while plant greening will support habitat creation
2. **Regulatory Compliance and Environmental Management:** Hon Chuan implements air pollution control and wastewater management to ensure compliance and reduce potential ecological impacts
3. **Value Chain Collaboration:** Hon Chuan encourages suppliers and partners to comply with biodiversity-related regulations and jointly promote environmental protection


Afforestation along the Dahan River in 2023, planting native species with an 80% survival rate


Coastal afforestation in Wujie, Yilan in 2024, with a 95% survival rate

Ecological Survey Experience Camp, with 40 participants


Ecological Sustainability Camp with 38 participants

Land and Coastal Afforestation: Implement tree planting and monitor habitat effectiveness through ecological surveys

Resource Cycling and Reduction: Optimize processes and resource integration to reduce pressure on natural resources

Ecological Education Promotion: Enhance employee awareness and participation in biodiversity

06 Inclusive Workplace and Social Engagement

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

6.1 Human Rights Protection

Hon Chuan regards talent as its most valuable asset and integrates diversity, equity, and inclusion (DEI) into its management policies under the principle of shared growth. The Company has established a Human Rights Policy in line with the Universal Declaration of Human Rights, the United Nations Global Compact, and the Core Conventions of the International Labour Organization, and promotes fair employment, career development, diverse communication, and mandatory human rights training for new employees to build a workplace of trust, respect, and belonging.

The 2025 human rights risk identification results showed that Hon Chuan's key human rights issues were "Work Environment Safety" and "Working Hours & Leave." The Company will continue to enhance resources and systematic training to mitigate potential risks and safeguard employees' rights.

Human Rights Due Diligence Process

01 Identify Issues

Identify key internal and external stakeholders and prioritize issues based on risk severity and likelihood

02 Establish Risk Mitigation Policies

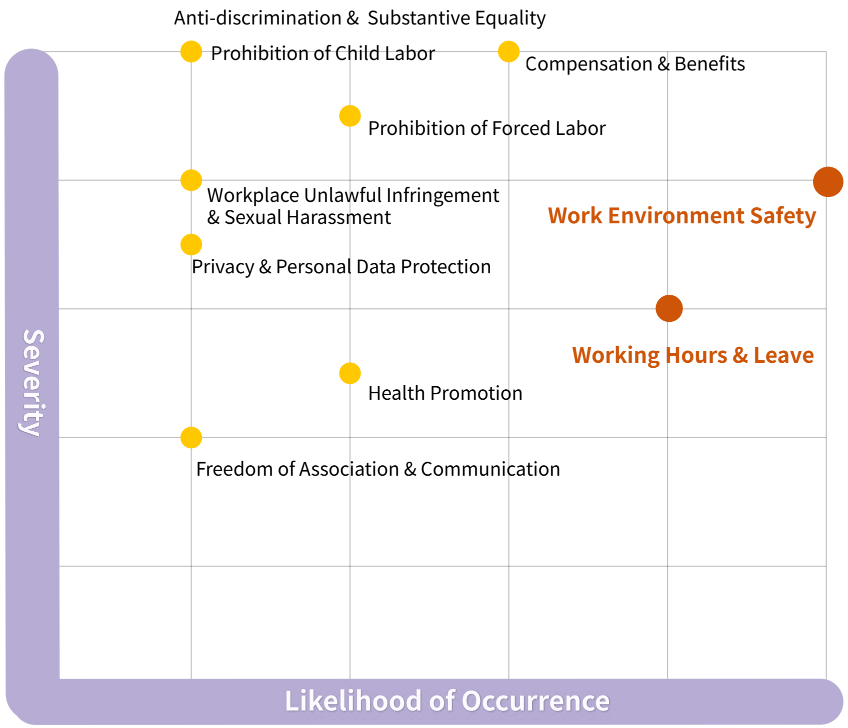
Regularly disclose human rights assessment results and update the progress of risk identification and management

03 Improvement and Tracking

Continuously improve risk identification methods and measures based on stakeholder feedback to ensure risk management aligns with environmental needs

04 Regular Review and Optimization

Update the risk registry every two years to comprehensively reflect changes in risks

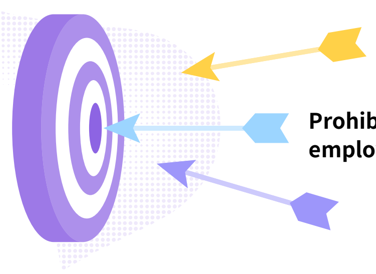


2025 Human Rights and Labor Rights Impact Management

Stakeholder	Issue	Impact Consideration	Risk Mitigation Measures
Employees	Prohibition of Child Labor	Child labor affects children's education and community development	Verify applicants' age and prohibit child labor in internal regulations
	Prohibition of Forced Labor	Excessive working hours may increase fatigue and occupational accident risks	Define working hour rules, manage shifts systematically, and set alerts for abnormalities
	Working Hours & Leave	Excessive fatigue is a primary cause of occupational accidents. Reasonable working hours and leave can lower the risk of overwork and workplace accidents	Clearly define standard and extended working hour guidelines, control shift scheduling through a system, and set automatic alerts for anomalies
	Anti-discrimination & Substantive Equality	Discrimination may affect workplace fairness and inclusion	Ensure fair recruitment, employment, promotion, and performance management
	Compensation & Benefits	Competitive compensation and benefits support employees' financial stability	Conduct regular salary and promotion reviews and provide employee welfare programs
	Work Environment Safety	Unsafe workplaces may cause injuries, illness, or operational disruption	Implement OHS procedures, maintain ISO 45001 certification, and conduct regular reviews
	Health Promotion	Poor health may affect employee well-being and work performance	Provide health checks and health management programs based on employee needs
	Workplace Unlawful Infringement & Sexual Harassment	Such incidents may cause psychological harm and reduce work efficiency	Establish prevention, grievance, investigation, corrective, and disciplinary mechanisms
	Freedom of Association & Communication	Communication gaps may reduce trust and psychological safety	Respect freedom of association and provide communication and grievance channels
	Privacy & Personal Data Protection	Data leakage may expose employees to harassment or fraud risks	Manage personal data in accordance with laws and internal security requirements

Friendly and Diverse Workplace

As an industry pioneer, Hon Chuan has fully covered recruitment and agency fees for overseas migrant workers since 2021 to ensure fair employment. The Company also provides diverse dietary options, prayer rooms, and Mandarin courses to foster an inclusive workplace.



No differential treatment or discrimination based on gender, race, age, language, religion, appearance, etc.

Prohibit child labor and forced labor; zero employment discrimination

Safeguard labor rights and implement fairness in employment, compensation, benefits, and promotions

Employee Communication Channels

Hon Chuan maintains diverse communication channels, including labor-management meetings, monthly meetings, and employee satisfaction surveys, to promote two-way communication, transparency, trust, and workplace well-being.

Channel	Frequency/ Year	Main Communication Content
Labor-Management Meeting	8 times	Employee regulations, corporate announcements, annual calendar
Monthly Routine Meeting	8 times	Policy communication, occupational safety announcements, code of conduct, etc.
Employee Satisfaction Survey	1 time	Work environment and corporate culture

Privacy Protection

In accordance with the Personal Data Protection Act, the HR Department manages personal data protection. In 2025, all employees, including migrant workers, signed the Personal Data Protection Statement and Consent Form, with zero related grievances.

Workplace Violence Grievance and Handling

Hon Chuan has established Workplace Violence Grievance and Handling Measures to prevent, investigate, and discipline workplace violence, including physical violence, verbal abuse, psychological violence, and sexual harassment in work-related environments, including commuting.

Category	Received	Investigation	Accepted	Case Filed	Closed Cases
Human Rights	0	0	0	0	0
Labor Practices	1	1	1	1	1

Employee Satisfaction Survey Results

In November 2025, the HR Department conducted the annual employee satisfaction survey across seven dimensions. A total of 1,714 questionnaires were distributed, with 621 valid responses collected, representing a response rate of 36.2%. The overall average satisfaction score was 3.57 out of 5. The Company uses the results to guide ongoing improvements and foster a positive workplace.

Two Key Focus Areas for Improvement

- **Compensation Optimization:** Link pay with project performance to enhance fairness and transparency
- **Response Mechanism Improvement:** Clarify handling procedures to improve supervisor communication

Year	Job Satisfaction	Interpersonal & Comm.	Comp. & Benefits	Employee Development	Work Environment	Cafeteria & Dorm Mgt.	Corporate Mgt. & Targets
2022	3.52	3.55	2.83	3.27	3.54	2.79	3.50
2024	3.66	3.69	3.15	3.44	3.61	3.11	3.65
2025	3.76	3.74	3.23	3.53	3.69	3.33	3.70

6.2 Workforce Composition

GRI 2-7 , 2-8 , 202-2 , 401-1 , 405-1

In 2025, Hon Chuan's Taiwan operations had 1,623 regular full-time employees and 49 temporary workers. Direct and indirect personnel accounted for 61% and 39%, respectively, while employees aged 30–50 formed the core workforce at 56.8%. The Company employed 21 employees with disabilities and 11 indigenous employees, exceeding statutory requirements and reflecting its commitment to inclusion. In addition, 24 non-employee workers supported operational flexibility.

Employment Status and Nationality Analysis

Employment Contract / Gender (Persons)	2023		2024		2025	
	Regular	Temp	Regular	Temp	Regular	Temp
Male	1,144	14	1,191	46	1,243	42
Female	349	2	365	3	380	7
Total	**1,493**	**16**	**1,556**	**49**	**1,623**	**49**
Annual Total	**1,509**		**1,605**		**1,672**	
Taiwanese / %	1,238 (82%)		1,315 (82%)		1,338 (80%)	
Foreign National / %	271 (18%)		290 (18%)		334 (20%)	

Note: Regular employees have open-ended contracts; temporary employees have fixed-term contracts, including industry-academia interns

Non-Employee Workers

GRI 2-8

Category	Main Job Responsibilities	Contractual Relationship	2025 Count
Security	Access security control, patrols, shipment inspections	Indirectly hired	5 persons
Cleaning	Office and production building cleaning	Indirectly hired	4 persons
Dispatched	Product packaging, materials sampling, manual boxing, visual inspection	Indirectly hired	15 persons

Workforce Structure Analysis

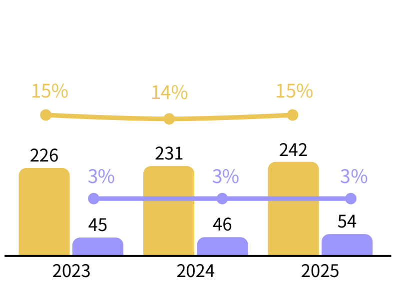
Cat.	Item		2023		2024		2025	
			Count	%	Count	%	Count	%
Direct Personnel 61%	Gender	Male	785	52	838	52	874	52
		Female	129	9	138	9	147	9
	Age	<30	335	22	347	22	376	22
		30~50	503	33	552	34	562	34
		>50	76	5	77	5	83	5
Indirect Personnel 39%	Gender	Male	373	25	399	25	411	25
		Female	222	15	230	14	240	14
	Age	<30	143	9	146	9	154	9
		30~50	350	23	375	23	387	23
		>50	102	7	108	7	110	7

Notes:
1. Direct personnel are production line staff; indirect personnel are non-production line staff
2. All employees are full-time and comply with statutory working hours. The gender gap reflects industry characteristics.

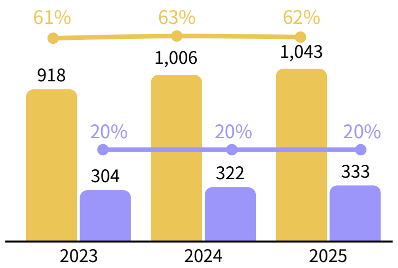
Management vs. Non-Management Personnel and Gender Ratio

Male Female

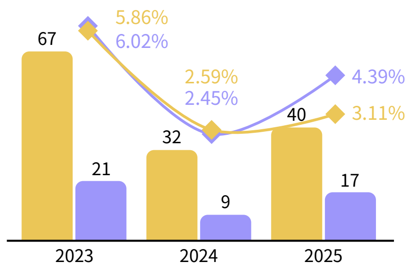
Management Personnel



Non-Management Personnel



Management Promotions in 2025



Notes:
1. Management personnel refers to team leaders and above
2. Proportion = employees by gender and job level / total employees of the year
3. Management promotion rate = employees promoted to management by gender / total employees of the same gender

Recruitment and Retention GRI 405-1

Hon Chuan upholds gender equality in recruitment and compensation. In 2025, the Company recruited talent through diverse channels and conducted three-month check-in and exit interviews to improve retention. For new plants with short-term turnover fluctuations, Hon Chuan strengthened training and management systems to support workforce stability.

New Employee Hires by Gender and Age

Category		2023		2024		2025	
		Count	%	Count	%	Count	%
Gender	Male	156	10.3	158	9.8	202	12.08
	Female	47	3.2	58	3.6	53	3.17
Age	<30	132	8.8	140	8.7	185	11.06
	30-50	66	4.4	73	4.6	64	3.83
	>50	5	0.3	3	0.2	6	0.36
Total New Hires		**203**	**13.5**	**216**	**13.5**	**255**	**15.25**
Total Headcount		1,509		1,605		1,672	

Note: New Hire Rate = Total New Hires / Total Headcount

Employee Turnover by Gender and Age

Category		2023		2024		2025	
		Count	%	Count	%	Count	%
Gender	Male	108	7.2	91	5.7	111	6.64
	Female	31	2	44	2.7	32	1.91
Age	<30	74	4.9	72	4.5	54	3.23
	30-50	56	3.7	55	3.3	72	4.31
	>50	9	0.6	8	0.5	17	1.02
Total Turnovers		**139**	**9.2**	**135**	**8.4**	**143**	**8.55**
Total Headcount		1,509		1,605		1,672	

Note: Turnover Rate = Total Turnovers / Total Headcount

6.3 Compensation and Benefits

GRI 2-21 , 201-3 , 401-2 , 401-3 , 404-3

Hon Chuan has established a fair, motivating, and caring compensation and benefits framework, providing competitive salaries, sound retirement protection, and diverse welfare programs to support employee well-being.

Salary System and Fairness

Salaries are based on education, experience, job responsibilities, and market trends, with regular reviews to ensure equal pay for equal work.

- **Performance Linkage:** Salary adjustments and year-end bonuses are linked to Company and individual performance
- **Diversified Incentives:** Retention and referral bonuses support workforce stability and technical talent recruitment

Item	Incentive Target	3 Months Tenure	6 Months Tenure	Max Total
Retention Bonus	Production line regular staff	NT$5,000	NT$5,000	NT$10,000
Referral Bonus	All regular staff	NT$6,000	NT$6,000	NT$12,000

Salary of Full-Time Regular Non-Executive Employees (Taiwan Operations)

Item		2023	2024	2025	Year-on-Year
Number of Full-Time Non-Executive Employees		1,412	1,480	1,518	38
Annual Compensation of Full-Time Non-Executive Employees (NT$)	Average	708,420	749,000	740,631	-8,369
	Median	652,874	683,000	674,846	-8,154

Notes:
1. Full-time non-executive employees exclude managers and above, overseas employees, part-time workers, and personnel meeting exclusion or exemption criteria.
2. The information is disclosed in accordance with TWSE sustainability reporting rules and assured by Deloitte & Touche.

Annual Total Compensation Ratio

In 2025, the median annual compensation of employees in Hon Chuan's Taiwan operations was approximately NT$646,246. The ratio of the Chairman's annual compensation to the median annual employee compensation was 19.68:1, excluding director remuneration and pension contributions.

Management vs. Non-Management Salary Ratios

Rank / Gender	2023		2024		2025	
	F	M	F	M	F	M
Management	0.90	1	0.88	1	0.89	1
Non-Management	0.94	1	1.32	1	0.95	1

Note: Salary (Fixed Salary) = Base salary + various allowances

Performance Evaluation and Recognition

Hon Chuan maintains a fair and transparent performance appraisal system. In 2025, appraisal coverage reached 100%, covering 1,726 eligible employees. Evaluations are conducted without discrimination, and special cases such as unpaid leave or resignation are handled in accordance with approved procedures.

- Outstanding employees are recognized quarterly with medals and bonuses, while senior employees receive commemorative plaques and gold rings for their long-term contributions.

Gender Equality and Family-Friendly Leave System

Hon Chuan provides leave benefits in accordance with the Act of Gender Equality in Employment and the Labor Standards Act to support work-life balance. Employees with at least six months of service may apply for parental leave without pay for up to two years before their child turns three, with reinstatement rights protected.

Parental Leave Without Pay GRI 401-3

Item / Year		2023		2024		2025	
Gender		M	F	M	F	M	F
Number of Employees Eligible for Parental Leave		71	31	68	28	63	30
Number of Employees Applying for Parental Leave		4	11	6	6	3	9
Employees Due to Return After Parental Leave		4	7	6	7	2	7
Employees Due to Return After Parental Leave	Count	2	7	6	7	2	7
	Rate	50%	100%	100%	100%	100%	100%
Employees Who Returned in the Previous Year		4	6	2	7	4	4
Employees Retained 12 Months After Return	Count	3	6	2	7	3	3
	Rate	75%	100%	100%	100%	75%	75%

Notes:
1. Eligible employees refer to those meeting parental leave criteria in the current year and preceding three years
2. Reinstatement rate = actual returns / expected returns
3. Retention rate = employees retained 12 months after return / prior-year returns

Retirement Protection and Welfare Benefits

Hon Chuan complies with labor laws to safeguard employees' retirement rights.

- For the old pension system, the Company contributes 2% of total monthly wages to a pension reserve account for eligible employees hired before June 30, 2005. As of the end of September 2025, the account balance was NT$184.268 million.
- For the new pension system, the Company contributes 6% of employees' monthly wages to individual pension accounts and supports employees' voluntary contributions of up to 6%.
- The Company also provides staff cafeterias, dormitories, parking lots, and multi-functional gyms.

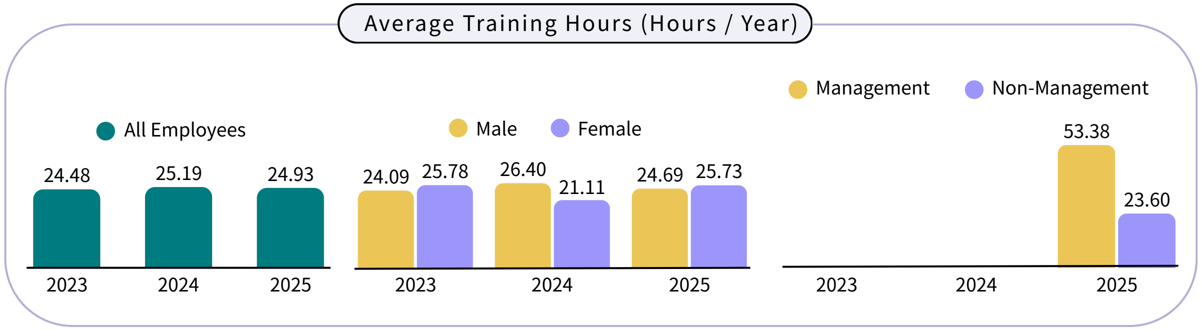
2025 Overview of Welfare Measures

Measure	Amount / Standard	Total Amount (NT$)	Beneficiaries (Times)
Marriage Subsidy	2,000~10,000	306,000	39
Childbirth Subsidy	1,000~6,000 / per birth	115,000	19
Hospitalization Allowance	2,000	78,000	39
Funeral Subsidy	1,000~23,000 / per case	592,300	108
Outstanding Employee Travel Subsidy	35,000	770,000	22
President/Chairman Emergency Relief Fund	Based on level of hardship	1,340,000	10
Birthday Bonus	600	942,600	1,571
Mid-Autumn Festival Voucher	NT$500–1,000	1,392,000	1,545
Labor Day Voucher	NT$500–1,200	1,600,500	1,493
Total		**7,136,400**	

6.4 Talent Cultivation

GRI 404-1 , 404-2

Hon Chuan regards employees as its most valuable asset and has established the Hon Chuan Academy to provide training from entry-level employees to senior executives. Since 2022, the Company has used its E-Learning platform to integrate management, professional, and general education resources, cultivating talent with international competitiveness.



2025 Education and Training Overview
Total Person-Times: 38,853
Total Hours: 41,685

Notes:
1. Average training hours = training hours by category / employees in the same category at year-end
2. Management and non-management averages were added in 2025
3. Key talent categories include Production Technology and Maintenance, Food Safety and Quality Management, R&D Technology, and Mechanical and Electrical Engineering

Hon Chuan Academy: Multifaceted Training System

Mandatory and External Training — 35,647 Person-times 25,733 Hours

Covers corporate culture, quality, occupational health and safety, food safety, internal policies, external training, visits, leadership development, and post-training knowledge sharing

Management Competency Training - Senior Executive — 99 Person-times 2,376 Hours

executive sharing and external experts to strengthen strategic alignment and team cohesion

New Hire Training Program — 403 Person-times 2,759 Hours

Combines three distinct models: theoretical/classroom training, On-the-Job Training (OJT), and short-term proxy training

Headquarters-Based Training for Overseas Plants — Not conducted in fiscal year 2025

Provides headquarters-based professional training according to the practical needs of overseas plants

Professional Competency Training — 1,795 Person-times 3,071 Hours

Strengthens professional skills and problem-solving capabilities through internal and external courses based on operational goals, regulations, and customer needs

Management Competency Training (Entry-level / Mid-level) — 91 Person-times 2,942 Hours

1. Partnered with Tunghai University for a three-month specialized training program and train-the-trainer courses
2. Experiential learning and team performance enhancement courses held at Sun Moon Lake

Business Operations Management Training — 782 Person-times 3,688 Hours

Includes business management seminars and audio-visual educational materials provided by consulting firms

Key Talent Training — 36 Person-times 1,116 Hours

Tailored for sales, finance, overseas technical cohorts, and management trainees to reinforce managerial and practical capabilities

Group Elite Training Program

Launched in 2022, this mentorship-based program strengthens core technical skills in production units through "learning by doing." It uses learning portfolios, digital platforms, and three-stage assessments to support structured training and ensure technical quality. By the end of 2024, two cohorts had been completed, with 53 participants and 39 passing the full evaluation, achieving a 73.58% completion rate. The program was optimized in 2025 and is planned to relaunch in 2026.

Diversified Talent Cultivation Projects

These initiatives combine classroom learning with corporate practice to support employment upon graduation, while the Hon Chuan Academy Scholarship rewards students who pass the internal evaluations.

Industry-Academia Collaboration

Promotes vocational training, industry-academia programs, workplace experiences, and internships to connect learning with practice and strengthen the talent pipeline

A total of 23 individuals have been retained as of 2025

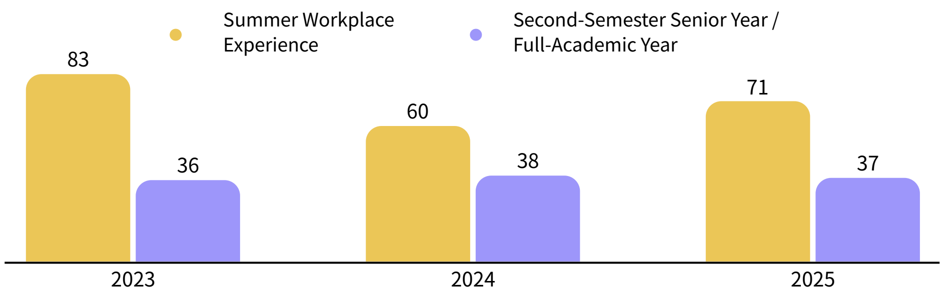
Internship Programs

Promotes workplace experiences and internships to deepen industry-academia collaboration and strengthen the talent pipeline

In 2025, a total of 108 individuals participated, and 13 were retained

Received the First-Class Internship Institution Award from the Ministry of Education for strong execution in overseas student guidance and management, supporting long-term industry-academia collaboration

Internship Headcount Statistics



International Talent Cultivation

To expand its technical talent pool, Hon Chuan promotes the 3+4 Industry-Academia Co-Op Program with government agencies and partner schools, supporting work-study development and international talent recruitment

A total of 53 overseas Chinese and foreign students were recruited in 2025

Post-Retirement Re-employment Mechanism

8 A total of 8 individuals were re-employed 2023-2025

Employees who meet the required service years and age criteria may, upon approval, be re-employed in their original unit or serve as consultants

6.5 Occupational Health and Safety

GRI 403-1~10

Hon Chuan upholds the OHS vision of "zero accidents, low risk, and a healthy environment" through a strong safety culture and the principles of self-protection, mutual protection, and group protection. Guided by the Environmental, Occupational Health and Safety Management System Policy, Hon Chuan sets annual OHS targets and promotes engineering improvements and safety training to raise risk awareness, strengthen control capabilities, and move toward zero occupational injuries.

6.5.1 Occupational Health and Safety Management System

Taiwan plants are certified under both ISO 45001:2018 and TOSHMS. Guided by OHS management policy, Hon Chuan continues to improve OHS performance through regulatory compliance, continuous improvement, workplace support, green production, employee participation, and sustainable development. For In-House plants not yet certified under ISO 45001, Hon Chuan has established a standardized inspection mechanism, with dedicated OHS specialists conducting regular on-site audits covering: Annual OHS training is provided to strengthen safety awareness, while on-site occupational nurses support employee health and workplace safety.

- **On-site Self-Check Audit:** Ensuring operational workflows comply with internal regulations
- **Environmental Inspections:** Ensuring the working environment satisfies safety stipulations
- Chemical Management Audits: Confirming that chemical use and storage align with regulatory demands

Scope of Occupational Health and Safety Certification

Packaging Division

Sales of metal bottle caps, plastic caps, heat-shrinkable packaging films, color-printed labels, PET bottle.

Beverage Division

Production of PET bottled non-alcoholic beverages, including procurement, inspection, preparation, extraction, blending, sterilization, filling, and packaging.

Overview of OHS Certifications across Production Plants

GRI 403-1, 403-2

Plant Location	ISO 45001	TOSHMS	Dedicated Specialists (Count) Includes Level 1 Mfg
Taichung Plant 1	V	V	5
Taichung Plant 2	V	V	4
Aseptic Plant 1	V	V	2
Aseptic Plant 2	V	V	3
Aseptic Plant 3	V	V	2
Free Trade Zone Plant	V	V	1

Verification Certificates

6.5.2 Promoting the Occupational Health and Safety Committee GRI 403-4

Hon Chuan has established an Occupational Health and Safety Center as a dedicated first-level unit responsible for OHS planning, promotion, risk identification, and on-site improvement. The Company has also established an Occupational Health and Safety Committee in accordance with regulations, comprising OHS personnel, department heads, medical teams, and labor representatives. The committee has 96 members, with labor representatives accounting for 64% (61 members), and meets quarterly to review major OHS issues and ensure effective implementation of resolutions.

Key Focus Areas of the Occupational Health and Safety Center

Emergency Response Management

- Set up emergency response teams with clear roles and command lines
- Conduct regular fire, chemical spill, and emergency drills
- Encourage all employees to improve disaster prevention and self-rescue skills
- Allow employees to evacuate immediately in case of imminent danger

Chemical Management

- Conduct chemical risk assessments and hazard identification
- Update chemical inventories and SDS regularly
- Strengthen classified storage and protective measures
- Improve ventilation and fire safety to reduce leakage and reaction risks

Workplace Environment Monitoring

- Conduct risk-based workplace monitoring twice a year
- Disclose results to reduce exposure risks
- Improve abnormal findings through corrective actions and engineering controls

Key Deliberation Topics of the Occupational Health and Safety Co

- Occupational health and safety policies and annual management plans
- Education, training, and workplace environment monitoring results
- Health management and occupational disease prevention
- Improvement proposals, automated inspections, and audits (including equipment and raw materials)
- Occupational accident investigations and improvement tracking
- Safety and health performance evaluations
- Contractor operations and chemical safety management

6.5.3 Implementing Risk Control and Improvement

GRI 403-2

Hon Chuan identifies and controls workplace hazards through regular risk assessments, inspections, and employee feedback. Risks are assessed before accidents or operational changes, with proper controls applied and regularly reviewed by the OHS Committee.

Hazard Identification and Risk Assessment

Hazard Type	Hazard Description	Occurrences	%
Physical	Falls, slips/trips, collisions, flying objects, falling or collapsing objects, being struck, caught-in/between, entanglement, cuts, abrasions, punctures, drowning, temperature exposure, electric shocks, traffic incidents, pedestrian safety, unsafe acts, and object breakage	2,640	73 %
Chemical	Contact with hazardous substances, fires, explosions, ruptures, chemical leaks	551	15 %
Ergonomic	Poor posture and ergonomic risks	155	4 %
Others	Environmental incidents, impacts on the management system, and other risks	159	4 %
Psychosocial	Impacts on physical and mental health	110	3 %
Total		**3,615**	**100 %**

Risk Identification	Frequency	Actions and Preventive Measures
Routine OHS Inspections	Daily	Inspect plant areas and equipment, review checklists, and verify evacuation and firefighting facilities.
Workplace OHS Identification	Annually	Conduct hazard identification and reassess risks after changes or occupational injuries.
Workplace Environmental Monitoring	Semi-annually	Conduct monitoring, disclose results, and improve abnormal findings.
Chemical Management	Monthly	Assess risks, update chemical inventories/SDS, and manage storage, ventilation, and fire prevention.
Maternal Health Protection	Annually	Identify risks and implement health protection measures.
Ergonomic Hazard Assessment	Annually	Conduct surveys and physician consultations.
Overload Prevention Assessment	Annually	Conduct assessments and improve based on physician recommendations.
Workplace Unlawful Infringement Prevention	Annually	Assess risks, improve workplace layout, set conduct rules, and provide communication training.

Occupational Health and Safety Engineering Improvements

In 2025, Hon Chuan completed 1,337 risk identifications. 42 high-risk items were controlled through existing measures, while 24 priority items were included in the annual key management program. Engineering improvement investment reached NT$19.649 million, with a 100% completion rate.

No.	Improvement	Amount(NT$ 10k)	Outcome
1	Replaced wastewater treatment pressurized flotation tanks	40	Reduced crush injury risks during inspections
2	Added interlocks to punch press guards	2	Enhance operational safety during punch press work
3	Installed guardrails and safe working platforms	21.3	Prevent falling hazards
4	Added arc flash protection systems to high-voltage substations	1,857	Enhanced high-voltage electrical safety
5	Improved slip and fall prevention measures	18.9	Optimize illumination levels and stairway safety
6	Installed emergency call devices in freezing and chilling zones	6.7	Lower the risk of personnel being trapped
7	Other 18 engineering improvements	19	Optimize the operational environment and workflow paths

Internal Audits / Improvement Plans

Hon Chuan conducts regular internal audits, with the Packaging Division audited annually and the Beverage Division twice a year. Results are reviewed to track corrective actions and continuously improve the OHS management system.

Plant	Audited Items	Non-compliant Items	Completed Rectifications	Completion Rate
Taichung Plant	397	35	35	100%
Aseptic Plant 1	222	0	0	100%
Aseptic Plant 2	260	4	4	100%
Aseptic Plant 3	379	2	2	100%
Free Trade Zone Plant	277	2	2	100%
Total	**1,535**	**43**	**43**	**100%**

Near-Miss Incident Reporting

Hon Chuan encourages timely reporting and corrective actions to prevent potential accidents and strengthen safety awareness.

Plant	2023	2024	2025
Taichung Plant	2	2	0
Aseptic Plant 1	8	8	8
Aseptic Plant 2	12	12	11
Aseptic Plant 3	8	8	8
Free Trade Zone Plant	-	-	6

Case Study of Near-Miss Improvement

Incident Description

The stairs between two platform levels had no handrails. An employee missed a step while going downstairs for cleaning, lost balance, and jumped off the platform to avoid falling. Fortunately, no injury occurred.

Corrective Actions

Handrails were installed to reduce fall risks and improve operational safety.

Before

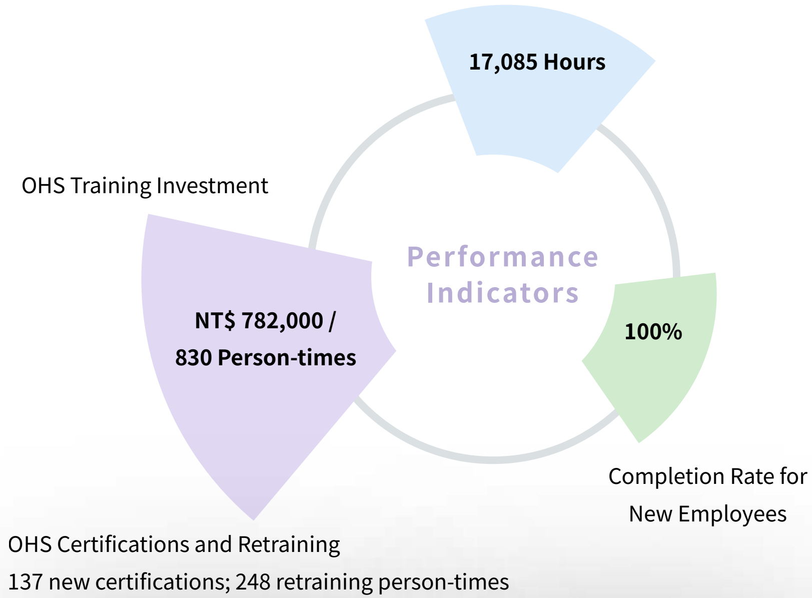
After

6.5.4 Occupational Health and Safety Training and Risk Prevention

GRI 403-5, 403-7

Management Approach

Integrate the "Education, Training, and Certification Management System" to comprehensively manage safety, health, and environmental certifications as well as training records. Course contents are updated regularly to incorporate emerging risk topics such as extreme weather and chemical safety, while concurrently reinforcing inspections and training for high-risk operations.



OHS Certification and Retraining Results

Certification Category	Total Count	Newly Trained	Retrained
Forklift Operation	455	54	132
Type I Pressure Vessel Operation	17	4	3
Fire Safety Manager	11	2	1
Roof Work Supervisor	4	4	0
First-Aid Personnel	96	21	38
Organic Solvent Operation Supervisor	41	12	9
Oxygen Deficiency Operation Supervisor	22	4	7
OHS Management Personnel	19	5	8
Specified Chemical Substances Operation Supervisor	38	11	6
Class B Boiler Operator	21	0	5
X-Ray Operator	18	2	16
Acetylene Welding Supervisor	3	0	0
Stationary Crane Operator	27	10	7
Security Director	1	0	1
Security Inspector	1	0	0
Small Boiler Operator	3	1	0
Aerial Work Platform Operator	52	7	14
Dust Operation Supervisor	1	0	1
Total	**830**	**137**	**248**

Note: Statistics include employees remaining in service as of December 31, 2025

In-Service OHS Training and Drills

In 2025, Hon Chuan provided 17,085 hours of OHS training, covering safety, high-risk operations, and emergency drills. Emergency response cards were also distributed to strengthen response procedures and efficiency.

Emergency Drill Implementation Results

Drill Item	Frequency	Participants	
		Packaging Division	Beverage Division
All-Hands Evacuation	Twice a year	702	506
Dormitory Evacuation	Twice a year	221	106
Self-Defense Fire Brigade Drill	Twice a year	648	335
Fire Suppression & Firefighting	Quarterly	86	119
Chemical Spill Response	Once a year	23	36
Toxic Substance Spill Response	Twice a year	-	31
Earthquake Disaster Prevention Drill	Once a year	-	38

2025 Fire Drill Review Focus Areas

First Half

Added deputy commanders and optimized assembly points to improve evacuation efficiency.

Second Half

Improved fire extinguisher training and Q&A, achieving 97% satisfaction.

6.5.5 Contractor Management GRI 403-7

Hon Chuan has established a contractor management mechanism covering safety commitments, qualification reviews, entry training, hazard notifications, and on-site controls. For high-risk operations, a three-level review is conducted by the OHS Center, contracting department, and site supervisor. The Company also holds an annual Contractor Consensus Conference to promote safety awareness, review performance, and recognize outstanding contractors.

In 2025, Hon Chuan managed 1,051 hazardous operation cases, with 4,864 cumulative site entries and 76,650 total working hours by contractors

	Safety Inspections	Warning Slips Issued	Penalty Cases
Packaging Division	255	4	2
Beverage Division	66	14	1
Total	**321**	**18**	**3**

Contractor Agreements and OHS Training

6.5.6 Scope of the Occupational Health and Safety Management System GRI 403-8

Category / Total Count		Covered by Management System		Covered by Internal / External Audits	
Employees	Non-Employees	Employees	Non-Employees	Employees	Non-Employees
1,735	4,864	1,702	4,864	1,702	4,864
Coverage Rate		99%		99%	

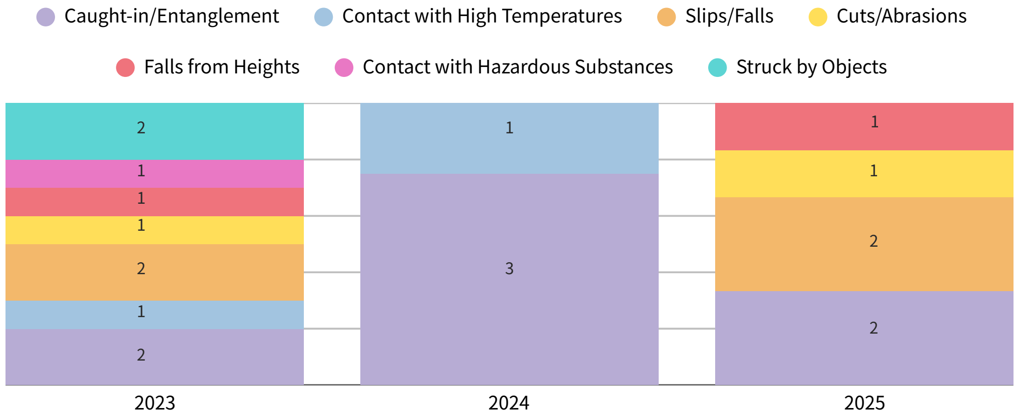
Notes:
1. Employees: Company-employed and paid workers
2. Non-employee workers: Contractors, dispatched workers, and others under Company control or supervision
3. Excludes 33 employees stationed at external factories; they follow local factory safety rules and regularly report health status

6.5.7 Occupational Injury Statistics

GRI 403-2, 403-9, 403-10

In 2025, Hon Chuan recorded 6 employee injury cases and 0 non-employee cases. Injury types included caught-in/entanglement, slips/falls, cuts/abrasions, and falls from heights.
Main causes included failure to follow SOPs, insufficient safety awareness, and inadequate supervision. Improvements included enhanced training, engineering controls, warning signs, and monthly OHS case-sharing newsletters.
The OHS Center investigates incidents, while responsible units conduct hazard identification, risk assessment, and corrective action planning.

2023-2025 Breakdown of Occupational Injury Types



Occupational Injury Statistics

01 Incident Occurrence
02 Emergency Response, Handling, and Notification
03 Near-miss incident investigation
04 Corrective and preventive actions
05 Implementation of improvements
06 Effectiveness verification
07 Record filing

Occupational Injury Statistics

Category	2023		2024		2025	
	EE	Non-EE	EE	Non-EE	EE	Non-EE
Fatality	0	0	0	0	0.24	0
High-Consequence Injuries	0	0	0	0	1.19	0
Disabling Injury Frequency Rate (FR)	2.39	0	0.99	0	1.42	0
Disabling Injury Severity Rate (SR)	41	0	8	0	1439	0
Occupational Disease Rate (ODR)	0	0	0	0	0	0
Total Working Hours	**4,183,347**	**54,499**	**4,036,887**	**116,110**	**4,214,405**	**76,650**

Notes:
1. Fatality Rate = Fatalities × 1,000,000 ÷ total hours worked
2. High-Consequence Injury Rate = High-consequence injuries × 1,000,000 ÷ total hours worked
3. FR = Disabling injuries × 1,000,000 ÷ total hours worked
4. SR = Lost workdays × 1,000,000 ÷ total hours worked
5. ODR = Occupational disease cases × 1,000,000 ÷ total hours worked
6. Non-employee workers recorded zero occupational injuries from 2023 to 2025
7. The 2024 total working hours were revised, and the FR was adjusted accordingly

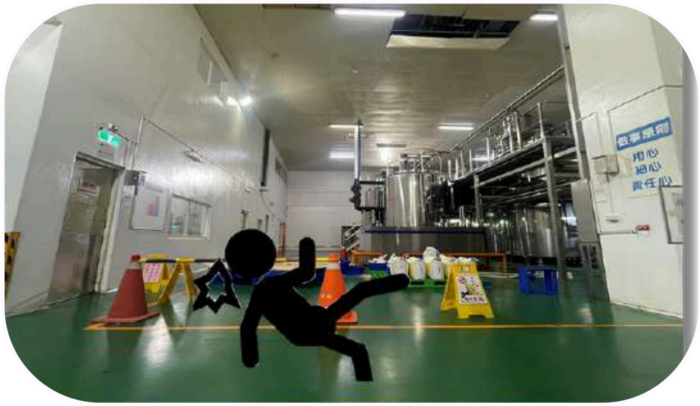
Description of the 2025 Fatal Occupational Accident

Incident Description

In October 2025, an employee from the Filling Team inspected the PAA exhaust fan from a maintenance walkway during a filling equipment abnormality. The employee crossed over the guardrail, stepped onto a cold room panel, lost footing, and fell, resulting in a fatal accident. Site reconstruction and CCTV footage indicate the accident likely occurred while retrieving a dropped tool.

Corrective Actions

1. Revised maintenance walkway operating procedures
2. Installed protective netting and increased guardrail height
3. Strengthened hazard labels and warning signs
4. Enhanced safety training and assessments, with immediate retraining when needed
5. Reviewed high-risk work areas and identified 99 potential hazards, with improvement measures continuously optimized



Fatal Accident Location Diagram

6.5.8 Emergency Response Measures

Hon Chuan has established plant emergency response teams with clear roles to improve response efficiency for fire and chemical incidents.

Firefighting Facilities

The plant is equipped with fire alarms, extinguishers, hydrants, emergency exit signs, and evacuation maps, with regular professional inspections. Fire safety facilities in high-risk areas and older plants continue to be upgraded. In 2025, fire safety improvement investment totaled NT$3.787 million.

Chemical Disaster Prevention

Diphoterine and first-aid equipment are provided for chemical exposure response, while an online chemical management system tracks inventory in real time. In 2025, chemical safety improvement investment totaled NT$130,000.

Sensor Projection Lights Above Fire-Rated Shutters

6.5.9 Health Promotion and Management

Four Major Occupational Health Protection Programs

01 Abnormal Workload Management

Conducts health assessments and medical consultations. In 2025, 0 employees had overtime restrictions, 1 was unsuitable for night shifts, and 28 required no special controls.

02 Maternal Health Protection

Provides risk assessments for pregnant, postpartum, and lactating employees. In 2025, 4 employees were assessed, with no work adjustments required.

03 Ergonomic Hazard Prevention

Uses questionnaires, on-site observations, and physician consultations to prevent musculoskeletal risks. In 2025, 1,450 questionnaires and 29 re-evaluations were completed; 6 employees will continue to be tracked in 2026.

04 Workplace Violence Prevention

Established prevention and response mechanisms. In 2025, there were zero grievance cases.

Health Promotion Measures

Hon Chuan publishes monthly EHS e-newsletters to strengthen employees' health, safety, and hygiene awareness and support workplace EHS management. Since 2024, Emergency Medical Care Knowledge has been designated as an annual mandatory course, requiring all employees to complete at least one first-aid training session each year.

Training Program	Timeline	Sessions	Participants	Satisfaction
CPR and AED Training	Annual	8	361	99%
Emergency Rescue Training	Dec. 9, 2025	1	31	90.30%

Health Promotion Measures

In 2025, 648 employees underwent special occupational health examinations. Based on the results, Hon Chuan provided hierarchical health management and individualized guidance.

Health Exam Category	Total	Level 1	Level 2	Level 3	Level 4
Noise	539	363	158	2	16
Ethane	60	52	8	0	0
Ionizing radiation	19	9	10	0	0
Manganese & compounds	8	8	0	0	0
Formaldehyde	22	17	5	0	0
Total	**648**	**449**	**181**	**2**	**16**

6.6 Community Engagement and Social Contribution

Hon Chuan gives back to society through social care, environmental conservation, neighborhood support, and education. In 2025, the Company continued its long-term community initiatives and expanded volunteer services.

2025 CSR Outcomes

CSR Expenditure: NT$1.448 million
Volunteer Engagement: 151 person-times
Corporate Visits: 58 sessions, 2,528 person-times
Blood Donation: 79 bags

Community Support and Education

Scholarships and Grants

Hon Chuan supported elementary schools, junior high schools, and universities through scholarships and grants, with donations exceeding NT$450,000 in 2025.

Circular Economy Education

Hon Chuan developed circular economy courses on beverage packaging recycling and reprocessing to promote environmental education.

Environmental Conservation: Native Habitat Restoration

Dahan River Afforestation

Native tree planting has continued for 31 months, achieving an 80% survival rate.

Yilan Wujie Coastal Afforestation

Planted coastal protection forests, achieving a 95% survival rate.

Adoption of Air Quality Purification Zones

Hon Chuan adopted four air quality purification parks, two of which received the Excellence Award from the Taichung City Government.

Ecological Experiences and Practical Work

Hon Chuan organized two ecological education activities, with 38 volunteers participating to raise environmental awareness.

Public Green Space 1-3 and Park No. 7

Ecological Sustainability Hands-on Camp

Social Care: Inclusive Companionship

New Year Meal Delivery with Love

27 volunteers delivered Chinese New Year meals to elderly people living alone and individuals with disabilities.

Supporting Arts and Culture

9 volunteers supported inclusive arts and culture through the Taiwan Concert for People with Disabilities.

Dementia Care

Hon Chuan continued supporting dementia care and public awareness.

Step30 (Shoes for Life)

Hon Chuan collected 24 boxes of supplies to support children in Africa.

Rural School Assistance & Corporate Volunteer Day

34 volunteers joined companionship activities and DIY workshops with students with disabilities.

Hon Chuan × Gan Lin Foundation:
Delivering New Year Meals with Warmth

Greater Taichung Corporate Volunteer Day:
Experiencing the Joy of Woodworking

Corporate Visits and Social Engagement

In 2025, Hon Chuan hosted 58 visits, welcoming 2,528 participants from government, academia, and industry to strengthen collaboration and sustainable innovation

Blood Donation Drive

Hon Chuan supported blood donation drives, collecting 79 bags of blood in 2025.

07 Appendix

7.1 GRI Content Index

Statement of Use: Hon Chuan has reported in accordance with the GRI Standards for the period from January 1, 2025, to December 31, 2025
GRI 1 Used: GRI 1: Foundation 2021
Applicable GRI Sector Standards: None

★: Material Topic Disclosures

Topic	Disclosure	Description	Chapter	Page	Remarks
GRI 2: General Disclosures 2021					
Organization and Reporting Practices	2-1	Organizational details	1.1 About Hon Chuan 1.2 Strategy and Deployment 1.3 Economic Performance	8 9 10	
	2-2	Entities included in the organization's sustainability reporting	About this Report 1.1 About Hon Chuan 1.3 Economic Performance	5 8 10	
	2-3	Reporting period, frequency and contact point	About this Report	5	
	2-4	Restatements of information	Refer to note(s).	-	Any data revisions will be accompanied by an explanation in the disclosure.
	2-5	External assurance	About this Report 7.7 Independent Verification Statement and Assurance Report	5 105	
Activities and workers	2-6	Activities, value chain and other business relationships	1.2 Strategy and Deployment 3. Products and Services	9 24	
	2-7	Employees	6.2 Workforce Composition	72-73	
	2-8	Workers who are not employees	6.2 Workforce Composition	72-73	

★: Material Topic Disclosures

Topic	Disclosure	Description	Chapter	Page	Remarks
Governance	2-9	Governance structure and composition	4 Integrity Governance 4.1.1 Board Operations	41-43	
	2-10	Nomination and selection of the highest governance body	4.1.1 Board Operations 4.1.2 Functional Committee Operations	42-43	
	2-11	Chair of the highest governance body	4.1.1 Board Operations	42	
	2-12	Role of the highest governance body in overseeing the management of impacts	1.5 Sustainability Strategy Roadmap 4.1.2 Functional Committee Operations	12-13 43	
	2-13	Delegation of responsibility for managing impacts	1.5 Sustainability Strategy Roadmap	12-13	
	2-14	Role of the highest governance body in sustainability reporting	1.5 Sustainability Strategy Roadmap 4.1 Governance Practices	12-13 42	
	2-15	Conflicts of interest	4.1.1 Board Operations	42-43	
	2-16	Communication of critical concerns	1.5 Sustainability Strategy Roadmap	12-13	
	2-17	Collective knowledge of the highest governance body	4.1.1 Board Operations	42	
	2-18	Evaluation of the performance of the highest governance body	4.1.1 Board Operations	43	
	2-19	Remuneration policies	4.1.2 Functional Committee Operations	43	
	2-20	Process to determine remuneration	4.1.2 Functional Committee Operations	43	
	2-21	Annual total compensation ratio	6.3 Compensation and Benefits	74	Internal data inventory for the annual total compensation ratio commenced in 2026. Full disclosure will be provided in 2027 to ensure completeness and rigor.

★: Material Topic Disclosures

Topic	Disclosure	Description	Chapter	Page	Remarks
Strategy, policies and practices	2-22	Statement on sustainable development strategy	Words from Management 1.5 Sustainability Strategy Roadmap	3 12-13	
	2-23	Policy commitments	1.5 Sustainability Strategy Roadmap 4.1.3 Ethics and Integrity 6.1 Human Rights Protection	12-13 44 69-71	
	2-24	Embedding policy commitments	1.5 Sustainability Strategy Roadmap 4.1.3 Ethics and Integrity 6.1 Human Rights Protection	12-13 44 69-71	
	2-25	Processes to remediate negative impacts	2.1 Stakeholder Communication and Response 4.1.3 Ethics and Integrity 6.1 Human Rights Protection	15-16 44 69-71	
	2-26	Mechanisms for seeking advice and raising concerns	2.1 Stakeholder Communication and Response 6.1 Human Rights Protection	15-16 69-71	
	2-27	Compliance with laws and regulations	4.3 Regulatory Compliance	47	
	2-28	Membership associations	1.4 Participation in External Organizations	11	
Stakeholder engagement	2-29	Approach to stakeholder engagement	2.1 Stakeholder Communication and Response	15-16	
	2-30	Collective bargaining agreements	Omitted	-	As the Company has no labor union, no collective agreement has been concluded.
GRI 3: Material Topics 2021					
Material Topics	3-1	Process to determine material topics	2.2 Materiality Assessment	17-18	
	3-2	List of material topics	2.2 Materiality Assessment	17-18	
	3-3	Management of material topics	2.3 Management of Material Topics	19-22	

★: Material Topic Disclosures

Topic	Disclosure	Description	Chapter	Page	Remarks
★Governance and Risk Management					
Custom Topic 2021			4 Integrity Governance	41	
★Financial Performance					
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	1.3 Economic Performance	10	
	201-2	Financial implications and other risks and opportunities due to climate change	5.1 Climate Change	52-57	
	201-3	Defined benefit plan obligations and other retirement plans	6.3 Compensation & Benefits	74-75	
	201-4	Financial assistance received from government	1.3 Economic Performance	10	
★Information Security					
Custom Topic 2021			4.4 Information Security	48-49	
★Supply Chain and Procurement Management					
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	3.2.1 Supplier Verification and Selection	32-33	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	3.2.1 Supplier Verification and Selection	32-33	
★Energy Management					
GRI 302: Energy 2016	302-1	Energy consumption within the organization	5.1.3 Energy Management	59	
	302-3	Energy intensity	5.1.3 Energy Management	59	
	302-4	Reduction of energy consumption	5.1.3 Energy Management	59	

★: Material Topic Disclosures

Topic	Disclosure	Description	Chapter	Page	Remarks
★Climate Change					
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	5.1.2 Greenhouse Gas Inventory	58	
	305-2	Energy indirect (Scope 2) GHG emissions	5.1.2 Greenhouse Gas Inventory	58	
	305-3	Other indirect (Scope 3) GHG emissions	5.1.2 Greenhouse Gas Inventory	58	
	305-4	GHG emissions intensity	5.1.2 Greenhouse Gas Inventory	58	
	305-5	Reduction of GHG emissions	5.1.2 Greenhouse Gas Inventory	58	
★Talent Attraction, Retention, and Well-being					
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	6.2 Workforce Composition	73	
	401-2	Benefits provided to full-time employees not provided to temporary or part-time employees	6.3 Compensation and Benefits	74-75	
	401-3	Parental leave	6.3 Compensation and Benefits	75	
★Occupational Health and Safety Management					
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	6.5 Occupational Safety and Health	78-79	
	403-2	Hazard identification, risk assessment, and incident investigation	6.5 Occupational Safety and Health	80-81	
	403-3	Occupational health services	6.5 Occupational Safety and Health	87	
	403-4	Worker participation, consultation, and communication on occupational health and safety	6.5 Occupational Safety and Health	79	
	403-5	Worker training on occupational health and safety	6.5 Occupational Safety and Health	82-83	
	403-6	Promotion of worker health	6.5 Occupational Safety and Health	87	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.5 Occupational Safety and Health	82-83	
	403-8	Workers covered by an occupational health and safety management system	6.5 Occupational Safety and Health	84	
	403-9	Work-related injuries	6.5 Occupational Safety and Health	85-87	
	403-10	Work-related ill health	6.5 Occupational Safety and Health	85-87	

★: Material Topic Disclosures

Topic	Disclosure	Description	Chapter	Page	Remarks
★Food Safety					
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	3.1.1 Food Quality and Safety Certification	25-26	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.3 Regulatory Compliance	47	
★Customer Service					
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.3 Customer Service	36-37	
Voluntary Disclosure Indicators					
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	5.3 Water Resources & Wastewater Management	60-61	
	303-2	Management of water discharge-related impacts	5.3 Water Resources & Wastewater Management	60-61	
	303-3	Water withdrawal	5.3 Water Resources & Wastewater Management	61-62	
	303-4	Water discharge	5.3 Water Resources & Wastewater Management	61-62	
	303-5	Water consumption	5.3 Water Resources & Wastewater Management	61-62	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	5.4 Waste Management	63-66	
	306-2	Management of significant waste-related impacts	5.4 Waste Management	63-66	
	306-3	Waste generated	5.4 Waste Management	63-66	
	306-4	Waste diverted from disposal	5.4 Waste Management	63-66	
	306-5	Waste directed to disposal	5.4 Waste Management	63-66	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	6.4 Talent Cultivation	76	
	404-2	Programs for upgrading employee skills and transition assistance programs	6.4 Talent Cultivation	76-77	
	404-3	Percentage of employees receiving regular performance and career development reviews	6.3 Compensation and Benefits	74	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	4.1.1 Board Operations 6.2 Workforce Composition	42 72-73	
	405-2	Ratio of basic salary and remuneration of women to men	6.3 Compensation and Benefits	74	

7.2 SASB Index

Containers & Packaging (RT-CP)

Topic	Code	Type	Description	Data	Unit	Page
Greenhouse Gas Emissions	RT-CP-110a.1	Quantitative	(1)Gross global Scope 1 emissions (2)Percentage of emissions covered under emissions-limiting regulations	(1) 16,165.0644 (2) 6.96	Metric tons CO2e Percentage (%)	58
	RT-CP-110a.2	Discussion & Analysis	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Please refer to Section 5.1.2 Greenhouse Gas Inventory	N/A	58
Air Quality	RT-CP-120a.1	Quantitative	Air emissions of the following pollutants: (1) NOx (excluding N2O) (2) SOx (3) Volatile organic compounds (VOCs) (4) Particulate matter (PM) (Hazardous air pollutants)	(1) 12.18 (2) 0 (3) 197.72 (4) 0.33	Metric tons (t)	60
Energy Management	RT-CP-130a.1	Quantitative	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable (4) Total self-generated energy	(1) 846,510 GJ (2) 67.95% (3) 0.12% (4) 991 GJ	Gigajoules (GJ) Percentage (%)	59
Water Management	RT-CP-140a.1	Quantitative	(1) Total water withdrawn (2) Total water consumed (3) Percentage of each in regions with High or Extremely High Baseline Water Stress	(1) 1,766.43 (2) 646.26 (3) 0	Thousand cubic meters (m^3) Percentage (%)	60-62
	RT-CP-140a.2	Discussion & Analysis	Description of water management risks and discussion of strategies and practices to mitigate those risks	Please refer to Section 5.3 Water Resources and Wastewater Management	N/A	60-62
	RT-CP-140a.3	Quantitative	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	0	Number	-
Waste Management	RT-CP-150a.1	Quantitative	(1) Total amount of waste generated (2) Percentage hazardous (3) Percentage recycled	(1)17367.82 (2)0.20 (3)98	Metric tons (t) Percentage (%)	63-65
Product Safety	RT-CP-250a.1	Quantitative	(1) Number of recalls issued (2)Total amount of units recalled	(1) 0 (2) 0	Number / Quantity	28

Containers & Packaging (RT-CP)

Topic	Code	Type	Description	Data	Unit	Page
	RT-CP-250a.2	Discussion & Analysis	Discussion of process to identify and manage emerging materials and chemicals of concern	Please refer to Section 3.4 Innovative R&D	N/A	38-39
Product Lifecycle Management	RT-CP-410a.1	Quantitative	Percentage of raw materials from: (1)Recycled content (2)Renewable resources (3)Recycled content and renewable resources	(1) 14 (2) 0 (3) 0	Percentage by weight (%)	-
	RT-CP-410a.2	Quantitative	Revenue from products that are reusable, recyclable, and/or compostable	15,228,982	NT$ Thousand	-
	RT-CP-410a.3	Discussion & Analysis	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Please refer to Section 3.4 Innovation Research and Development	N/A	38-39
Supply Chain Management	RT-CP-430a.1	Quantitative	(1)Total weight of wood fiber procured (2)Percentage from certified sources	(1) 2,157.27 (2) 87.57	Metric tons (t) Percentage (%)	-
	RT-CP-430a.2	Quantitative	(1)Total weight of aluminum procured (2)Percentage from certified sources	(1) 1,013.15 (2) 100	Metric tons (t) Percentage (%)	-
Activity Metrics	RT-CP-000.A	Quantitative	Annual production by product category	Plastic caps: 70,010.17 PET bottles: 220,580.66 Labels: 5,247.45 Metal caps: 2,475.62 Beverage OEM/Filling: 1,462,384.80 (Actual sales (k units) × standard product weight)	Metric tons (t)	-
	RT-CP-000.B	Quantitative	Percentage of production by substrate: (1) Paper/wood, (2) Glass, (3) Metal, (4) Plastic	(1) 0 , (2) 0 , (3) 3.02 , (4) 63.41	Percentage (%)	-
	RT-CP-000.C	Quantitative	Number of employees	1,672	Number of persons	9

Non-Alcoholic Beverages (FB-NB)

Topic	Code	Type	Description	Data	Unit	Page
Fleet Fuel Management	FB-NB-110a.1	Quantitative	(1) Fleet fuel consumption (2) Percentage renewable	(1) 3,648 (2) 0	Gigajoules (GJ) Percentage (%)	59
Energy Management	FB-NB-130a.1	Quantitative	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	(1) 846,510 (2) 67.95 (3) 0.12	Gigajoules (GJ) Percentage (%)	59
Water Management	FB-NB-140a.1	Quantitative	(1) Total water withdrawn (2) Total water consumed (3) Percentage of each in regions with High or Extremely High Baseline Water Stress	(1) 1,766,430 (2) 646,260 (3) 0	Cubic meters (m^3) Percentage (%)	61-62
	FB-NB-140a.2	Discussion & Analysis	Description of water management risks and discussion of strategies and practices to mitigate those risks	Please refer to Section 5.3 Water Resources and Wastewater Management	N/A	60
Health & Nutrition	FB-NB-260a.1	Quantitative	(1) zero-calorie and low-calorie products (2) no-added-sugar products (3) artificially sweetened products	(1) 0 (2) 1,413,877 (3) 0	NT$ (Thousand)	-
	FB-NB-260a.2	Discussion & Analysis	Discussion of the process to identify and manage products and ingredients related to consumer health and nutritional concerns	N/A	N/A	-
Product Labeling & Marketing	FB-NB-270a.1	Quantitative	(1) Percentage of advertising impressions made on children; (2) Percentage of advertising impressions made on children for products that meet dietary guidelines	N/A	N/A	-
	FB-NB-270a.2	Quantitative	(1) products containing genetically modified organisms (GMOs); (2) non-GMO products	N/A	N/A	-
	FB-NB-270a.3	Quantitative	Number of incidents of non-compliance with industry standards or regulations concerning product labeling or marketing	0	Number	-
	FB-NB-270a.4	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with product labeling and/or marketing practices	N/A	NT$ (Thousand)	-

SASB Index - Non-Alcoholic Beverages

Topic	Code	Type	Description	Data	Unit	Page
Packaging Lifecycle Management	FB-NB-410a.1	Quantitative	(1) Total weight of packaging procured; (2) Percentage made from recycled and/or renewable materials; (3)Percentage that is recyclable, reusable, and/or compostable	N/A	Metric tons (t) Percentage (%)	-
	FB-NB-410a.2	Discussion & Analysis	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Please refer to Section 3.4 Innovation Research and Development	N/A	38-39
Environmental & Social Impacts of Ingredient Supply Chain	FB-NB-430a.1	Quantitative	Supplier social and environmental responsibility audits: (1) Non-conformance rate (2) Percentage of associated corrective action plans for major non-conformances (3) Percentage of associated corrective action plans for minor non-conformances	(1) 0 (2) non-compliant suppliers (3) non-compliant suppliers	Percentage (%)	32-35
Ingredient Sourcing	FB-NB-440a.1	Quantitative	Percentage of tier 1 ingredient suppliers sourced from regions with High or Extremely High Baseline Water Stress	0	Percentage (%)	33
	FB-NB-440a.2	Discussion & Analysis	(1) List of principal ingredients disclosed (2) Discussion of risks to ingredient availability, character, or price due to environmental and social considerations	(1) Product Traceability and Tracking (2) Supplier Audit	N/A	28 34-35
Activity Metrics	FB-NB-000.A	Quantitative	Volume of products sold	Plastic caps: 70,010.17 PET bottles: 220,580.66 Labels: 5,247.45 Metal caps: 2,475.62 Beverage OEM/Filling: 1,462,384.80 (Actual sales (k units) × standard product weight)	Metric tons (t)	-
	FB-NB-000.B	Quantitative	Number of production facilities	10	Number of facilities	9
	FB-NB-000.C	Quantitative	Total fleet distance traveled	676,826	Kilometers (km)	-

7.3 United Nations Global Compact Index

Categories	10 Principles	Chapter	Page
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	6.1 Human Rights Protection	69
	Make sure that they are not complicit in human rights abuses	6.1 Human Rights Protection	69
Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	6.1 Human Rights Protection	69
	The elimination of all forms of forced and compulsory labour	6.1 Human Rights Protection	69
	The effective abolition of child labour	6.1 Human Rights Protection	69
	The elimination of discrimination in respect of employment and occupation	6.1 Human Rights Protection	69
Environment	Businesses should support a precautionary approach to environmental challenges	5 Green Sustainability	50
	Undertake initiatives to promote greater environmental responsibility	5 Green Sustainability	50
	Encourage the development and diffusion of environmentally friendly technologies	5 Green Sustainability	50
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery	4.1.3 Ethics and Integrity	44

7.4 Sustainability Disclosure Indicators for Listed Companies

Appendix 1-5 - Plastics Industry

No.	Indicators	Implementation Status	Unit
1	Total energy consumption, percentage of purchased electricity, renewable energy usage rate, and total self-generated energy for own use.	Total energy consumption: 846,510 Percentage of purchased electricity: 67.95% Renewable energy usage: 0.12% Total self-generated energy: 991	GJ, %
2	Total water withdrawal and total water consumption.	Total Water Withdrawal: 1,766.43 Total Water Consumption: 646.26	Thousand m^3
3	Weight of hazardous waste generated and the percentage of waste recovered/recycled.	Hazardous Waste: 35.24 Recycling Rate: 98	t, %
4	Number and rate of occupational Injury cases.	6 cases 1.42	Number of Cases; Disabling Injury Frequency Rate (FR)
5	Output of major products by product category.	Plastic Cap: 31,822,804 k units PET bottles: 11,029,033 k units Label: 2,098,981 k sheets Metal caps: 80,572 k units OEM Beverage Filling: 2,437,308 k bottles	By Product Category

Note: Appendix 1-1 of Taiwan’s sustainability disclosure indicators for listed companies is not applicable, as Hon Chuan’s food and beverage revenue does not reach the 50% threshold (see Chapter 3, Products and Services)

7.5 Climate-related Information for Listed Companies

No.	Description	Chapter	Page
1	Description on the Board and Management's oversight and governance on climate-related risks and opportunities	5.1 Climate Change	52
2	Description on how the identified climate risks and opportunities impact the company's business, strategies, and finance (short, mid, longterm)	5.1 Climate Change	52
3	Description on the impact extreme climate events and transitional actions have on finance	5.1 Climate Change	52
4	Description on how the climate risk identification, assessment, and management process is integrated in the overall risk management system	5.1 Climate Change	52
5	Should scenario analysis is used to assess the Company's resilience in face of climate change risks, explanations on the scenario, parameters, hypothesis, analysis factors and major financial impacts should be provided	5.1 Climate Change	52
6	Should there be transitional programs in response to managing climate-related risks, please explain the program's content and metrics and targets used to identify and manage physical and transitional risks	5.1 Climate Change	52
7	Should the internal carbon pricing is used as the planning tool, the pricing mechanism should be explained	No relevant information available	-
8	Should climate-related targets are in place, information such as their scope of action, GHG emissions, planned timeline, and yearly achieved progress should be stated; for targets achieved through carbon offset and RECs, the source of offset amount and number of RECs should be stated	5.1 Climate Change	52
9	Carbon inventory and assurance efforts	5.1.2 Greenhouse Gas Inventory	58

7.6 Taiwan Sustainable Economic Activity Recognition Guidelines 2.0

The Financial Supervisory Commission issued the Taiwan Sustainable Economic Activity Recognition Guidelines 2.0 to guide companies in promoting low-carbon transition based on environmental sustainability principles.

The guidelines classify economic activities into General Economic Activities and Enabling Economic Activities. General activities must meet three criteria: substantial contribution to environmental objectives, no significant harm to other environmental objectives, and no significant harm to social safeguards. Enabling activities, such as renewable energy, hydrogen, carbon capture and storage, and energy technology services, may be considered sustainable if they meet the contribution criterion.

Hon Chuan primarily engages in packaging material manufacturing and beverage filling services. Based on its registered business activities, the applicable sustainable economic activities are summarized below.

Assessment Criteria	Result	Description
Substantial Contribution to an Environmental Objective	**Not aligned**	No activities involving ethylene, propylene, or butadiene emissions under climate mitigation criteria.
No significant harm to the six environmental objectives	**Aligned**	Complies with environmental regulations with no significant harm to the six environmental objectives.
No significant harm to social safeguards	**Aligned**	Complies with labor and social protection regulations.

Note: Hon Chuan is not engaged in petrochemical production activities; therefore, the products are not included within the scope of sustainable economic activities

7.7 Independent Verification Statement and Assurance Report

SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE TAIWAN HON CHUAN ENTERPRISE CO., LTD.'S SUSTAINABILITY REPORT FOR 2025

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 2025 (hereinafter referred to as the Sustainability Report). The assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 1 Moderate level during 2026/2/26 to 2026/4/8. The boundary of this report includes THC Taiwan operational and production or service sites as disclosed in THC's Sustainability Report for 2025. 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 2025 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 Standards (In Accordance with)

TWLPP 5008 Issue 2601

- 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, includes GRI 1, GRI 2, GRI 3, 200, 300 and 400 series claimed in the GRI content index as material and is conducted in accordance with the standards.

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 affirms 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, 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.

TWLPP 5008 Issue 2601

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 Sustainability 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 identifying 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 topics, and to maintain relevant records to facilitate both internal and external communication and verification.

ADHERENCE TO GRI

The report, THC's Sustainability Report of 2025, is reporting in accordance with the GRI Universal Standards 2021. The significant impacts were assessed and disclosed in accordance with the guidance defined in GRI 3: Material Topics 2021 and the relevant 200/300/400 series Topic Standards related to the material topics claimed in the GRI content index. The Sustainability Report has properly disclosed information related to THC's contributions to sustainability development.

For future reporting, THC is encouraged to more clearly disclose the Compensation and Benefits to reporting with the GRI Standards, 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.

AA1000 Licensed Report 000-8/V3-HWTZI

Stephen Pao
Business Assurance Director
Taipei, Taiwan
26 April, 2026
WWW.SGS.COM

TWLPP 5008 Issue 2601

SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE TAIWAN HON CHUAN ENTERPRISE CO., LTD.'S SUSTAINABILITY REPORT FOR 2025

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 2025. 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 2026/2/26 to 2026/4/8. The boundary of this report includes THC Taiwan operational and production or service sites as disclosed in THC's Sustainability Report of 2025. 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 stated in the Sustainability Report for 2025.

RESPONSIBILITIES

The sustainability information in the THC's Sustainability Report of 2025 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. 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.

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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	2 Specific indicators of TWSE Corporate Governance Evaluation System (2025)

SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE

The assurance has verified 2 indicators of TWSE Corporate Governance Evaluation System which are disclosed on THC's Sustainability Report as follow:

KPI / Report Theme	Data	Notes
Water Usage Statistics	2025 Water Usage Statistics 1,766.43 million liters.	● 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	2025 Waste Generation Statistic 17,367.82 tons	● 2025 General industrial waste generation 17,334.11 tons ● 2025 Hazardous industrial waste generation 33.71 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.

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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 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.

Signed:
For and on behalf of SGS Taiwan Ltd.

Stephen Pao
Business Assurance Director
Taipei, Taiwan
26 April, 2026
WWW.SGS.COM

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TWLPP 5008 Issue 2601

7.8 Greenhouse Gas Emissions Verification Statement

Opinion TW26/00256GG

Greenhouse Gas Verification Opinion

The inventory of Greenhouse Gas emissions in year 2025 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
16,165.0644 tonnes of CO_2e
Indirect emissions
285,778.8078 tonnes of CO_2e
Direct emissions and indirect emissions
301,943.872 tonnes of CO_2e

Authorized by

Stephen Pao
Business Assurance Director
Date: 08 June 2026
Version 1

TGP56B-15-1 2601
SGS Taiwan Ltd.
No. 136-1, Wu Kung Road, New Taipei Industrial Park,
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This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

Page 1 of 8

Opinion TW26/00256GG, continued

The emission of each category is described as below: Unit: tonnes of CO_2e

Reporting Boundaries			GHG Emissions
Inventory categories		Description	
Direct emissions		Direct emissions from stationary combustion	15,103.1129
		Direct emissions from mobile combustion	0.0797
		Direct process emissions and removals from industrial processes	251.2128
		Direct fugitive emissions arise from the release of GHGs in anthropogenic systems	810.6590
		Direct emissions and removals from land use, land use change and forestry	0.0000
Indirect emissions	Imported energy	Indirect emissions from imported energy including electricity	78,984.1653
	Transportation	Indirect emissions from upstream transportation of primary raw materials, including PP resin pellets, HDPE, LDPE, PET resin pellets, tinplate, ink, aluminum sheets, refined special sand	2,016.8424
		Indirect emissions from downstream transportation of products, including land transportation, sea freight, and air freight	1,005.9182
		Indirect emissions from employee commuting, including round trips by car, motorcycle, and bus	598.6193
		Indirect emissions from business travel, including round-trip air travel	138.2365
	Products used by an organization	Indirect emissions from purchased goods or services, including purchased electricity, tap water, natural gas, gasoline, diesel, primary raw materials (PP resin pellets, HDPE, LDPE, PET resin pellets, tinplate, ink, aluminum sheets, refined special sand), and cartons.	203,035.0261
	Associated with the use of products from the organization	Non-significant	NA
	Other sources	Non-significant	NA
Direct emissions and indirect emissions			301,943.872

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

Page 2 of 8

Opinion TW26/00256GG, continued

The emission of each site is described as below: Unit: tonnes of CO_2e

Site	Direct emissions	Indirect emissions		Total GHG emissions
	Category 1	Category 2	Category 3–6	
Taichung Plant	383.3780	12,093.0672		
Taichung Plant II	1,124.5368	27,998.6112		
Aseptic Beverage Plants I	4,700.6738	7,947.5390		
Aseptic Beverage Plants II	6,789.8650	12,782.0736		
Aseptic Beverage Plants III	3,158.5533	5,352.0288		
Free-Trade-Zone Plant	6.8158	9,559.2528	206,794.6425	301,943.872
Ruifang (In-house)	0.3209	1,219.1650		
Taoyuan (In-house)	0.4520	456.1883		
Shalu (Inhouse)	0.3181	578.9436		
Chiayi (Inhouse)	0.1507	997.2958		

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

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