



NAMCHOW

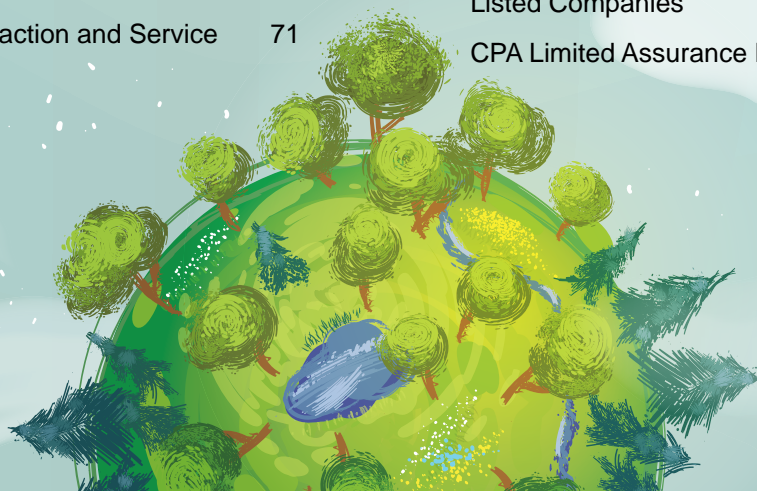
2022

Sustainability Report



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Message From the Chairman

GRI 2-22



In 2022, Namchow Group celebrated its 70th anniversary, marking a profoundly meaningful milestone. Over the course of seven decades, the dedicated Namchow Management Team has persevered through pivotal eras and crucial decisions, enabling sustainable operations and steadfast growth. We remain vigilant and progressive, ever-ready to transcend the tides of time.

The global surge in ESG consciousness in recent times underscores the imperative for corporate survival. Namchow, with great diligence, fortifies its competitive advantages, addressing climate change concerns, championing community welfare, and nurturing the career and holistic development of its workforce.

Despite numerous external uncertainties and economic challenges, which are testing the capabilities and profitability of businesses, these trying times present opportunities for Namchow. On one hand, we reflect on our core essence, and on the other hand, we are more focused on shaping a new future landscape. We have

always regarded “challenges” as “opportunities,” wholeheartedly pursuing our established vision and foreseeing the macroscopic benefits of our developmental blueprint.

Forward-Looking Governance for the Next Decade

Though the global COVID-19 pandemic has wreaked havoc in recent years, Namchow’s global footprint has not wavered. With three major production bases established in Taiwan, China, and Thailand, we have constructed a robust tripod structure within a trade-oriented framework. As we contemplate the plan for the next decade, we are optimistic about the implementation of the ASEAN’s Regional Comprehensive Economic Partnership (RCEP) Agreement and the exploration of niche markets worldwide. We intend to interlink these three major bases into a platform that fosters resource sharing, interconnectivity, and collaborative synergy across various aspects such as raw materials, research and development, production, customers, and services.

Namchow’s products span across three regions, driven by a trade-oriented organizational strategy. This approach enables us to optimize our production capacity, expand our market reach, provide superior services, and meet customer demands more effectively. Simultaneously, it allows us to harness the accumulated resources and capabilities of the company, aligning talent and technology to achieve peak performance.

Innovation and Food Safety

Our business principles revolve around the continuous pursuit of a “healthy and beautiful” lifestyle, abounding in innovative energy, and the unwavering commitment to the highest standards of food safety. In 2022, Tianjin Namchow Food and Guangzhou Namchow Food jointly received the “Third Prize for Technological Invention” awarded by the China National Light Industry Council, making Namchow the sole oil and fats food enterprise

to be recognized in this category. Namchow remains at the forefront of technological research and innovation. To date, we have acquired over 100 patents, showcasing our excellence in green technology. We have obtained multiple patents for inventions and utility models in the field, paving the way for new horizons.

“Upholding innovation and ensuring food safety” drives the advancement of food manufacturing technology towards high-end, intelligent, and eco-friendly development. This commitment is aimed at achieving the core competitiveness of a modernized factory and is also a testament to our dedication to ESG-driven sustainable corporate operations.

Energy Efficiency and Carbon Reduction. Solid corporate resilience.

As an integral part of our planet, no corporation can afford to disregard climate issues. Namchow is dedicated to researching and developing low-carbon products, reducing pollutant emissions, and minimizing process carbon footprints through innovative approaches, all aimed at mitigating environmental harm. In pursuit of climate mitigation and adaptation goals, we are gradually transitioning to renewable energy sources and constructing eco-friendly factories to reduce carbon emissions and environmental impact.

We firmly believe that in the future, more stakeholders will scrutinize corporate climate commitments. Therefore, we aim for sustainability, advocating environmental protection measures, and collaborating with stakeholders to collectively achieve environmental sustainability and social value.

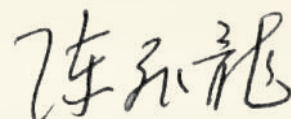
Happy Workplace and Creating a Better Society

Creating a people-centric and happy workplace is a cornerstone of Namchow’s culture. We establish a learning organization that guides employees to “Knowing Changes, Responding to Change, Seeking to Change, and Remaining Unchanged,” fostering continuous growth, and aligning individual development with organizational progress. Through the “learning while doing” method, we nurture a diverse social perspective to better navigate uncertainties and seize new opportunities.

Namchow remains actively engaged in social welfare activities and giving back to the community. By sourcing local raw materials and ingredients and connecting with local communities, we become the preferred supply hub of neighborhoods. We also contribute funds and resources to support community education, cultural arts, and educational experiences, promoting interaction and cohesion with the community, exemplifying our commitment to social responsibility and contributing to a mutually beneficial community.

Over the past 70 years, we have weathered countless changes in eras. Last year, Namchow paused to prepare for another sprint forward, and this year, we are vigorously moving ahead. Striving to uphold our core values, we focus on niche markets, differentiate ourselves with purpose, foster continuous innovation, and pioneer products and services aligned with the demands of our time. We excel at identifying opportunities for long-term sustainability amid challenging environments and relentlessly pursue excellence, embodying the principles of corporate ESG. Together, we advance toward the sustainable goal of coexistence and prosperity for both business and the environment.

Chairman



About the Report

GRI: 2-1, 2-2, 2-3, 2-4, 2-5

The Namchow Group issues an annual sustainability report, aiming to disclose the Group's management policies and performance in sustainable development. We maintain ongoing communication with stakeholders to promote and implement our vision and strategy for sustainability. Our goal is to achieve strategic growth through a sustainable living plan.

Content of the Report and Disclosure Period

Report period: January 1, 2022 to December 31, 2022. This report was issued in September 2023 and published in both Chinese and English on Namchow Group's ESG website. The contents cover the material topics of concern to stakeholders as well as the practices of Namchow Group in the economic, environmental, and social dimensions.

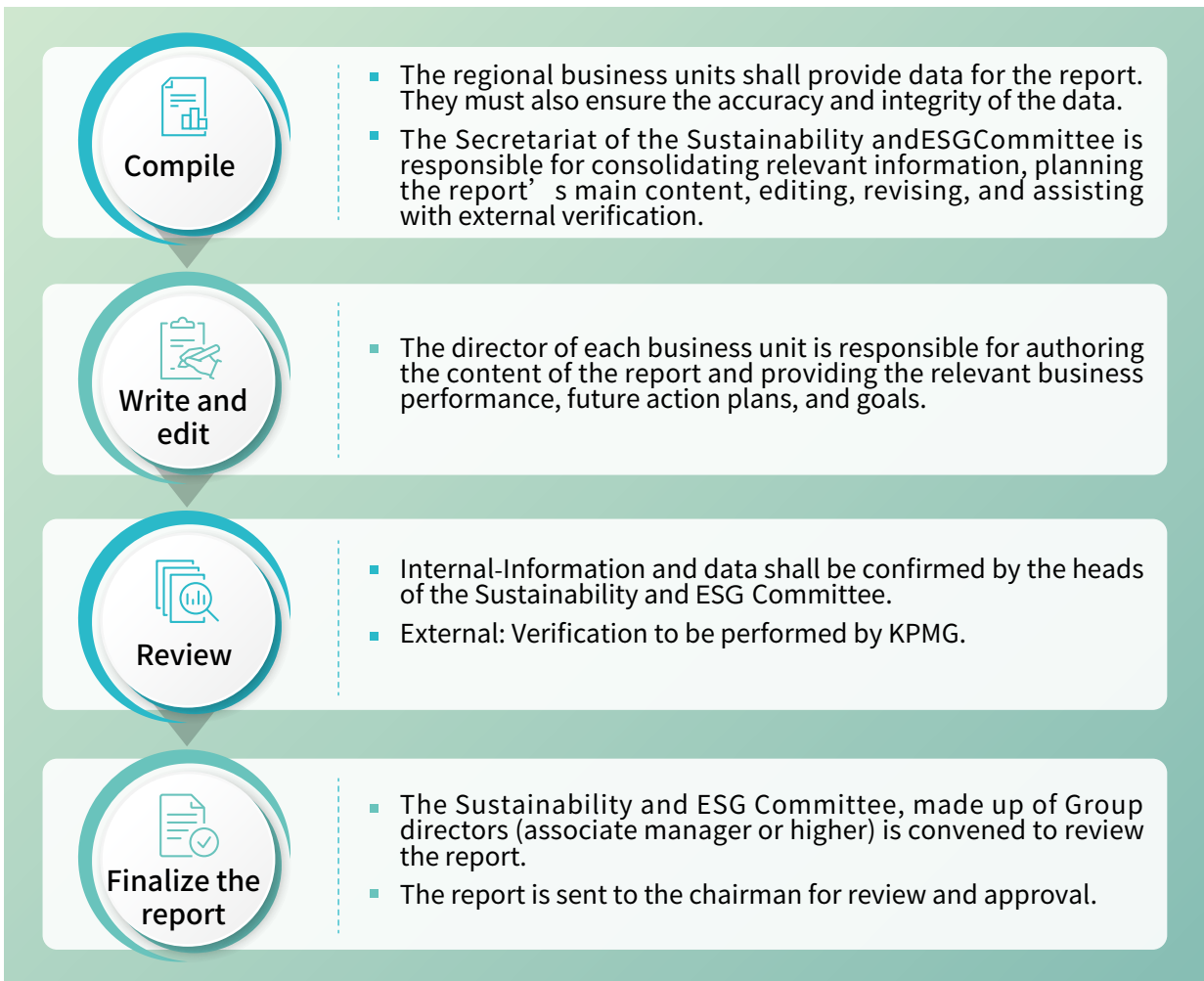
Scope and boundary of report

The scope of this report is based on the organizational boundaries defined according to materiality and consolidated financial reports. Disclosure of non-financial performance information encompasses information relating to material dimensions in Taiwan, Mainland China, Thailand, and Japan to ensure that all production sites and key operating locations fall within the boundary. Although the boundary of this report has been expanded from the previous report, most of the performance statistics are still disclosed separately to facilitate comparison. Any changes to the scope or basis of calculation will be explained in footnotes.

Region	Coverage
Taiwan	Taoyuan Factory (Edible Oils & Fats, Ice Cream, Frozen Dough and Detergents Business), ChungLi Factory (Frozen Noodles, Frozen Dough, and Cooked Rice Business), Tainan Factory (Ice Cream Business), Gastronomy Business Division (Chinese and Western cuisine), sales and administrative units
Mainland China	Tianjin Factory (Edible Oils & Fats, Frozen Dough Business, Whipping Cream, Food Fillings, Pre-Fried and Pre-Baked Baked Goods), Guangzhou Factory (Edible Oils & Fats, Fresh Cream Business), Shanghai Factory (Edible Oils and Fats, Frozen Dough Business, Cold/Hot Processed Pastries), Shanghai Qiaohao Factory (Frozen Noodles, Beer, Meat Products, Conditioning bag, and Hot Processed Pastries), BLN Restaurants & Caterings (Chinese and Western-style Gastronomy Business Division), Sales, and Administrative Units
Thailand	Ban Pong Factory (rice cracker, instant noodle, cooked rice, porridge), sales and administrative units
Japan	Commercial hotel business, Dian Shui Lou restaurant

In May 2014, Namchow moved into the Japanese food & beverage market by establishing Namchow Japan Co., Ltd. as a 100% subsidiary of Namchow Holdings Co., Ltd. As of the end of 2022, \$2.55 billion JPY in capital has been invested by Namchow Group to construct two buildings (Yotsuya Store and Shinjuku Store) in Shinjuku, Tokyo, for the use of our restaurant brand "Dian Shui Lou." To conserve energy and reduce waste, the old buildings were demolished in a manner compliant with recycling standards. The new buildings were designed to use thermal insulation materials and 90% of the lighting was LED based in order to reduce future environmental impacts and energy use. The Yotsuya Store started trial operation in March 2018. All non-financial performance data during the trial operation of the Japanese subsidiary had little impact on Namchow Group as a whole so they are not disclosed here.

Report Quality



Preparation Basis

Reporting unit	Reporting guidelines
The Global Reporting Initiative (The Global Reporting Initiative, GRI)	GRI Sustainability Reporting Standards 2021 Edition G4 Food Processing Sector Supplement
United Nations	Sustainable Development Goals (SDGs)
Taiwan Stock Exchange (TWSE)	Sustainability Best Practice Principles for TWSE/GTSM Listed Companies Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
Sustainability Accounting Standards Board (SASB) Content Index	Industry Standards for Agricultural Products
Financial Stability Board	Task Force on Climate-related Financial Disclosures (TCFD)

External Assurance

	Compliance Standard	Assurance Institutio
Sustainable	Additional disclosure of ten indicators for the food and beverage industry under Article 4 of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies."	KPMG ^(Note)
Finance	<ul style="list-style-type: none"> Regulations Governing the Preparation of Financial Reports by Securities Issuers International Financial Reporting Standards recognized by the Financial Supervisory Commission and effective in 2018 is adopted 	KPMG

Note: In accordance with Guideline No. 3000 "Limited Assurance Engagements for Non-Historical Financial Information Not Subject to Audit or Review" issued by Accounting Research and Development Foundation, limited assurance procedures were performed, and the assurance report is attached to the appendix of this report.

Release of the Report

The Namchow Group regularly releases its annual sustainability report by the end of September each year. This version was issued in September 2023, with the previous release being in September 2022.

Contact information

If you have any suggestions or questions about this report, you are welcome to contact us. Contact methods are as follows:



Contact: Cherry Chuang of the Sustainability and ESG Committee Secretariat

Headquarter address: No. 100, Section 4, Yanping North Road, Taipei City 10376

Telephone: (02)6619-3274

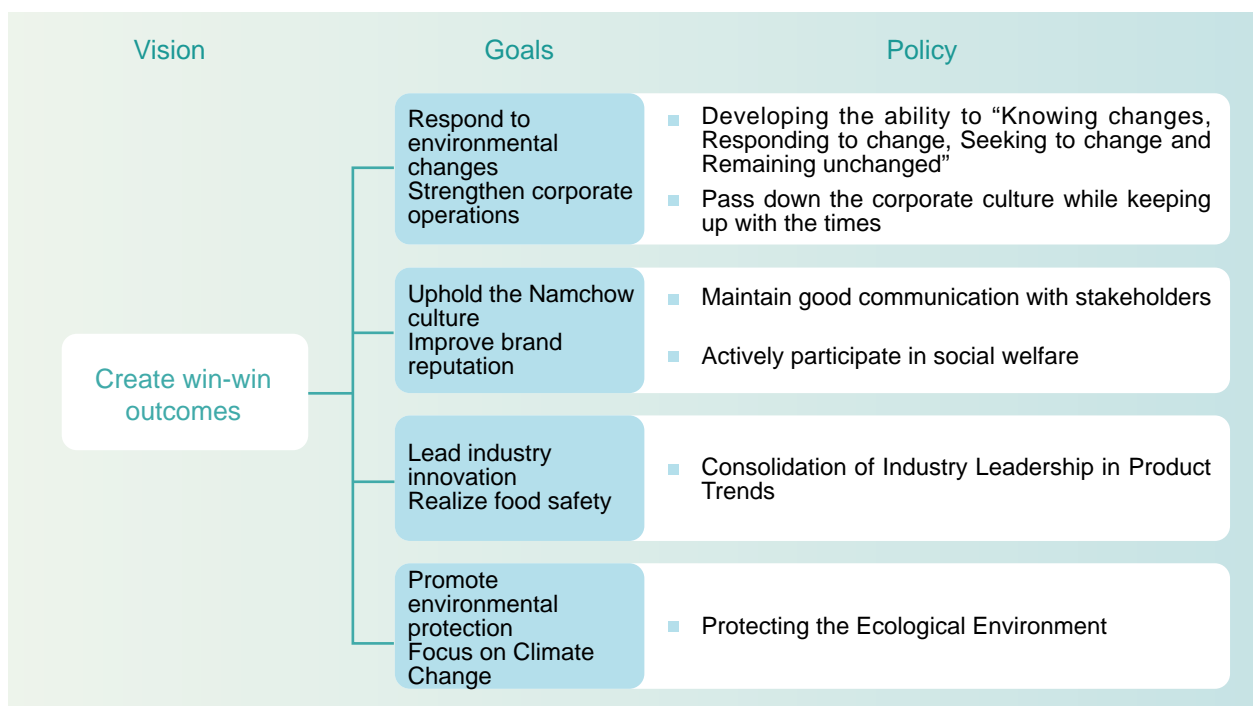
Email: csr@namchow.com.tw

Website of Namchow Group: <http://www.namchow.com.tw/>

Namchow Sustainability Policy

GRI: 2-13, 2-14, 2-16, 2-23, 2-24

Under the leadership of Chairman Alfred Chen, Namchow Group has made significant innovations out of its strong legacy that conform to its core “People Value.” This philosophy is what constantly motivates Namchow Group to share the goals and values of society, contribute to the benefit of consumers and mankind, and envision win-win solutions between customers, consumers, industry participants, society, and the environment.



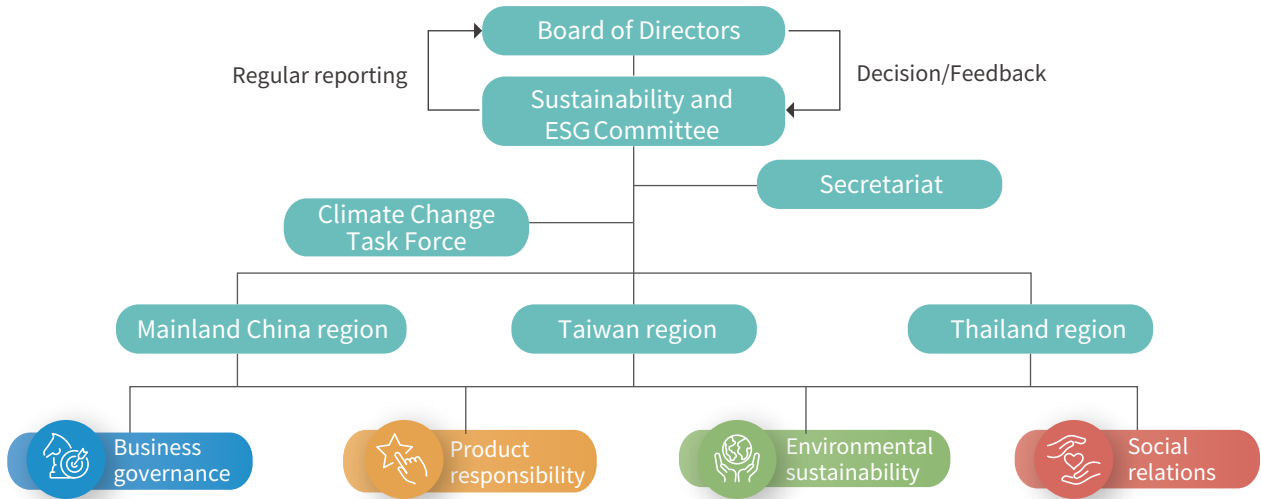
Sustainability and ESG Committee

Namchow Group has established a committee responsible for promoting the Group’s sustainable development policy. The Board of Directors is the highest supervisory unit for this organization. The chairperson of the committee is the General Manager of Namchow. The committee oversees several regional sub-committees in Mainland China, Taiwan, and Thailand. Each sub-committee is divided into four sections, namely: business governance, product responsibility, social relations, and environmental sustainability. Each sub-committee is headed by an assistant vice president, director, or higher-ranking executive. Responsibilities include devising policy responses and action plans for relevant issues.

The Sustainability and ESG Committee holds meetings periodically every year to discuss economic, environmental, and social issues related to corporate governance. Depending on the significance of the topics, regular and irregular reports are made to the Chairman or the Board of Directors, and relevant decisions are recorded in the meeting minutes. The Board of Directors’ secretariat tracks these decisions and reports them in the next board meeting.

Since its establishment in 2015, the committee has held a total of 19 meetings. The committee is expected to pay attention to the development of local and foreign ESG-related standards at all times in order to review relevant ESG mechanisms and systems that the company has established and make adjustments as needed in order to boost the effectiveness of the company’s corporate social responsibilities. In addition, expert consultants are invited from time to time to participate in meetings to provide advice and share new sustainability trends in the world that Namchow can use as a reference in promoting sustainability solutions.

Organizational Structure of the Committee



Sustainable Development Goals of Namchow Group

In the UN Summit in 2015, the UN announced Transforming our World: The 2030 Agenda for Sustainable Development as a guiding principle for countries around the world. This principle has expanded from purely pursuing economic growth in the past to the three major aspects of economy, society, and environment. Only under the premise that the society and the environment are abundant in resources and sustainable will it be meaningful for enterprises to pursue sustainable economic development.

Faced with the rise of the demand for sustainable practices and the emergence of climate risks, we have engaged in in-depth discussions at SDGs workshops with a focus on relevant issues since December 2018. The top executives of each business group put forth future sustainable development goals, and we identified 10 corresponding SDGs in 2019 as a guiding principle for our company's sustainable development, setting Namchow Group's short-, medium-, and long-term policy directions and goals.

- Establish supplier assessment mechanism
- Upgrade risk management mechanism and information security
- Enhance information transparency and international integration
- Increase ratio of local purchasing by value; boost local economic development



- Reduce energy consumption and develop green energy
- Reduction of greenhouse gas emission
- Enhance water resource management
- Reduce waste



- Ensure product compliance 100% Compliance supervision
- Use seasonal ingredients; development natural and healthy products
- 100% traceability of raw materials







- Promote employee care plan
- Implement employee development mechanism
- Practice social engagement



Namchow Group's 2022 Policies and Achievements Corresponding to SDGs

SDGs Targets	Policies and Achievements Corresponding to SDGs	Corresponding section
	<ul style="list-style-type: none"> Donated approximately 30,000 Thai Baht worth of instant noodle products to nearby primary schools in Thailand. 100% traceability from products to raw materials. 	<p>4.3 Social Inclusion and Action 2.4 Product traceability management</p>
	<ul style="list-style-type: none"> Conducted regular employee health check-ups, with a total cost of approximately NTD2,083,000 in 2022. Organized various occupational safety education and training programs in different regions each year. In 2022, a total of 4,272 individuals received occupational safety education training, with an average training duration of approximately 4.39 hours per employee. Completed research on production processes to reduce GEs and incorporated these improvements into daily production practices. Successfully developed 10 products containing dietary fiber ingredients in 2022. 	<p>4.1.3 Employee Compensation and Benefits 4.2 Healthy Workplace 2.1 Product Service and Innovation</p>
	<ul style="list-style-type: none"> In 2022, a total of 38 interns participated in the Namchow Group's industry-academia collaboration program in Taiwan. Established the online learning platform "Namchow Academy." In 2022, the platform offered a total of 121 courses, with 2 online learning assignments and 2 live online broadcasts. 	<p>4.1.2 Talent Cultivation and Development</p>
	<ul style="list-style-type: none"> Implemented the "open-kitchen" system in five restaurants, which uses real-time video monitoring to broadcast kitchen operations on screens at the restaurant entrances. This enhances consumer confidence in restaurant safety and sanitation. 	<p>2.1 Product Service and Innovation</p>
	<ul style="list-style-type: none"> Namchow Thailand installed solar panels on the factory roof to increase the use of green energy, with an expected annual reduction in carbon emissions of approximately 1,093 tons. To align with local government policies, the Shanghai, Guangzhou, and Tianjin factories initiated photovoltaic power generation projects. These projects involve the installation of solar power devices on factory buildings, which reduces annual carbon emissions by approximately 1,500 tons. Furthermore, all three branches have obtained relevant accreditations, including ISO50001, ISO14064-1, and ISO14067. . 	<p>Chapter 3 Energy Efficiency and Carbon Reduction Environmental Sustainability</p>
	<ul style="list-style-type: none"> In 2022, the consolidated revenue amounted to NTD20.48 billion, marking a growth of 3.12% compared to 2021. A cash dividend of NTD2 per share was distributed. Our diversified and equal employment policies protect the rights and interests of employees. Strengthened the security of the ERP database. 	<p>1.2 Business Performance and Strategy 4.1 Human Resource Policy 1.6 Integrity Management and Information Security</p>

SDGs Targets	Policies and Achievements Corresponding to SDGs	Corresponding section
	<ul style="list-style-type: none"> ◆ Continuously promote Clean Label to reduce unnecessary additives. ◆ The Food Safety Research and Inspection Center obtained ISO 17025:2017 accreditation for heavy metal inspection in edible oils through the Taiwan Accreditation Foundation (TAF), maintaining compliance with international standards. ◆ Implemented local sustainable development and strengthened collaborations with small-scale farmers and social enterprises. 	<p>2.1 Product Service and Innovation 2.2 Customer Health and Safety 2.3 Sustainable Supply Chain Management</p>
	<ul style="list-style-type: none"> ◆ After identifying and ranking the factors of relevant climate risks through the TCFD framework, the company would assess viable opportunities and formulate specific response measures to mitigate the impact to business operations brought about by climate change. 	<p>1.5 TCFD Climate-Related Financial Disclosures 3.6 Response to Climate Change</p>
	<ul style="list-style-type: none"> ◆ The factory in Thailand added seven new suppliers that have accreditation for organic and environmentally friendly raw materials and packaging. ◆ We chose local, fresh organic ingredients for our products to reduce our carbon emissions. 	<p>2.3 Sustainable Supply Chain Management</p>
	<ul style="list-style-type: none"> ◆ In 2022, all suppliers were able to meet the company's and local COVID-19 prevention requirements, ensuring 100% safe supply of raw materials. ◆ The supplier performance evaluation was completed. 	<p>2.3 Sustainable Supply Chain Management</p>

Analysis of Material Topics

GRI: 2-23, 2-24, 3-1, 3-2, 3-3

Namchow Group follows the four-step process of significance identification based on GRI guidelines (2021) and the AA1000 Accountability Principles Standard, which includes inclusivity, materiality, responsiveness, and impact. These principles are used to identify material topics. Unlike previous years where stakeholder interest in topics was assessed through questionnaires, this year, we have reassessed the significance of material topics based on the evaluation principle of positive and negative impacts resulting from operational processes in the economic, environmental, social (including human rights), and other dimensions. This reassessment serves as the basis for evaluating the significance of material topics in terms of their impact on the economic, environmental, and social (including human rights) aspects. It forms the foundation for sustainable development strategy planning and disclosure of information in this report.

Based on the aforementioned concerns of stakeholders in the economic, environmental, and social (including human rights) dimensions, as well as using the previous year's identification results as a foundation, we have selected 17 material topics for the current year. These selections were made by considering the latest international trends and issues, reviewing feedback from stakeholders in previous years, understanding industry characteristics, and assessing factors that pose operational risks to the company.

Identification Process of Material Topics

1



Understanding Organizational Context

Identifying stakeholders

Based on the five principles of the AA1000 SES Stakeholder Engagement Standard, we categorize stakeholders into eight groups: employees, shareholders/investors, consumers, government agencies and public associations, corporate customers/distributors, suppliers, media/online communities, and others (NGOs, academic institutions). These are the main stakeholders for Namchow Group.

Collecting Issues of Concern

We collect sustainability-related issues by referencing international sustainability standards and norms (GRI guidelines, supplementary guidelines for the food industry, SDGs, TCFD, CDP, SASB), industry norms and standards. We consolidate these issues with past stakeholder concerns into 17 major topics and conduct an impact assessment on these material topics.

2



Identifying Actual and Potential Impacts

Through an impact assessment questionnaire, we understand the intensity and likelihood of impacts on sustainability issues for stakeholders. We also assess the impact boundaries and involvement levels of material topics in the value chain. We conducted the "2022 Stakeholder ESG Survey" to investigate stakeholder concerns about sustainability issues. We received 302 valid responses, including government agencies and public associations (3), employees (47), corporate customers/distributors (87), suppliers (139), consumers (17), shareholders/investors (0), communities and others (9), media/online communities (0).

3



Assessing the Significance of the Impacts

Regarding the positive and negative impacts on external economic, environmental, and social dimensions, as well as the likelihood of impact events occurring, impact scores have been generated. These scores were developed by integrating assessments from the sustainability team and feedback from external stakeholders. As a result, seven highly significant material topics have been identified in the following order: corporate governance and risk control, product quality, safety and certification, product traceability management, product information and applications, supply chain management, energy management and greenhouse gas emissions, and occupational health and safety. A material topics matrix chart has been created.

4



Reporting Based on Impact Sorted by Significance

The working group has ranked these highly significant material topics based on their impact intensity, and in accordance with reporting requirements, relevant policies, commitments, objectives, and action plans for these highly significant material topics are explained in this report. These highly significant material topics are incorporated into annual planning and day-to-day business management, with regular assessments of implementation effectiveness and continuous improvement measures in place.

2022 List of Sustainability Issues

<div style="background-color: #0072bc; color: white; padding: 5px; border-radius: 15px 15px 0 0; display: inline-block;">Business governance</div> <ol style="list-style-type: none"> 1. Corporate governance and risk control 2. Anti-corruption 3. Anti-competitive Behavior 	<div style="background-color: #e69d00; color: white; padding: 5px; border-radius: 15px 15px 0 0; display: inline-block;">Product responsibility</div> <ol style="list-style-type: none"> 4. Product quality, safety, and certification 5. Product information and application 6. Product traceability 7. Supply chain management 	<div style="background-color: #76b82a; color: white; padding: 5px; border-radius: 15px 15px 0 0; display: inline-block;">Environmental sustainability</div> <ol style="list-style-type: none"> 8. Energy management and greenhouse gas emissions 9. Water Resource Management 10. Waste Management 11. Climate adaptation and resilience 12. Biodiversity 	<div style="background-color: #c0392b; color: white; padding: 5px; border-radius: 15px 15px 0 0; display: inline-block;">Social relations</div> <ol style="list-style-type: none"> 13. Human Rights Policy 14. Occupational health and safety 15. Employee Well-Being and Livable Income 16. Talent Cultivation and Development 17. Local communities
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Explanation of Adjustments to Material Topics in 2022

Topic	Yearly Difference	Explanation for Adjustment
Corporate governance and risk control	Name adjustment	Review stakeholder categorization and suitability of their concerns.
Energy management and greenhouse gas emissions	Name adjustment	

Material Topics Matrix for 2022



Material Topics for Namchow Group's Value Chain

● Actual positive impact ○ Actual negative impact ■ Potential positive impact □ Potential negative impact

Material Topics	Corresponding GRI Guidelines Material Topics	Upstream	Company operation	Downstream	Corresponding section	Legal compliance
Energy management and greenhouse gas emissions	Environmental 302: Energy 305: Emissions	■ □	● ○	■ □	Chapter 3 Energy Efficiency and Carbon Reduction Environmental Sustainability	(VIII) (IX)
Product information and application	Social 417: Marketing and Labeling	● ○	● ○	● ○	2.2 Customer Health and Safety	(I) (IV) (VII)
Product quality, safety and certification	Social 416: Customer Health and Safety	● ○	● ○	● ○	2.4 Product traceability management	(VI)
Product traceability	Social 416: Customer Health and Safety	● ○	● ○	● ○	2.4 Product traceability management	(VI)
Supply chain management	Social 308: Supplier environmental assessment	● ○	● ○	● □	2.3 Sustainable Supply Chain Management	(III) (V)
Occupational health and safety	Social 403: Occupational Safety and Health	● ○	● ○		4.2 Healthy Workplace	(I)
Corporate Governance and Risk Control	Governance General Disclosure	● ○	● ○	● ○	1.2 Business Performance and Strategy 1.6 Integrity Management and Information Security	(X) (II)

Note 1: Actual: impacts that have actually occurred. Potential: impacts that have not yet occurred but are possible.

Note 2: Regulatory Explanation: Ten additional disclosure requirements required by the Taiwan Stock Exchange (TWSE) for listed companies in the food and beverage industry.

- (I) For the improvement of food sanitation, safety, and quality, an assessment and improvement of aspects such as employees, operational premises, facility sanitation management, and quality assurance systems and their impact on major product and service categories, as well as the percentage thereof.
- (II) Categories and frequencies of violations of health and safety regulations related to products and services and non-compliance with information and labeling regulations for products and services, including the number of product recalls and the total weight of recalled products.
- (III) The percentage of products procured in accordance with internationally recognized product responsibility standards, categorized by standards.
- (IV) The percentage of products manufactured in facilities certified by independent third parties to comply with international accreditation standards for food safety management systems.
- (V) The number and percentage of supplier audits conducted, along with audit items and results.
- (VI) The extent to which product traceability and tracking management are conducted in accordance with legal requirements or voluntarily, and the percentage of related products out of all products.
- (VII) Compliance with legal requirements or voluntary establishment of food safety laboratories, including test items, test results, related expenditures, and the percentage of such expenditures in net revenue.
- (VIII) Total energy consumption, percentage of externally purchased electricity, and the utilization rate of renewable energy.
- (IX) Total water withdrawal and total water consumption.
- (X) The weight of products sold and the number of production facility locations.

Major Theme Impacts and Actions

Material Topics	Implications for Namchow Group	Positive and Negative Impacts	Actions Taken
Energy management and greenhouse gas emissions	<ul style="list-style-type: none"> ◆ As climate change has resulted in frequent extreme weather, government agencies have strengthened supervision of energy. While obtaining economic benefits, eco-friendly energy affects enterprises' sustainable development directly, and the use of green energy has become our responsibility. The Company's various categories of consumption of water, electricity, gas, and other energy resources are one of the main components included in daily operating costs. A reasonable layout of energy facilities and management and control functions can improve the utilization efficiency of the facilities and energy significantly and reduce costs. 	<ul style="list-style-type: none"> ■ Improving the company's energy efficiency and implementing energy-saving measures have a positive impact on the environment. ■ Emissions of greenhouse gases and other pollutants from the company have a negative impact on the environment. ■ Future carbon taxes and fees may be imposed on greenhouse gas emissions, leading to financial impacts on the company. 	<ul style="list-style-type: none"> ★ Establishing an environmental management system to plan, implement, and monitor energy management, increasing energy efficiency. ★ Installing solar energy-saving equipment to increase the proportion of renewable energy use and reduce greenhouse gas emissions. ★ Continuously enhancing employees' awareness of environmental protection and energy conservation. ★ Effectively managing greenhouse gas emissions to help the company achieve carbon reduction goals.
Product information and application	<ul style="list-style-type: none"> ◆ Providing product information contributes to building the company's brand image and consumer trust. When consumers have a clear understanding of a product's source, manufacturing process, and ingredients, they are more likely to trust the company and become loyal customers. 	<ul style="list-style-type: none"> ■ Incorrectly labeling products, whether intentional or unintentional, can lead to product recalls, incurring high costs and damaging the company's reputation. It may also result in consumer complaints. 	<ul style="list-style-type: none"> ★ The company needs to improve its internal label management and quality control procedures, including label certification mechanisms, label design and review processes, training, and education, to prevent similar errors in the future. ★ Strengthening communication and cooperation with regulatory agencies, suppliers, distributors, and other stakeholders can help address recall issues, ensure the sharing of relevant information, and collaboratively solve problems.
Product quality, safety, and certification	<ul style="list-style-type: none"> ◆ The survival and development of an enterprise as well as market acceptance depend on the assurance of product quality and safety. Only products that hold up to safety and quality inspections can minimize business risks. 	<ul style="list-style-type: none"> ■ Building a food safety management system based on current domestic and international quality management system certifications or verifications in the food industry, as well as compliance with regulations from regulatory authorities, helps safeguard food safety. This prevents hazardous substances from entering products and avoids negative impacts on the company's reputation. 	<ul style="list-style-type: none"> ★ To protect consumer rights, the company conducts appropriate verifications, monitoring, and management to reduce the risk of negative impacts and ensure product quality.

Material Topics	Implications for Namchow Group	Positive and Negative Impacts	Actions Taken
Product traceability	<ul style="list-style-type: none"> ◆ Within the company's value chain, tracking and recording the process and information of products from raw materials to the final consumers ensure food safety, quality, and traceability. 	<ul style="list-style-type: none"> ■ If there are any concerns over the product quality then it must be kept out of the market and recalled as soon as possible. The absence of an effective product traceability management system will harm consumer rights and damage the company's business reputation and finances. 	<ul style="list-style-type: none"> ★ Establish a testing and monitoring system that regularly examines product safety and quality, including laboratory testing, sampling inspections, and process monitoring. ★ Comply with relevant food safety and traceability regulations and ensure that the company's products meet national and international regulatory requirements.
Supply chain management	<ul style="list-style-type: none"> ◆ Supplier management is one of the keys to the sound development of the business supply chain. How product quality is affected by strict quality control of raw materials as well as supplier practices on human rights and environmental assessments all indirectly affect company operations as well. 	<ul style="list-style-type: none"> ■ Factors such as excessive resource consumption, environmental damage, and unfair labor conditions may have negative impacts on the environment and society, affecting product sustainability and ethics. 	<ul style="list-style-type: none"> ★ Establishing relevant management systems for raw material and packaging suppliers aims to control the entire supply chain, from upstream raw materials to downstream production and sales records. This interaction and shared philosophy with suppliers ensure product quality and establish a sustainable supply chain system.
Occupational health and safety	<ul style="list-style-type: none"> ◆ Reduce risk to create a safe working environment, protect the health of workers, and safeguard the rights of employees. 	<ul style="list-style-type: none"> ■ Employee health and workplace safety are the foundation of a company's sustainable development. Creating a work environment in which employees feel secure ensures high operational efficiency. ■ Failing to manage workplace health and safety properly may increase the likelihood of employees being exposed to risks while working. 	<ul style="list-style-type: none"> ★ Implement workplace safety and health management policies and related promotion plans to reduce accidents, thereby ensuring that employees have a safe working environment. ★ Ensure workplace safety to prevent potential impacts on employee safety and health due to occupational accidents.
Corporate governance and risk control	<ul style="list-style-type: none"> ◆ Maintain shareholder rights and strengthen the Board of Directors' composition and operations to enhance transparency and implement the company's sustainable development strategy. ◆ Identify the risks that impact the operation, analyze the impacts; formulate a strategy or adjust the operational policy by the management to transform and reduce the risks, and then prevent the occurrence of losses, thereby achieving the company's business and management goals. ◆ Comply with government regulations, establish relevant policies and procedures in various compliance areas, and collectively adhere to them to avoid the impact of legal violations on the company's ongoing operations and finances. 	<ul style="list-style-type: none"> ■ Implement a values-driven business approach with zero tolerance for corrupt behavior. The company prohibits any acts of bribery, fraud, extortion, abuse, misappropriation of company assets, or actions that sacrifice company interests for personal gain. ■ Failure to comply with governance/economic, environmental, and social regulations may not only potentially result in related fines but also directly or indirectly damage the company's image, causing adverse impacts. 	<ul style="list-style-type: none"> ★ Namchow Group places great emphasis on corporate governance and engages external independent professional organizations to conduct board performance assessments. Through the evaluation of board members' guidance and communication, the company gains a professional and objective examination report. Simultaneously, it reviews internal processes, all of which have a positive impact on the company's various business activities in the economic aspect. ★ Adhere to government laws and regulations, implement corporate governance, focus on business ethics, labor relations, environmental protection and safety, health, internal control, corporate governance, and community engagement to fulfill corporate responsibilities.

Management Process of Material Topics

Material Topics	Management Mechanisms and Objectives	Policy/Commitments/ Responsibility	Goals/Resources/Actions
Energy management and greenhouse gas emissions	<ul style="list-style-type: none"> ◆ Carry out scientific planning, organization, inspection, control, and supervision of the entire process of energy production, distribution, conversion, and consumption. ◆ Improvement of measurement systems, strengthening energy management, reducing consumption, minimizing losses, and preventing wastage. ◆ Ensuring safety and health, preventing environmental pollution, complying with regulatory requirements, and being committed to continuous improvement are the core of the company's management approach. 	<ul style="list-style-type: none"> ■ The global warming caused by the greenhouse effect has exacerbated the changes in the global environment. To protect the local environment, the Company complies with relevant national and local environmental protection laws and regulations to alleviate damage to the environment while improving our competitiveness to achieve the business goal of sustainable development. 	<ul style="list-style-type: none"> ★ Reduce energy consumption and develop green energy. ★ Strengthen employees' awareness of conservation, develop good energy-saving habits, and strengthen supervision and inspection. ★ Phase out equipment that consumes a high amount of energy, plan for recycling, and use renewable energy. ★ Apply new technologies and methods to develop a low-carbon economy and strengthen new programs for energy saving and carbon reduction, and implement tasks that help to reduce carbon. ★ Comply with national and local laws and regulations, while the company promotes energy saving and emission reduction projects to reduce energy use and achieve carbon emission targets.
Product information and application	<ul style="list-style-type: none"> ◆ Comply with regulatory requirements or product packaging and labeling and continue to update such requirements to provide customers with complete and correct information. 	<ul style="list-style-type: none"> ■ Compliant product information and applications are provided in accordance with the food standards of each country. Labeling for the traceability system is also enhanced. 	<ul style="list-style-type: none"> ★ The disclosure of product information such as raw materials used, traceability management and inspection reports, nutritional composition, allergens, and product inspection reports on packaging labels and our official website's private cloud will help to satisfy the consumers' right to know.
Product quality, safety, and certification	<ul style="list-style-type: none"> ◆ Establishing and continuing to refine a food safety management system that stretches from the supply chain to the customer. The safety of products should not only meet regulatory requirements, but also satisfy the high-level of expectations set by customers and consumers. 	<ul style="list-style-type: none"> ■ Carving out a business niche by earning the complete trust and acceptance of customers and consumers through rigorous control of food safety. 	<ul style="list-style-type: none"> ★ Establish, obtain and pass international food quality and safety management system certifications. ★ Establish, obtain and pass health-oriented system certifications. ★ Establish, obtain and pass HALAL system certifications. ★ Establish the "Quality and Safety Manual" and strictly adhere to it.
Product traceability	<ul style="list-style-type: none"> ◆ Establish a comprehensive product tracing system for the entire process from the raw materials to the products and their users. Product tracing is also simulated every year to ensure 100% traceability. 	<ul style="list-style-type: none"> ■ Product traceability and accountability ensure consumers peace of mind on the food they eat. 	<ul style="list-style-type: none"> ★ Follow and implement the "Shanghai City Food and Beverage Safety Traceability" system. ★ Conduct a mock traceability/recall exercise at least once a year, with traceability measures required to be completed within 4 hours. Mock recalls showed that 100% of the affected products were able to be traced.

Material Topics	Management Mechanisms and Objectives	Policy/Commitments/Responsibility	Goals/Resources/Actions
Supply chain management	<ul style="list-style-type: none"> ◆ Supplier review and risk assessment were strengthened, non-compliant suppliers removed, frequency of on-site audits increased, and suppliers required to provide their CSR report as a reference for audits. 	<ul style="list-style-type: none"> ■ Ensure the steady supply and quality of all raw materials to reduce food safety risks and to grow together with suppliers. 	<ul style="list-style-type: none"> ★ Suppliers and raw materials are evaluated in accordance with “Raw Material Risk Assessment and Supplier Risk Management”, “Procurement Control Procedures”, “Supplier Evaluation Control Procedures”, and internal control procedures. ★ Each year, BLN Restaurants & Caterings selects key suppliers for on-site audits and requires suppliers to sign the “Supplier’s Key Code of Conduct Commitment”. ★ Regular and unscheduled factory inspection and audits of suppliers are conducted to ensure compliance with company strategies and operational requirements.
Occupational health and safety	<ul style="list-style-type: none"> ◆ Employees are the company’s greatest asset, so we work to create a friendly working environment and culture; only a safe workplace environment can bring the greatest momentum for growth to the company. 	<ul style="list-style-type: none"> ■ Meet regularly to discuss corporate safety and employee health issues. ■ Establish various communication channels. ■ A series of relevant training courses are arranged according to the functional needs. ■ An occupational health and safety management system has been put in place to maintain, improve and promote the health and safety of our employees and their working environment. 	<ul style="list-style-type: none"> ★ We hold labor/management meetings, communicate with employees, and arrange regular health checkups for employees regularly. ★ An Occupational Safety and Health Committee is set up at each production factory to keep track of occupational accidents or diseases in the company, report any related incidents in Occupational Safety and Health Committee meetings, and make public announcements as soon as possible.
Corporate governance and risk control	<ul style="list-style-type: none"> ◆ Implement external corporate governance assessments and internal control system evaluation procedures in accordance with the Board of Directors’ performance assessment methods. ◆ Convene regular shareholder meetings to enable shareholders to actively participate in meetings and oversee the company’s operational status. ◆ Strengthen business management, reduce potential risks in the company’s operations, and prevent the loss of corporate finance and goodwill. 	<ul style="list-style-type: none"> ■ Execute external corporate governance evaluations and internal control assessments to provide a clear picture of risk management. ■ Disclose information to comply with laws and regulations while in alignment with international standards. ■ Establish various risk response strategies and responsible units. ■ Establish multiple management mechanisms and guidelines to implement compliance. 	<ul style="list-style-type: none"> ★ Create sustainable value, pursue a stable dividend policy, and establish a good relationship with stakeholders. ★ Monthly internal management meetings are held to make dynamic adjustments in response to the market. ★ Namchow has completed all announcements and reports in accordance with the deadlines set by the competent authorities. In addition to being monitored by the market and protecting the rights of investors, we have gained the trust of the public and investors. ★ Assess the effectiveness of the internal control system as well as risk factors, prepare an annual audit plan in accordance with the law, and perform audits accordingly. ★ Comply with various laws, regulations, and policies, and abide by each department’s standard operating procedure strictly.

Stakeholder Engagement and Results


GRI: 2-29





The Namchow Group, in accordance with the AA1000 SES, has adopted “dependency,” “responsibility,” “impact,” “diverse perspectives,” “tension,” and “care” principles as the basis for stakeholder identification. The Group continues to maintain employees, shareholders / investors, consumers, government agencies and public associations, corporate customers / distributors, suppliers, media / Internet communities, communities, and other groups (NGOs, academic units) as our stakeholders.




Through long-term positive interaction with stakeholders by utilizing a multitude of communication channels, we respect and strive to protect the legitimate rights of all stakeholders, as we believe it to be the foundation of mutual trust and sustainable business. We realize that continuous two-way communication is the only means to put into practice sustainability and corporate social responsibilities in our management approach.



Stakeholders’ status, issues of concern, communication channels, and response method in 2022

Stakeholders	Concerned issues	Communication channel and frequency	Actions and ways of response
 Shareholders/ investors	<ul style="list-style-type: none"> ◆ Corporate Governance ◆ Business Performance ◆ Risk control ◆ Anti-corruption 	<ul style="list-style-type: none"> ■ Regular shareholder meetings ■ Regularly announce the annual report, financial statement, and monthly revenue report ■ Announce significant information (ad hoc) ■ Accept intermittent interviews 	<ul style="list-style-type: none"> ★ *A group internal management meeting is held every month, with a consolidated revenue of NTD20.48 billion. ★ Conducted the Shareholders Meeting in accordance with the law; held two investor conferences. ★ The results of the 8th corporate governance assessment ranged from 36% to 50%. ★ 84 significant information have been released on the Market Observation Post System (MOPS) and financial information is promptly disclosed on the company’s website.

Stakeholders	Concerned issues	Communication channel and frequency	Actions and ways of response
 Employees	<ul style="list-style-type: none"> ◆ Occupational health and safety ◆ Anti-corruption ◆ Labor/management relations ◆ Training and Education 	<ul style="list-style-type: none"> ■ Regular and ad-hoc labor-management meetings ■ Ad hoc publication of internal reports and establishment of grievance hotlines and mailboxes ■ Ongoing education and training 	<ul style="list-style-type: none"> ★ Each factory holds labor-management meetings 2-4 times annually on a regular or ad hoc basis. ★ Complete annual health examination and provide allowances to the employees in Taiwan for influenza vaccination. ★ The total annual education and training hours exceed 43,430 hours (including categories such as ethical business practices, regulatory compliance, food safety, occupational health and safety, and management and business.)
 Consumers	<ul style="list-style-type: none"> ◆ Food quality, safety and certification ◆ Product innovation ◆ Product information and application ◆ Service and consumer satisfaction 	<ul style="list-style-type: none"> ■ Setup of 0800 customer service hotline ■ Public announcement and interaction over the Company's website ■ Media coverage ■ Marketing campaigns 	<ul style="list-style-type: none"> ★ Press conferences and advertising. ★ Exhibitions and various marketing activities. ★ Raw materials and products from Guangzhou Factory and Tianjin factory have been tested a total of 932 times or more. ★ Guangzhou Factory and Tianjin Factory have fulfilled 268 customer orders based on their requirements. ★ Guangzhou Factory did not experience any product recalls, and conducted simulated traceability exercises twice. ★ There have been 3 valid complaints at the Guangzhou factory, all of which have been properly handled. ★ The ChungLi Factory has collaborated with the 0800 customer service center to engage with consumers, understand their needs, and make continuous improvements. In 2022, they completed 8 customer service-related tasks.
 Corporate customers/ distributors	<ul style="list-style-type: none"> ◆ Food quality, safety and certification ◆ Product traceability ◆ Service and consumer satisfaction ◆ Product information and application 	<ul style="list-style-type: none"> ■ Ongoing product seminar/conference ■ Regular business visits ■ Annual contract review and communication ■ Telephone and email communication 	<ul style="list-style-type: none"> ★ In Taiwan, there were a total of 26 customer inspections (internal/external) and educational training sessions, 52 customer sample requests, and 14 new product development projects. ★ In Taiwan, 17 in-store product presentations and new product educational training sessions were conducted for customers. ★ Established the "Procedures of handling customers complaint" to fulfill the need of our customer, build up their faith and continuously improving. ★ Organized press conference/baking workshop for pastry on an irregular basis. ★ Regularly contact distributors by phone and email every week, and schedule monthly visits to distributors. Respond promptly to issues of concern to distributors.
 Government agencies and associations	<ul style="list-style-type: none"> ◆ Compliance ◆ Food quality, safety and certification ◆ Product information and application ◆ Corporate Governance 	<ul style="list-style-type: none"> ■ Participation or hosting of forums ■ Issued official statements in line with government announcements ■ Issued official statements in line with regulatory announcements 	<ul style="list-style-type: none"> ★ Irregularly participate in government or public association-related seminars and workshops in various regions. ★ The Food Safety Office and the Food Technician irregularly organized the regulations and announcements from the TFDA and the Department of Health to ensure the products complied with the requirements from the laws and regulations. ★ Abide by the Food Tracing System by the Ministry of Health and Welfare, upload the product information regularly for transparency and connect the upstream and downstream. Product QR Code label management system was also introduced to track product distribution, strengthen management, and enable the rapid recall of problem goods. ★ Shanghai Factory irregularly participated in 5 seminars. ★ Tianjin Factory irregularly participated in 15 seminars and received 30 government documents, letters, and regulatory announcements. ★ Guangzhou Factory participated four times in the quarterly Food Safety Seminar and Food Safety Supervisor Training organized by the State Administration for Market Regulation and conducted 26 self-inspection/audits and 10 product inspections as required by official statements.

Stakeholders	Concerned issues	Communication channel and frequency	Actions and ways of response
 <p>Media/ social media</p>	<ul style="list-style-type: none"> ◆ Food quality, safety and certification ◆ Marketing communication ◆ Product innovation ◆ Greenhouse gas emissions 	<ul style="list-style-type: none"> ■ Product launches (ad hoc) ■ Media coverage (ad hoc) ■ Press conferences (ad hoc) ■ Press releases (ad hoc) 	<ul style="list-style-type: none"> ★ Regional business divisions actively engage with stakeholders through FB fan pages, regular trade shows, seminars, and promotional events. ★ Utilized live streaming, short videos, and other formats to promote the company and product image. Concurrently, updated company and product developments through platforms such as WeChat public accounts, mini-programs, and video channels, strengthening interaction between customers and the company. ★ Actively participated in baking exhibitions and events like the China International Import Expo, collaborated with influential media within the industry, sponsored industry competitions, and explored cross-category, cross-discipline partnerships in China. ★ The Facebook page of Namchow (Thailand) had a total of over 149,400 followers.
 <p>Suppliers</p>	<ul style="list-style-type: none"> ◆ Food quality, safety and certification ◆ Supply chain management ◆ Product traceability 	<ul style="list-style-type: none"> ■ Annual contract review and communication ■ Annual audit and source inspection ■ Routine meetings ■ Telephone and email communication 	<ul style="list-style-type: none"> ★ Irregularly hold meetings or video conferences with suppliers to confirm delivery quality and product specifications, ensuring that the sources of supply comply with food safety requirements. ★ In China, contacted suppliers promptly via email as part of the factory audit plan. Due to recurrent pandemic-related disruptions, on-site factory audits were conducted for only 9 suppliers, ensuring the safety of food traceability sources. ★ Auditing colleagues in China participated in 318 supplier selection and negotiation meetings following the company's procurement management procedures. This was primarily done to ensure that supplier qualifications met the company's standards, and the supplier selection process was compliant and adhered to principles of fairness, transparency, and integrity. The company also conveyed its commitment to ethical and transparent business practices during the meetings and in tender documents. ★ BLN Restaurants & Caterings signed a "Primary Supplier Code of Conduct Commitment" with 41 suppliers. ★ Confirm the supply of the seasonal ingredients in every season and special ingredients.
 <p>Community and others (NGOs, academia)</p>	<ul style="list-style-type: none"> ◆ Compliance ◆ Food quality, safety and certification ◆ Greenhouse gas emissions ◆ Waste Management ◆ Water Resource Management 	<ul style="list-style-type: none"> ■ Organize discussion and coordination meetings at Service Center of the industrial zone ■ Implementation of service number and grievance mailbox ■ Participation or hosting of forums ■ Participation or hosting of conferences ■ Media coverage ■ Hosting of special cultural activities 	<ul style="list-style-type: none"> ★ In Taiwan, continued to sponsor and participate in community activities promoting neighborly bonds and goodwill. ★ Our businesses in China continue to take participate and invest in various poverty alleviation projects. ★ Our businesses in Thailand continue to organize tree planting and forest road cleaning activities.

1

Forward-Looking Governance and Sustainable Operation

Knowing Changes

Respond to
environmental changes
Strengthen corporate
operations



SDGs:



1.1 Company Overview

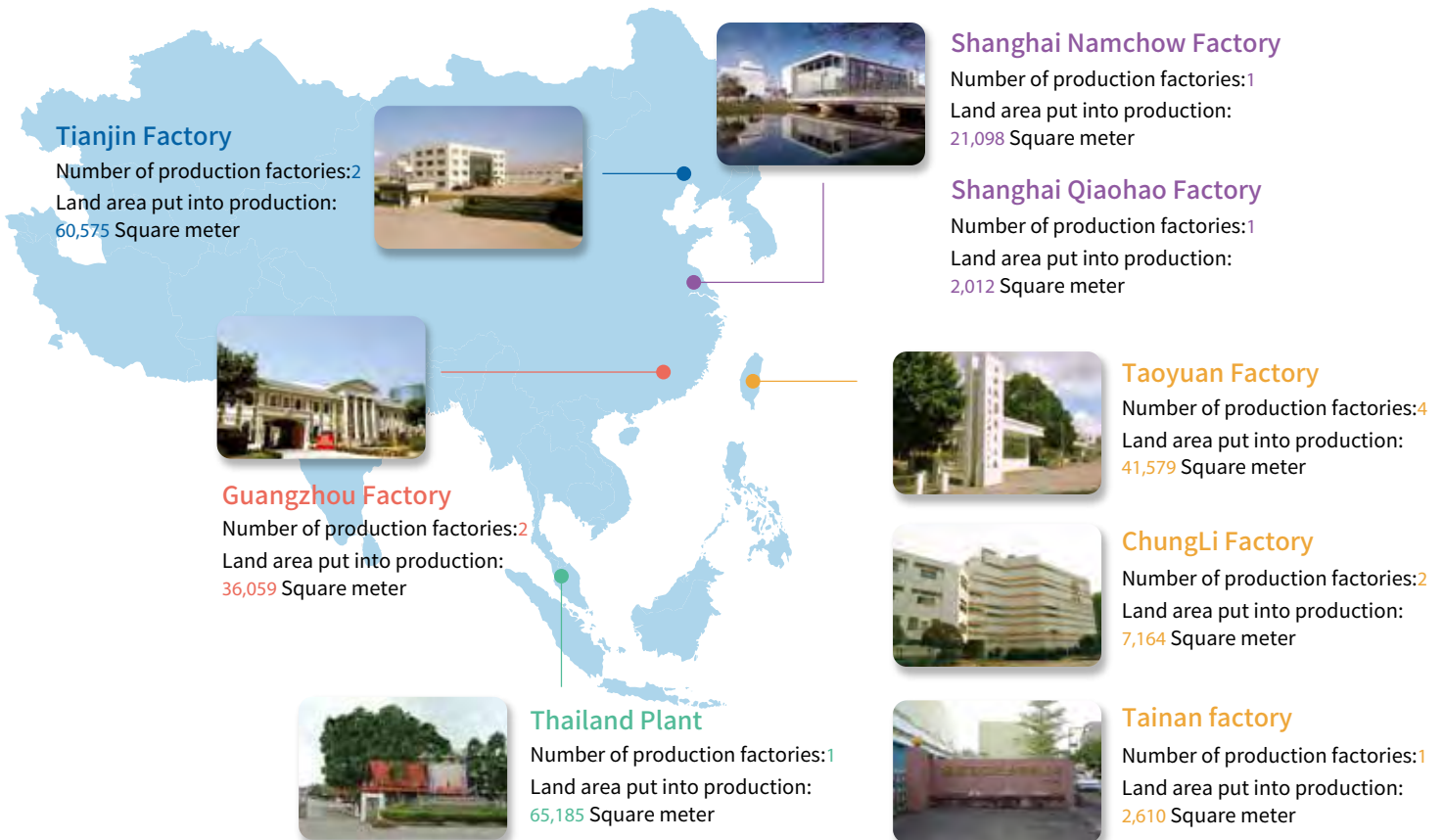
GRI: 2-1 and 2-6
SASB: FB-AG-000.B and FB-AG-000.C

Namchow Group is currently engaged in various fields, including oils & fats, flour, rice, gastronomy, detergents and daily necessities, biotechnology, and mixed-use hotels. Our production facilities are spread across Taiwan, mainland China, and Thailand, and our products are marketed worldwide. We are committed to providing diverse solutions for daily life needs, focusing on a trading-oriented organization that connects various business resources. We are dedicated to delivering high-quality and safe products and services to ensure the competitive advantage of the group and achieve our goals of sustainable operation.

Namchow Holdings Co., Ltd.			
Headquarters location	No. 100, Section 4, Yanping North Road, Taipei City	Consolidated total assets	NT\$30,463,782 thousand
Main countries or markets in	Taiwan, Mainland China, Thailand, Japan, Europe, and America	Consolidated operating revenues	NT\$20,478,405 thousand
Total workforce	4,641 persons ^(Note)	Total market capitalization	About 13.4 billion (Estimated based on the closing price at the end of 2022)

Note: In 2022, there were a total of 34 employees in Taiwan, including 20 individuals with disabilities and 14 indigenous people.

Namchow production sites



1.2 Business Performance and Strategy

GRI: 2-25, 201-1, 203-1, 203-2

Business Performance

In 2022, the company faced challenges including high-speed inflation, surging international raw material prices, the impact of the Russia-Ukraine war, and COVID-19 lockdowns in China. These external factors influenced the consumer market, resulting in a decline in profitability compared to 2021. In terms of financials, the consolidated debt ratio in 2022 was 59.36% (total debt of NTD18.1 billion), which is a slight decrease from 59.76% in 2021 (total debt of NTD17.6 billion), representing a reduction of 0.40% and an increase of NTD506 million in total debt. The cash flow generated from operating activities in 2022 was NTD1.428 billion, while capital expenditures amounted to NTD738 million, indicating a reasonably healthy overall financial condition.

2022 Namchow
Annual Report

The financial performance of Namchow Group over the past three years is detailed in the table below. For a more detailed explanation of the financial performance for 2022, please refer to Chapter Six - Financial Overview in the 2022 annual report.

Financial Performance in Past Three Years

Unit: NTD thousands

Year	2020	2021	2022
Operating revenues	17,621,763	19,861,770	20,478,405
Gross operating profit	5,939,333	6,271,819	5,345,360
Operating profit	1,677,745	1,788,484	893,142
Non-operating expenses	(21,094)	149,424	180,296
Net income before tax	1,656,651	1,937,908	1,073,438
Current net income	995,601	1,239,144	691,717
Earnings per share	3.84	4.32	2.26
Economic Value Attributable to Stakeholders			
Employee salary and benefits	3,161,211	3,260,428	3,264,503
Income tax paid	492,001	582,111	373,020
Cash dividend paid out	2	2.2	2
Community participation (expenses for giving back to local community)	14,301	8,854	6,975

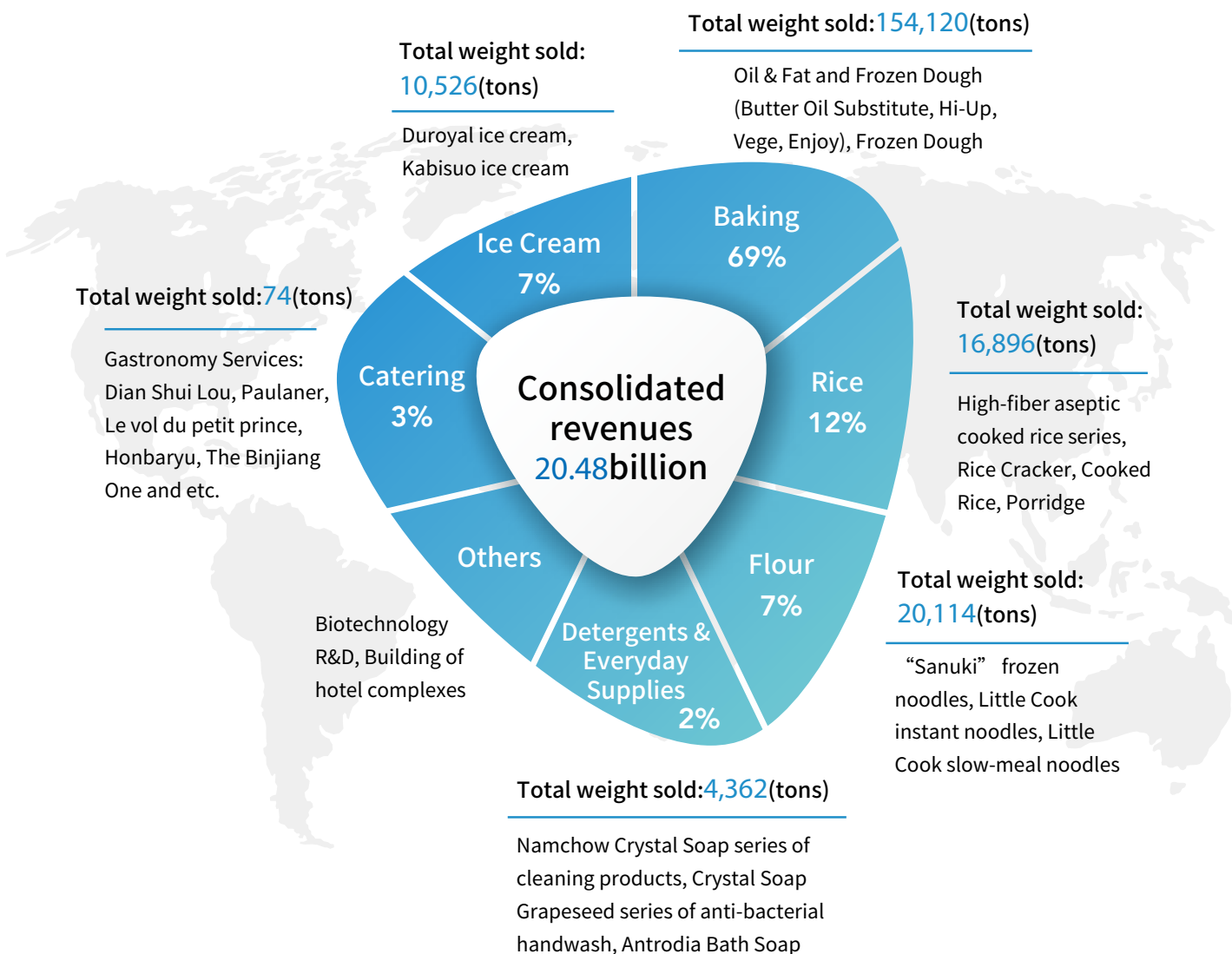
Business Strategy

After the official implementation of the Regional Comprehensive Economic Partnership (RCEP) in the Southeast Asian region in 2022, which eliminated tariffs between Southeast Asia and China, including products and raw materials, Namchow positioned itself with production bases in Taiwan, China, and Thailand. This tripartite setup has formed a strong foundation. The next step involves weaving these three bases into a seamless network, connecting the entire production capacity and market, with the aim of creating new opportunities and achieving greater operational heights for the group.

Future development strategies and impact from the external environment are as described below:

Development strategies	External Environment
<p>Namchow focuses on operating in global niche markets, continuing to invest and research in areas such as oils and fats, rice, flour, and dairy products. Currently, the revenue from the food sector has exceeded 97% of the total group's revenue. In the future, more investments will be made for the business development, to the meet food safety and health trends, and develop more subtle and precise biotechnology functional products. Deep local cultivation, comprehensive positioning, and active expansion with differentiated goals, are to achieve the sustainable group development.</p>	<p>Taking the example of the oil & fat business, there is continuous investment in research and services, aligning with international trends. Recently, there has been a focus on concepts such as the transformation of traditional Chinese pastries into desserts and the incorporation of oils and fats into bakery and gastronomy. There is also a deeper exploration of the functional aspects of oils and fats, creating added value for customers and helping them establish a strong brand image in consumers' minds. Recently, to cope with the rising awareness of environmental protection around the world, Namchow has also spared no effort to promote and participate in environmental protection issues, while conducting research and development on new paths related to low-carbon products, reduced pollutant generation and minimization of carbon emissions in manufacturing processes, seeking to reduce hazards to the environment, and combine with the circular economic system to achieve the core goal of sustainable operation.</p>

Main activities and their ratios in operations

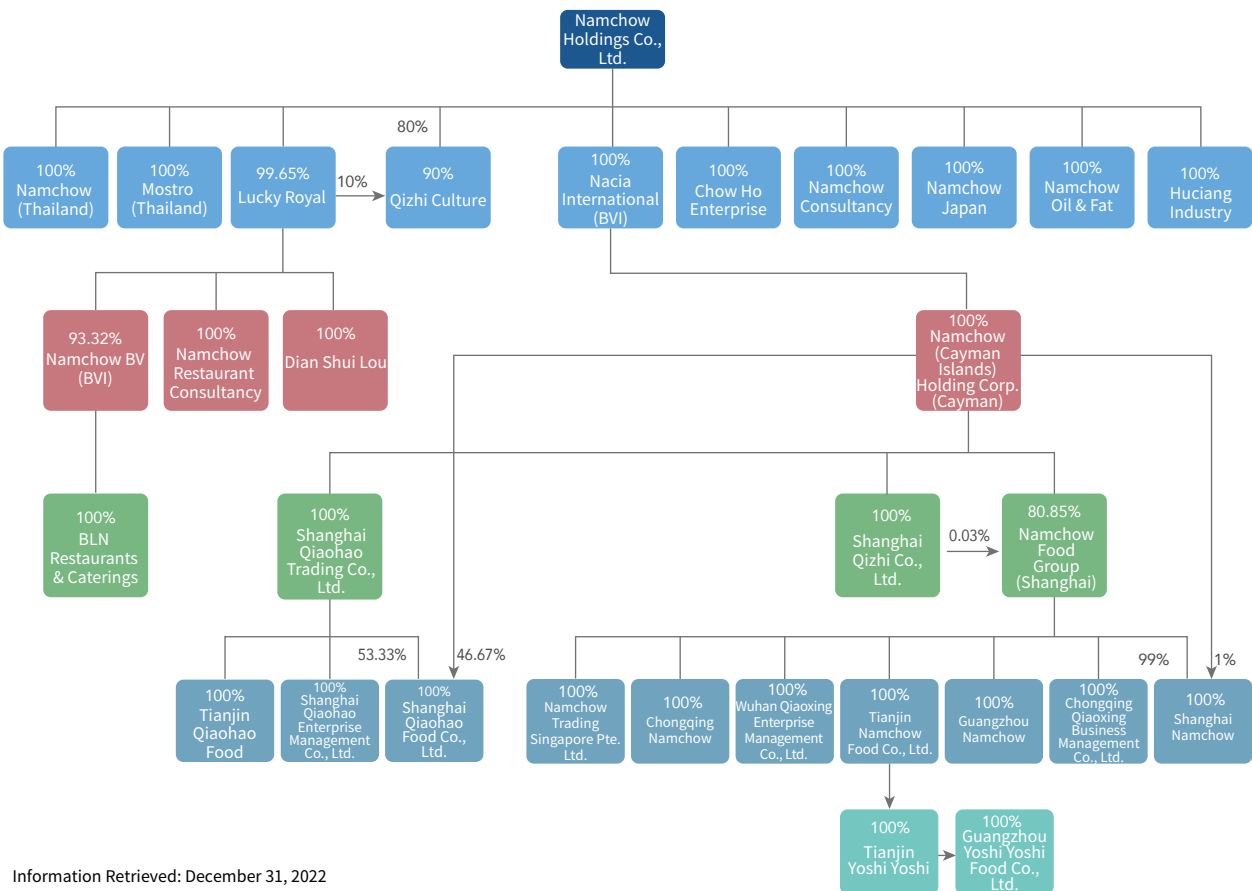


Business Investments

At the end of 2022, Namchow Holdings had a total of 30 domestic and foreign subsidiary companies with primary businesses in oil and fats processing, manufacturing, and sales, frozen food processing and sales, ice cream manufacturing and sales, leisure products made from rice, investment holdings, gastronomy operations, and corporate business consulting. The net investment amounted to NTD17 billion, and in 2022, the investment income from these subsidiaries was NTD937 million, with an investment return rate of 6.44%.

Namchow Food Group (Shanghai) Co., Ltd. was listed on the Shanghai A Share Index (SHAI) in May 2021, becoming the first publicly listed food company in mainland China. The funds raised are used to increase the production capacity for baking oils and fats and frozen dough, expand the cold chain storage and R&D center, and strengthen Namchow’s competitiveness in mainland China’s market. In 2022, a new production base was constructed in Chongqing, representing a comprehensive expansion of Namchow’s business footprint in China. The estimated investment for this project is approximately RMB480 million, which includes the construction of facilities for whipped cream, frozen dough production and processing, research and development, and supporting structures.

Namchow has been cultivating in Thailand for 32 years and has become an expert in rice products. Its rice cracker, prepared cooked rice, and prepared porridge products have been sold to the global market and are well received. Namchow recognized the growth potential in the Southeast Asian and European/American markets. In 2016, Namchow (Thailand) purchased a 20,000-square-meter plot of land next to its existing factory in Thailand. Construction work began in October 2018, with an initial investment of approximately 1.37 billion Thai Baht. During this phase, a smart factory building was constructed, and production lines for baby rice snacks and baked bread snacks were installed. The baby rice snack production line successfully started operations in the second quarter of 2020, while the baked bread snack line commenced production in January 2023. These expansions are expected to contribute to the company’s revenue and profitability.



Information Retrieved: December 31, 2022

1.3 Sustainable Governance

GRI: 2-9, 2-10, 2-11, 2-12, 2-13, 2-15, 2-16, 2-17, 2-18, 2-19, 2-20

Sustainable Governance Framework

The company's highest governing body is the shareholder's meeting, which oversees and manages various business operations through the leadership of the Board of Directors led by the Chairman.

The Board of Directors is the highest governance unit and is responsible for executing and supervising the company's business in accordance with legal regulations, the company's bylaws, and decisions made during shareholder meetings. The Board of Directors also approves the company's strategic plans, annual financial reports, quarterly financial reports, assessments of the effectiveness of internal control systems, the appointment and dismissal of auditors, and the appointment and removal of executives.

A governance officer is appointed and approved by the Board of Directors, and is responsible for arranging the schedule and agenda of board meetings, planning director training, providing information to directors during and outside board meetings, and regularly reporting information to directors. Governance officers play a vital role in the operation of the board and corporate governance-related issues.



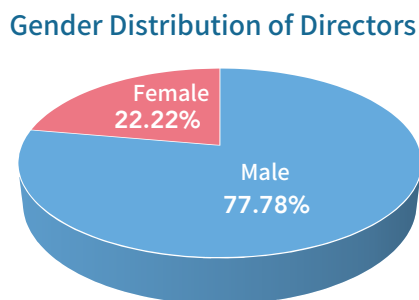
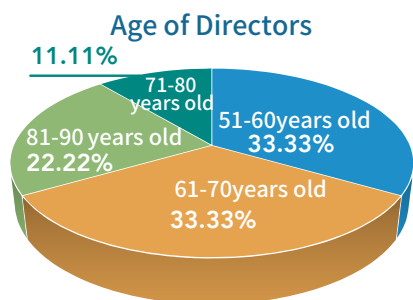
Board Operations

The Board of Directors meets at least once per quarter to review the company's business performance, discuss important strategic issues, and address key significant events, including economic, environmental, and social impacts, risks, and opportunities. Quarterly reports on ESG implementation are presented to the Board of Directors. In December 2022, a report on the progress and plans for ESG implementation in various aspects concerning stakeholders for the year 2021 and the plan for 2023 was submitted to the Board. In 2022, a total of 5 board meetings were held with an overall attendance rate of 71.11%

Board Composition and Diversity

Namchow Group has formulated the Rules of Election of Directors, which stipulates the nomination and voting procedures in detail to ensure the openness and transparency of the director selection procedures and results. The company has established standards for the diversity of backgrounds, including expertise, skills, experience, and gender, required for board members. It also actively seeks, evaluates, and nominates director candidates based on the needs of the company's business development.

The company follows the "Corporate Governance Best Practices" to implement a policy for board member diversity. Currently, there are a total of 9 directors (including 3 independent directors), with diverse and complementary industry experience, business expertise, financial-related experience, and professional skills. There are currently 2 female directors which exceeds the average proportion of female directors in Taiwan-listed companies. In the future, the company will continue to increase female participation in decision-making based on the principle of diversity. The board's diversity policy and implementation status are disclosed on the company's website and the Public Information Observation Platform.



Board of Directors Independence and Conflict of Interest Management

Board members uphold a high degree of self-discipline, avoiding conflicts of interest. According to Article 15 of the Board Meeting Rules, if a matter discussed at a board meeting involves a director personally or a legal entity represented by a director with a vested interest, they are required to explain the significant details of their interest. If there is a potential harm to the company's interests, they are not allowed to participate in the discussion or voting on that matter. They must recuse themselves during the discussion and voting and cannot act as proxies for other directors in exercising their voting rights. For details on the execution of directors' recusal from matters involving conflicts of interest, please refer to the 2022 Namchow Annual Report.

Continuous Education for Directors

Namchow Group arranges annual training and encourages directors to participate in relevant courses and forums conducted by external organizations. In 2022, the company organized two training courses totaling 6 hours for the directors, titled "Understanding Related Party Transactions and Unconventional Transactions Through Practical Cases" and "Big Data Analysis and Prevention of Corporate Fraud." The company continues to provide training courses related to economic, environmental, and social issues relevant to its operations for the board of directors. These external training programs aim to enhance their expertise, fulfill their duties faithfully, and exercise their responsibilities as good corporate stewards, effectively contributing to management decisions and leadership oversight. In 2022, each director received an average of 9 hours of training, exceeding the regulatory recommendation of 6 hours.

Board and Committee Performance Evaluation

Namchow Group has established the "Board Performance Evaluation Method" and disclosed it on the Investor Relations website. The evaluation includes the following:

Internal Self-Assessment	External Professional Independent Assessment
<p>The board conducts a regular performance evaluation at least once a year. Directors assess various aspects of the board and its functional committees' operations, culture, internal and external relationship management, and self-assessment. The results are compiled by the board's meeting unit, reported during board meetings, and used to propose improvement directions.</p>	<p>At least once every three years, an external professional independent organization is commissioned to evaluate the board's performance. This evaluation involves interviews with the Chairman, directors, independent directors, conveners of functional committees, and the meeting unit. The evaluation results are then reported to the board.</p>

In 2022, both the internal self-assessment and external professional independent assessment of the board and its functional committees indicated that "the board and its functional committees are operating effectively."

For more details on the board's performance evaluation results, please refer to the Investor Relations section and the 2022 Namchow Annual Report.

Investor Relations
Section



2022 Namchow
Annual Report



Functional committees

To effectively fulfill the functions of the board, enhance the quality of board decisions, safeguard shareholder rights, and improve corporate governance transparency, Namchow Group established the Remuneration Committee and Audit Committee in 2012 and 2019, respectively. These committees strengthen the responsibilities and functions of independent directors, achieving the effect of implementing checks and balances. This ensures that the committees can make independent and objective decisions. The responsibilities and operations of the functional committees in 2022 are summarized as follows:

Remuneration Committee	Audit Committee
Responsibilities	
<ul style="list-style-type: none"> Stipulate and periodically discuss the annual and long-term performance goals and compensation and reward policies, systems, standards, and structures for directors and managers of the Company. Periodically evaluate the accomplishment of performance goals by directors and managers of the Company and stipulate the contents and values of their individual compensation and rewards. Regularly review the Remuneration Committee Charter and put forth suggestions about amendments. 	<ul style="list-style-type: none"> Appropriate presentation of the Company's financial statements. The selection (dismissal) of CPAs and their independence and performance. Effective implementation of the Company's internal control. The Company's compliance with relevant laws and regulations. Management and control of the Company's existing or potential risks.
Operational Status	
<ul style="list-style-type: none"> It is composed of three members, namely Ting-Kuo Chen (convener), Chin-Shih Lin, and Hai-Ming Chen. The committee ensures that the proportion of independent directors within it exceeds 50%. The Remuneration Committee should convene meetings at least twice a year, and in 2022, it held a total of 5 meetings with a 100% attendance rate. 	<ul style="list-style-type: none"> It is composed of three independent directors, namely Ting-Kuo Chen (convener), Chin-Shih Lin, and Chun-Hsueh Chen. The Audit Committee should convene meetings at least once every quarter and may hold additional meetings as needed. In 2022, it held a total of 5 meetings with a 93.33% attendance rate.

Remuneration Policy

The company's Remuneration Committee determines the remuneration policy for directors and senior executives based on the company's strategic goals, human resource policies, and remuneration capability assessments. The policy also considers performance achievement and contribution to set the payment standards, aiming to enhance the overall organizational team's effectiveness of directors and senior executives. The Remuneration Committee also references industry standards to ensure that the remuneration for the company's management team is competitive within the industry. This is done to retain outstanding managerial talent. Any proposed recommendations regarding compensation are submitted to the Board of Directors for discussion and resolution.

Director Remuneration

Director remuneration is determined at the end of the fiscal year based on the company's profits for that year, following the regulations outlined in the company's bylaws. Director remuneration is closely linked to the company's profitability and business performance for the year. It is also referenced against the overall compensation levels typically seen for independent directors in other publicly listed companies.

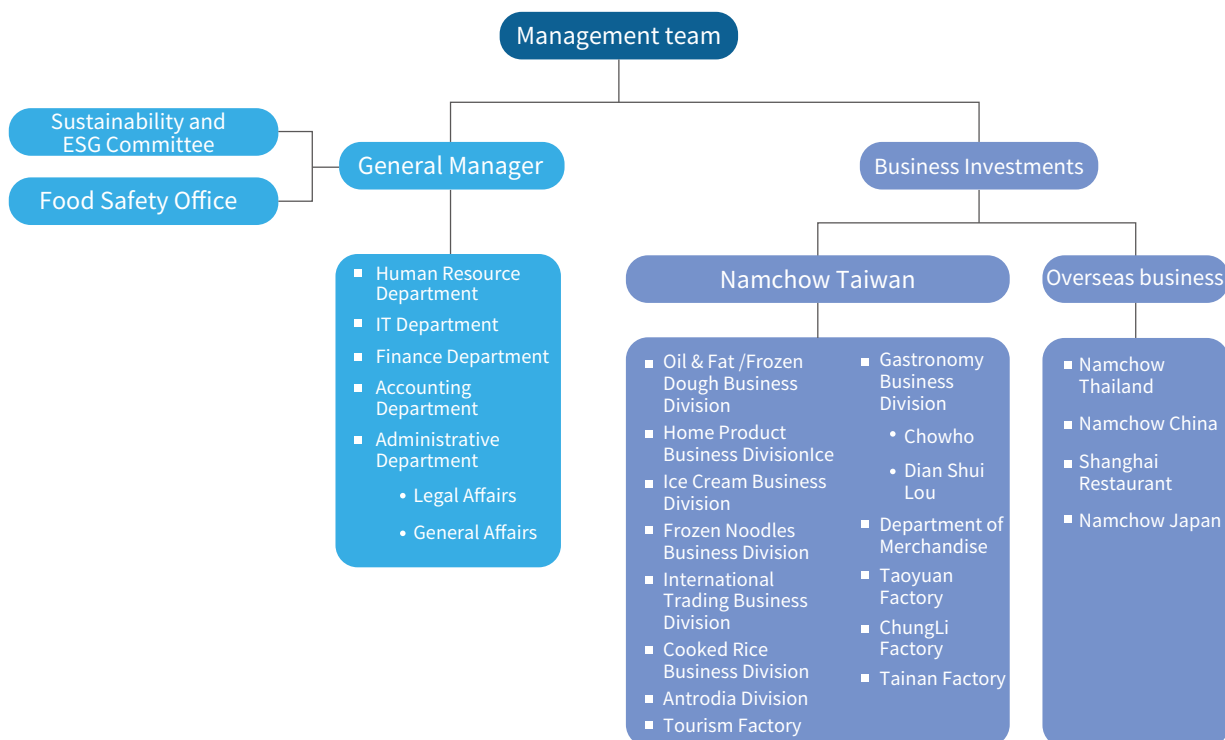
Executive Remuneration and Performance

The remuneration and performance evaluations of senior executives within the company are based on their individual performance, contributions to the company's overall operations, and market salary standards obtained from professional organizations' surveys. The distribution of bonuses primarily depends on the company's earnings and the designated key performance indicators (KPIs). All performance bonuses are subject to review by the Remuneration Committee and are presented for discussion and approval by the Board of Directors.

Management team

To effectively manage and master the business performances, Namchow Group has set up business divisions according to different products. The chief operating officers of the highest divisions are responsible for the formulation and operation of the strategy for R&D, production and sales, and may hold a global management meeting every month in Taiwan to review the business performance and strategy at any time in order to respond to the internal and external environment changes of the company.

Regarding sustainability issues, the management team must constantly monitor the development of domestic and international ESG guidelines. Based on these guidelines, they should review and improve the ESG-related systems established by the company and make adjustments when necessary. This is done to enhance the effectiveness of fulfilling corporate social responsibility.



1.4 Risk Management and Crisis Management

GRI: 2-12, 2-23

Risk Management Policy

The Board of Directors plays a critical role in Namchow Group's daily risk management practices by helping the Company identify and manage economic risks. All major decisions such as operating policies, investments, asset acquisition and disposal, endorsement and guarantee, lending to third parties, bank borrowing, etc. are first assessed and analyzed by the responsible department before being submitted for the board's resolution. The Audit Office, based on risk assessment results and government regulatory requirements, formulates an annual audit plan and diligently executes it. This process is intended to establish a supervisory mechanism and control various risk management aspects.

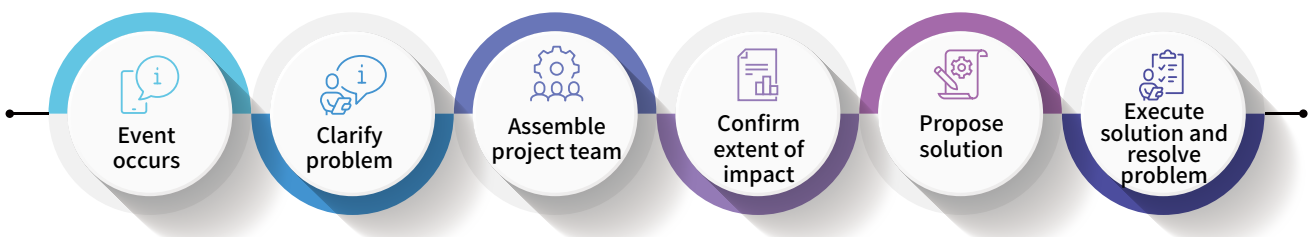


The company’s risk management is carried out by relevant functional units, which independently formulate various strategies and execute them. This includes the following aspects:

Risk Factors	Risk Description and Impact on Operations	Risk Control Measures and Operations
Board decision risk	When directors violate their duty of loyalty and duty of care as good managers, resulting in harm to the company, they are liable for compensating the company for the damages. If such actions are taken with the intent to benefit themselves or third parties unlawfully or to harm the interests of the company, and if it leads to the damage of the company’s property or other interests.	During their tenure as directors or independent directors, within the scope of their business activities, the liability for remuneration as required by law can be mitigated and spread by purchasing liability insurance. This reduces the risk of directors and independent directors causing significant damage to the company and shareholders due to errors or negligence.
Business strategy and operating risk	Given the varying industry and internal/external operational environments, there are different risks and impacts. Failing to effectively grasp future uncertainty factors, formulate development strategies, and adjust operational models can result in underperformance in financial and supply chain functions, leading to missed business opportunities.	Each business unit conducts proactive strategic operational risk assessments and, through regular management meetings, tracks and improves operational performance. This ensures that the company’s operational strategies align with the company’s vision and achieve operational objectives.
Manager execution risk	In the actual decision-making process, when there is not enough complete information and decisions are made without appropriate risk assessment, it can lead to underestimating potential risks. Subsequently, this can result in decision-making risks associated with judgment errors.	The Company has purchased liability insurance to diversify losses that managers may cause to the Company due to negligence, and hence protects the Company and shareholders against risk of significant loss.
Financial management and credit risk	Financial, credit, and liquidity risks can potentially have adverse effects on the company’s financial condition and financial performance. Without clear planning in financial management, there can be risks associated with fund allocation. In credit management, the absence of rigorous credit policies and procedures can also create financial pressures for the company.	The financial department assesses cash flows generated by operations and plans various measures to meet future financial needs. All measures must be executed within the authorized scope of the Board of Directors.
Product and Market Risks	Risks associated with product characteristics not aligning with market and customer requirements or poor timing for product entry into the market are factors to consider. Failure to grasp changes in competition, consumer preferences, product technology, and other environmental factors can result in operational losses for the company.	Each business unit and functional department, according to their responsibilities, analyze and assess various responsive measures based on laws, policies, and market changes. Should any risk event occur, the executive management will form a crisis management team made up of business unit heads to manage and resolve possible product/market risks that are likely to follow.

Crisis management principles

To facilitate the timely response and resolution of crises encountered during company operations, the Company’s General Manager has been designated as the chief convener in the event of an emergency. A meeting of senior executives involved with crisis management is then convened to discuss what emergency response to take and to report on the situation to the Board.



1.5 TCFD Climate-Related Financial Disclosures

GRI: 2-12, 2-13, 2-24, 201-2

To understand the potential risks of climate change for Namchow Group and to respond to the worldwide trend of disclosing financial information related to climate change, Namchow followed Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) issued by the Financial Stability Board of the United Nations to identify significant climate change risks and opportunities for Namchow Group and to develop a climate change strategy.

Climate Change Governance and Management Framework

The Namchow Group has adopted the Sustainability and ESG Committee as its governance structure for environmental, social and governance related issues, including climate change mitigation and adaptation as well as energy management issues. The Sustainability and ESG Committee regularly reports to the Board of Directors on climate change and energy management issues each year. For climate change and energy management, Namchow, through the Sustainability and ESG Committee, given authority to its Climate Change Task Force, which checks energy consumption and carbon emissions, and regularly reviews the management of climate-related risks and opportunities. At the same time, climate risk is incorporated into Namchow Group's list of risks. The Climate Change Task Force regularly identifies potential hot spots for climate risk, and develops management and response plans for climate-related risks or opportunities.

Sustainability and ESG Committee

The Chairman of the Committee holds a meeting every six months to review the progress of the project teams and regularly reports to the Board of Directors.

The Committee Chairman is appointed by the President and oversees the progress of the project execution teams.



Climate Change Task Force

The Climate Risk/Greenhouse Gas Projects hold quarterly meetings to review the progress of their objectives and regularly report to the Committee.

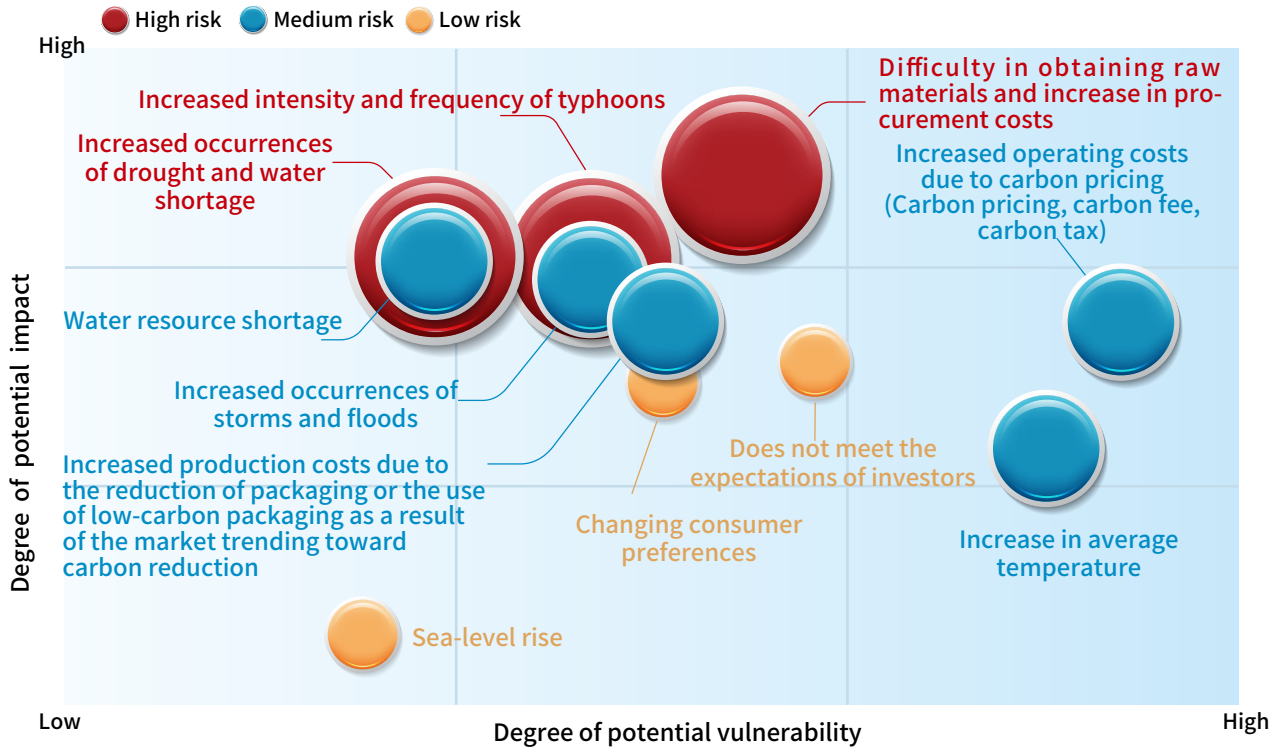
Under the organization of the Committee, a Climate Change Task Force has been established, responsible for climate change risk management and opportunity assessment. This task force integrates the daily management activities related to climate change and energy issues across various NCG divisions and production facilities.

Climate Change Risk Management

Namchow Group, in accordance with TCFD guidelines and industry-specific recommendations, identified a total of 11 climate-related risks for the company in 2021. This identification process involved research reports, industry characteristics, benchmark analysis, and the integration of opinions from various departments within Namchow. There are three types of transformation risks: regulations and policies, market, and business reputation; physical risks include long-term ones and extreme ones. The risks were ranked according to potential impact, vulnerability and likelihood of occurrence, and classified into high, medium and low levels of risk according to their significance. We also identified 3 high-risk and 5 moderate-risk climate-related risks, considering the potential impact timeframes on the group, categorizing them into short-term (within 3 years), medium-term (3-5 years), and long-term (5 years or more). For detailed explanations of the risks within each category and the climate change risk matrix chart, please refer to the information provided below.



Climate change risk matrix



Risk Level, Impact, and Impact Period of Climate Change

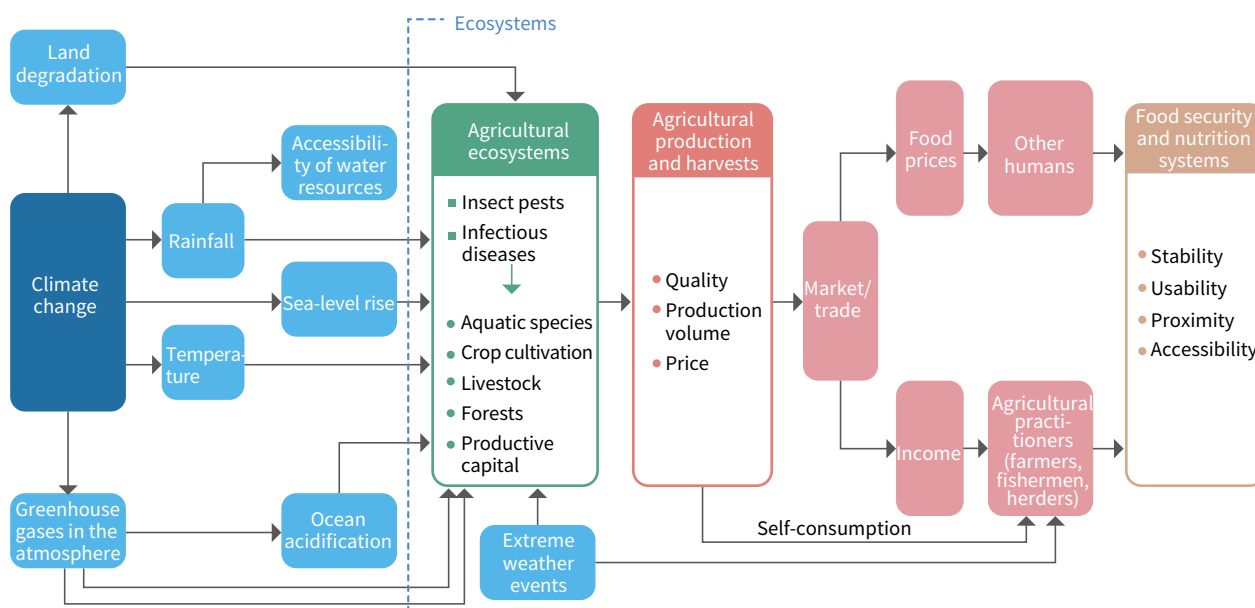
Order	Category	Sector	Risk Name	Possible Impact to Namchow	Risk Level	Risk Impact Period
1	Transformation	Market	Difficulty in obtaining raw materials and increase in procurement costs	Rising average global temperatures and extreme weather may affect the stability of the supply of raw materials (e.g., crops, livestock products, etc.) and increase prices	High	Medium-, long-term
2	Entity	Extremity	Increased intensity and frequency of typhoons	Increased typhoon intensity may cause disruptions in the supply chain or disruptions in operations due to staff being unable to go to work, resulting in operational losses.	High	Medium-, long-term
3	Entity	Extremity	Increased occurrences of drought and water shortage	Due to changes in rainfall pattern, the likelihood of drought occurrence is increasing, resulting in a shortage of water supply and an increase in water procurement costs.	High	Medium-, long-term
4	Entity	Extremity	Increased occurrences of storms and floods	High temperatures will lead to a significant increase in the number of days of heavy and torrential rainfall, which could lead to severe flooding at Namchow's business locations, resulting in interruption of operations and losses.	Medium	Medium-, long-term
5	Transformation	Regulations and policies	Increased operating costs due to carbon pricing (carbon pricing, carbon fees, carbon taxes)	It is becoming clear that carbon pricing will become a global trend, such as the implementation of carbon tax and carbon trading. Greenhouse gas emissions will result in increased operating costs for enterprises as the price of carbon rises. In addition, the costs associated with carbon management may increase for us to comply with relevant regulations.	Medium	Medium-, long-term
6	Entity	Long-term	Water resource shortage	Climate change has made it more difficult to obtain water resources, and Namchow may experience disruptions to factory and office operations due to water shortages	Medium	Medium-, long-term

Order	Category	Sector	Risk Name	Possible Impact to Namchow	Risk Level	Risk Impact Period
7	Transformation	Market	Increased production costs due to the reduction of packaging or the use of low-carbon packaging as a result of the market trending toward carbon reduction	As the market places greater importance on sustainability issues, Namchow may face demands for plastic reduction in packaging materials, more sustainability accreditations and disclosure of products' carbon footprints, resulting in increased R&D, production, and operating costs	Medium	Medium-, long-term
8	Entity	Long-term	Increase in average temperature	The increase in average global temperature may lead to high working temperatures at Namchow's factories, increased operation of air conditioning and production cooling units, and reduced employee productivity, resulting in higher product production and employee care costs	Medium	Medium-, long-term
9	Transformation	Reputation	Does not meet the expectations of investors	Investors and shareholders expect Namchow to have a plan that enables the company to respond to and mitigate changes	Low	Medium-, long-term
10	Transformation	Reputation	Changing consumer preferences	Since climate issues are gradually being taken seriously by our society in recent years, the awareness for responsible consumption is on the rise, and consumer behavior may change as a result	Low	Medium-, long-term
11	Entity	Long-term	Sea-level rise	Due to global warming becoming more severe, the sea level is gradually rising, which may result in flooding at the company's coastal business locations and factories.	Low	Medium-, long-term

Climate Change Strategy

In response to the identified climate risks, Namchow Group has also analyzed the potential impact of these risks on the company, as shown in the table above, and has gradually formulated management and response plans based on the magnitude of the risks. Currently, the most significant climate change risk identified is the "Difficulty in sourcing raw materials and increased acquisition costs." The rise in global average temperatures and extreme weather events may affect the stability of raw material supplies (e.g., agricultural crops, livestock products, etc.) and lead to higher prices.

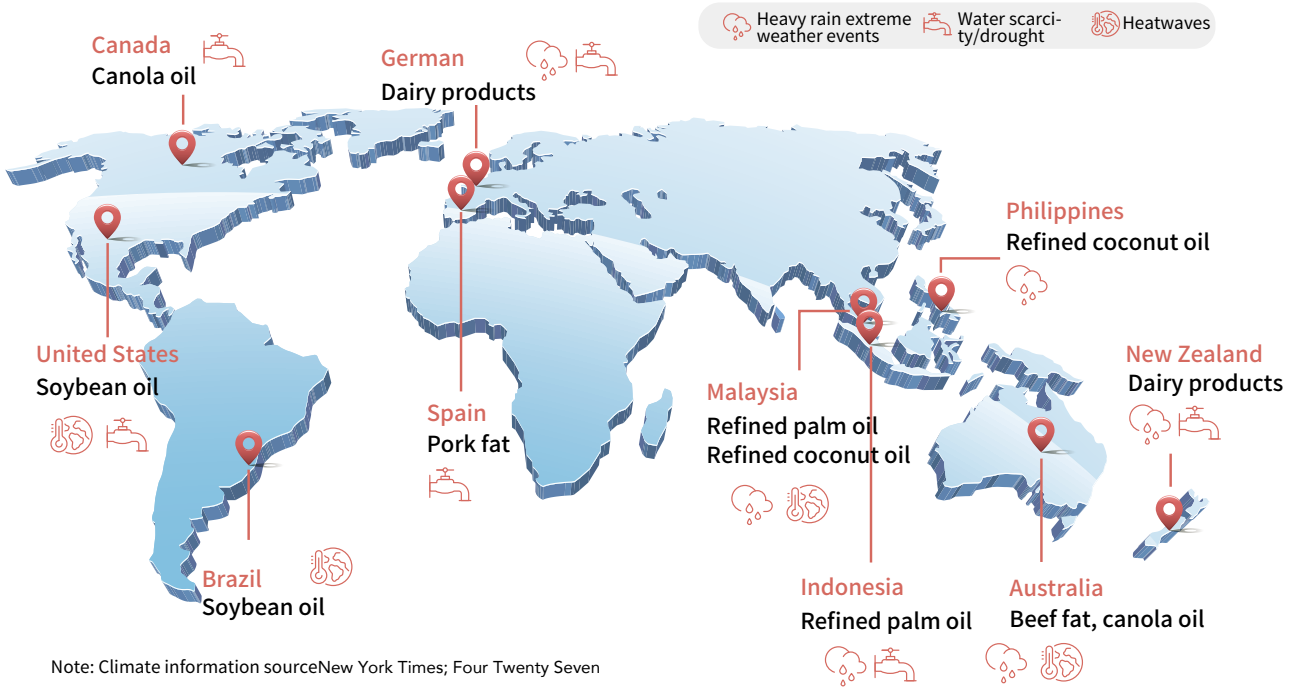
Impact Pathways of Climate Risks on Raw Material Market Prices and Volumes



Note: Data source Climate Change and Food Security: Risks and Responses, Food and Agriculture Organization of the United Nations (FAO)

In 2022, Namchow chose its Taoyuan factory in Taiwan as the scope for quantifying climate risks, which serves as a reference basis for future expansion efforts. The top ten raw material purchases made by Namchow Taoyuan factory in 2022 were inventoried based on the total purchase amount. Quantitative information availability, usage volume, and the impact of climate change on raw materials were considered when selecting palm oil, soybean oil, and anhydrous butter as the materials for quantifying climate risks. The assessment determined the extent of the impact of climate change, linked it to financial figures, and based on this, developed practices to enhance raw material source diversity and improve supply chain stability.

Namchow Group’s Raw Material Procurement and Climate Risk Map



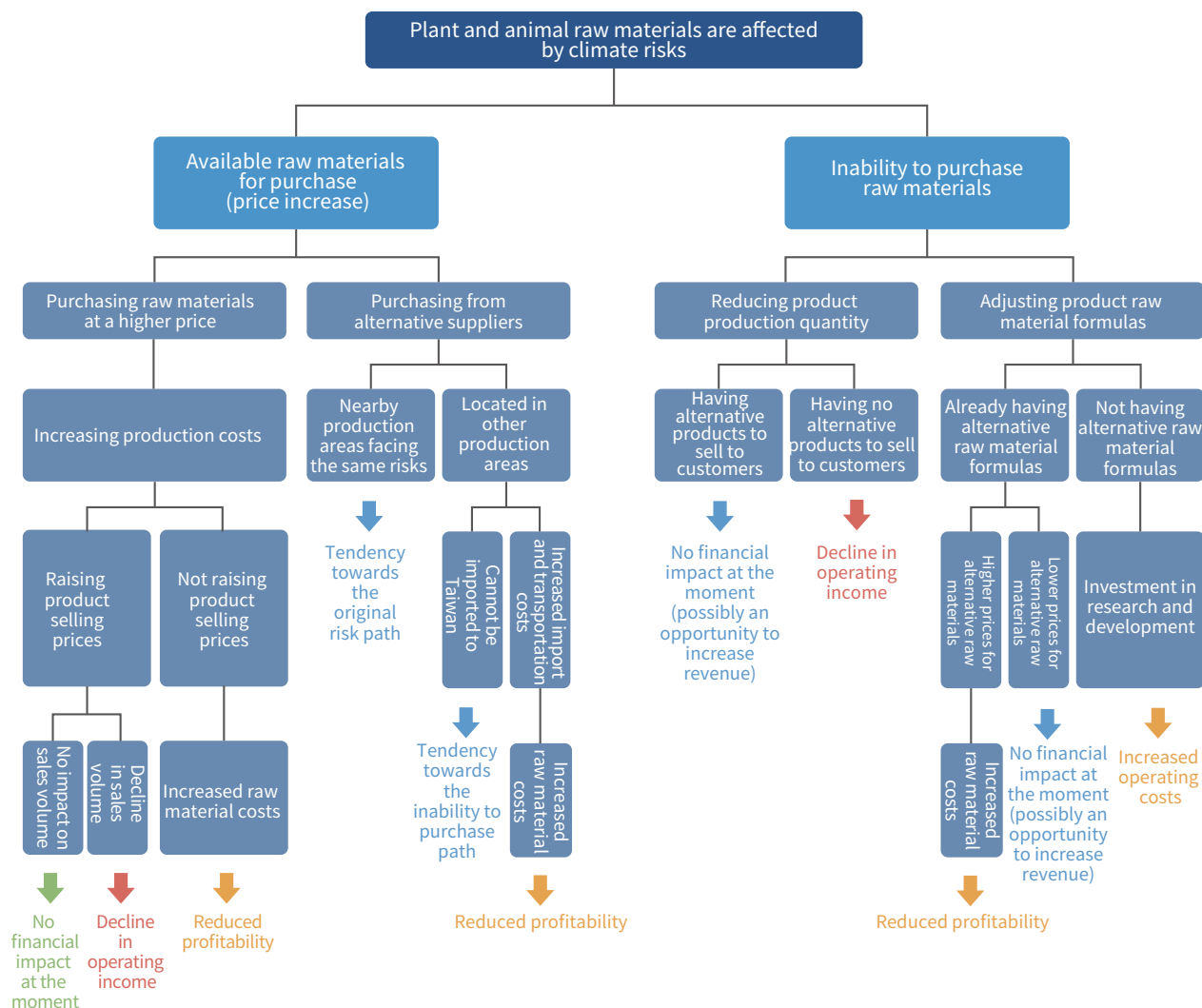
Quantitative Analysis of Climate Risks

In 2022, through the collection of geographical and climate information, we gained insights into the impact of climate risks on raw materials and Namchow’s operational processes, along with their impact pathways. The primary climate factors causing a decrease in the production of palm oil, soybean, and milk are the rising annual average temperatures. This, in turn, affects the production and prices of palm oil, soybean oil, and anhydrous milk fat.

Raw material	Palm oil	Soybean oil	Anhydrous milk fat
Source of origin	Malaysia	United States, Brazil	New Zealand/Belgium
Climate-related raw material risk	Average rising temperature	Average rising temperature	Water shortage, heatwaves, rising temperatures
Geographical climate risk	Heavy rainfall, typhoons, heatwaves	Rising temperatures, water shortages, heavy rainfall/flooding	Water shortages, rising sea levels, heavy rainfall/flooding
Quantitative factors	Palm oil yield	Soybean yield	Milk yield

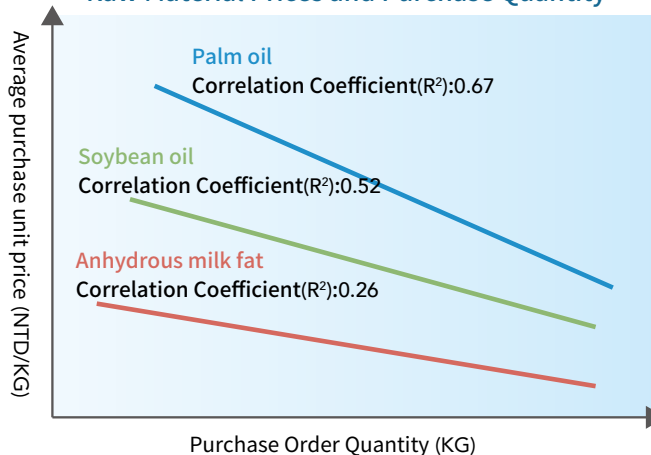
Using a single variable, we simulated potential financial impacts based on different pathways, assuming possible impact pathways for raw material procurement.

Raw Material Quantity (Q) X Price (P) = Namchow's raw material cost changes



Taking into account data availability and the potential impact of rising average temperatures on raw material prices, Namchow collected data on the annual average procurement quantity and average unit price of palm oil, soybean oil, and anhydrous milk fat from 2018 to 2022. Using this data, we calculated the correlation coefficients between prices and procurement quantities to estimate the extent of price increases in raw materials due to decreased yields, aligning the analysis with Namchow's actual procurement conditions. The relationship between price, quantity, and procurement quantity is illustrated in the diagram below:

Illustration of the Relationship Between Major Raw Material Prices and Purchase Quantity



To ensure a consistent baseline for assessing the impacts of various raw materials, we selected the worst-case climate scenario, where temperatures rise by over 4°C, as the common climate scenario basis for analyzing the reduction in raw material yields and quantifying the financial impacts.

Assessment of the financial impact of difficulty in sourcing raw materials and increased procurement costs

Main Raw Materials in Climate Scenario ^(Note 1)	Climate Scenario	Scenario Information Source	Simulated Pathway	Possible Financial Impacts ^(Note 2)
Palm oil	In a scenario where temperatures rise by 4°C, it is projected that by 2050, global palm oil production could potentially decrease by 20.38%, and palm oil yields may also decrease by a similar magnitude.	Source: Sarkar, M.S.K., Begum, R.A. & Pereira, J.J. "Impacts of climate change on oil palm production in Malaysia." Environ Sci Pollut Res 27, 9760-9770 (2020).	<p>Increase in procurement costs leading to higher selling prices and decreased sales volume</p> <p>Self-absorption of rising raw material costs.</p> <p>Inability to secure an adequate supply of raw materials</p>	may result in a profit variation of approximately 17.4% to 20.4%.
Soybean oil	Under the RCP8.5 scenario, it is projected that global soybean production could potentially decrease by 39.39% by 2050, and soybean oil yields may also decrease by a similar magnitude. ^{Note 3}	Carbone, G.J., Kiechle, W., Locke, C. et al. "Response of Soybean and Sorghum to Varying Spatial Scales of Climate Change Scenarios in the Southeastern United States." Climatic Change 60, 73-98 (2003).	<p>Increase in procurement costs leading to higher selling prices and decreased sales volume</p> <p>Self-absorption of rising raw material costs.</p> <p>Inability to secure an adequate supply of raw materials</p>	may result in a profit variation of approximately 6.9% to 39.4%.
Anhydrous milk fat	Under the IPCC A1FI scenario, it is projected that global milk production could potentially decrease by 28% by 2050, and anhydrous milk fat yields may also decrease by a similar magnitude. ^{Note 4}	Kevin H., Don G., Brendan C. & David N. "Economic impacts of climate change on the Australian dairy sector." Australian Journal of Agricultural and Resource Economics, 58, 60-77 (2014).	<p>Increase in procurement costs leading to higher selling prices and decreased sales volume</p> <p>Self-absorption of rising raw material costs.</p> <p>Purchase of raw materials from alternative suppliers at higher prices.</p> <p>Inability to secure an adequate supply of raw materials</p>	may result in a profit variation of approximately 25.3% to 97.6%.

Note 1: Considering materiality thresholds, the included raw materials have an annual sales threshold of NTD10 million (for palm oil and soybean oil) and NTD5 million (for anhydrous milk fat) for the calculations.

Note 2: The simulated calculations of the extent of change are based on the 2022 sales value, gross margin, and profit for each respective raw material.

Note 3 IPCC RCP 8.5 Scenario

- The IPCC is a globally renowned scientific research body on climate change. It publishes climate impact assessment reports every 5 to 7 years, which not only examine climate change from a scientific perspective but also assess its impact on socio-economic aspects and policies.
- In 2014, the IPCC released its Fifth Assessment Report (AR5), introducing RCP scenarios for public use. The RCP scenarios are constructed based on the major drivers of climate change (including parameters such as greenhouse gas concentrations and land use), and are named based on the difference in radiative forcing values between the end of this century (2100) and pre-industrial times (1750). In the AR5 report, four RCP scenarios were provided: RCP 2.6, 4.5, 6.0, and 8.5. A higher numerical value represents a more severe global warming scenario by the end of the century. RCP 8.5 is a scenario characterized by high greenhouse gas emissions.

Note 4 Explanation of IPCC SRES-A1FI Scenario

- The SRES (Special Report on Emissions Scenarios) scenarios were published in 2000 by the IPCC. They consider possible trends in global economic, population, industrial, and environmental development and present several potential greenhouse gas emission trajectories, categorized into four main storylines: A1, A2, B1, and B2. Among these, A1 represents rapid economic growth, with the global population peaking in the middle of the 21st century and then declining, alongside effective technological advancements. The A1 scenario is further divided into three sub-scenarios, each describing different directions of technological change in the energy system. A1FI is characterized as fossil intensive. Comparing the CO_{2e} concentrations at the end of the century, A1FI is most similar to the RCP8.5 scenario.

Climate Response Strategy and Future Improvement Planning

Namchow assesses climate risks and opportunities, defines significant risks and their timeframes, and regularly reviews and adjusts its strategies. The company evaluates the impact of climate change on its operations, including the physical impacts of extreme weather events, potential benefits, costs, or risks arising from emerging carbon pricing regulations. Namchow aims to identify various possibilities of how climate risks may affect the company and mitigate potential climate-related damages. The company uses macroclimate scenarios from international research institutions as parameters for climate risk assessments.

	Short-term	Long-term
Climate Risk Identification and Evaluation Process	<ul style="list-style-type: none"> Assign a dedicated unit responsible for assessing, managing, and monitoring climate risks. Identify key climate risks, including physical and transitional risks. Analyze the impact of climate risks on the locations where Namchow operates (such as extreme weather events or transitions in low-carbon markets). 	Continuously track and assess the potential impacts of climate risks on Namchow and its supply chain.
Climate Risk Management Process	Develop management and response plans in response to the identified potential climate risks for Namchow's own operations and supply chain disruptions.	Establish systematic documentation for climate risk identification, management, and response as the foundation for risk assessment.
Climate Risk Identification and Response Strategies	Conduct proactive operational risk assessments based on each business unit's responsibilities, with an increased focus on climate change factors. Regular discussions should also be incorporated into the process.	Include climate risks as a standard risk category, assessed regularly by the Sustainability and ESG Committee (Climate Change Working Group), with reporting to the board.

Climate Change Indicators and Targets

Starting from the second quarter of 2022, Namchow has initiated the greenhouse gas inventory and verification work and will report progress to the board on a quarterly basis to enhance control. Subsequently, based on the results of the inventory and verification, short-term, medium-term, and long-term emission reduction targets and corresponding action plans will be formulated. This approach aims to enable Namchow Group to better assess and manage climate-related risks and establish emission reduction goals and action plans within specified timeframes.

Namchow Group has historically tracked and disclosed environmental-related indicators such as energy usage, water resources consumption, and waste generation. The company will continue to increase the proportion of renewable energy used in its operations. For detailed data, please refer to "Chapter 3: Energy Efficiency and Carbon Reduction and Environmental Sustainability."



1.6 Integrity Management and Information Security

GRI: 2-23, 2-25, 2-26, 2-27, 205-1, 205-2, 205-3, 206-1, 416-2, 418-1

Integrity Management Policy

Namchow Group conducts its business activities based on principles of fairness, honesty, trustworthiness, and transparency. The company regularly conducts training for new employees to promote an ethical operating policy. Employees are required to sign a commitment statement, pledging to abide by internal regulations, relevant operational procedures, and codes of conduct. The Group and its subsidiaries are expected to follow relevant laws and adhere to high ethical standards. They should avoid engaging in unfair competition and are committed to preventing bribery and corruption by establishing appropriate management systems, creating a fair competitive environment.

To implement ethical business practices and proactively prevent unethical behavior, Namchow Group has established the “Code of Ethical Conduct,” “Operational Procedures and Code of Conduct for Ethical Business,” and has integrated ethical and moral values into the company’s business strategy. The Human Resource Department is responsible for drafting and supervising the implementation of integrity management policy and related preventive measures. It is required to report to the Board of Directors regularly. The Board of Directors has the responsibility to exercise due diligence and supervise the company in preventing unethical behavior. They continually review the effectiveness of its implementation and work towards continuous improvement to ensure the realization of ethical business policies, ultimately serving the purpose of the company’s sustainable development.

In 2022, Namchow Group did not encounter any integrity-related incidents such as fraud, insider trading, anti-competitive behavior, antitrust and monopoly actions, or market manipulation. BLN Restaurants & Caterings requires employees to sign the “Employee Manual Compliance Commitment” upon starting work. Anti-corruption provisions are explicitly stated in the manual. The company also signed the “Supplier’s Code of Conduct Commitment” rejecting improper payments and bribery. As a part of the international supply chain, Namchow (Thailand) also adheres to international standards for corporate social responsibility. Employees have completed education and training in compliance with the Ethical Trading Initiative (ETI) as supplementary information to the company’s policies and regulations, in order to strengthen risk management and reduce corruption risks.

Whistleblower System and Whistleblower Protection

Namchow Group encourages both internal and external individuals to report any unethical or improper behavior. Depending on the severity of the reported incident, employees may be rewarded in accordance with the Employee Rewards and Punishments Regulations. However, if internal personnel are found to have made false or malicious accusations, they may face disciplinary actions, including dismissal in severe cases. In 2022, Namchow Group reported revisions to its “Operational Procedures and Code of Conduct for Ethical Business” to the Board of Directors. As part of these revisions, a whistleblower hotline (whistleblower@namchow.com.tw) was established and made publicly known. Reports are handled by reporting to the highest executive in the relevant division/function, as well as to independent directors, depending on the nature of the report. Namchow Group maintains the confidentiality of the whistleblower’s identity and the content of the report, and commits to protecting the whistleblower from any undue repercussions resulting from their report. In 2022, there were no reported incidents of violations of the Code of Conduct for Ethical Business policy that resulted in whistleblowing within Namchow Group.

Internal and external education and training on integrity management



Compliance

Namchow Group has production and business operations spread around the world so we must comply with local government regulations as well. Multiple management mechanisms have been introduced by the Group based on each regulatory sector to strengthen compliance and reduce risk.

Key areas of compliance



Product-related regulations

- Act Governing Food Safety and Sanitation, Regulations Governing the Registration of Food Businesses, Regulations Governing Traceability of Foods and Relevant Products, Commodity Labeling Act, Food Safety Law of the People's Republic of China and its implementing regulations, Regulations on the Supervision and Administration of Food Safety in Catering Services of the People's Republic of China, Advertising Law of the People's Republic of China, National Standards for Food Safety - General Principles for Prepackaged Food Labels, and Thai government-established food regulations under "พระราชบัญญัติอาหาร พ.ศ.2522 พร้อมกฎกระทรวงและ ประกาศกระทรวงสาธารณสุข (ฉบับปรับปรุง ปี พ.ศ. 2562)," and various laws and regulations which are used to conduct lawful inspections of the sources of raw materials and establish records and labeling for raw materials.
- Regulatory compliance is examined by the appropriate purchasing, product R&D, or QC unit in conjunction with the food safety unit or Legal Affairs.
- In 2022, Namchow Group did not experience any incidents or violations related to food safety and sanitation management regulations.



Environment-related regulations

- Air Pollution Control Act, Greenhouse Gas Reduction and Management Act, Waste Disposal Act etc.
- Each factory is responsible for the identification of potential risks and their prevention. Legal advice is sought from Legal Affairs when necessary.



Others

- Securities and Exchange Act, Labor Standards Act, etc.
- Responsibility of the relevant financial, accounting, and human resources units. Legal advice is sought from Legal Affairs when necessary.

01

Forward-Looking
Governance and
Sustainable Operation

02

Product Innovation and
Smart Production

03

Energy Efficiency and
Carbon Reduction,
Environmental Sustainability

04

Happy Workplace and
Social Inclusion

Appendix

Information Security

Since the government initiated the Retail Industry Information Security Management System Inspection and Diagnostic Counseling Project in 2009, the company's Information Department has been actively focusing on the company's information security protection. They collaborate annually with Trend Micro to conduct a comprehensive assessment of the company's information security. This assessment includes measures such as APT (Advanced Persistent Threat) protection, DLP (Data Leakage Prevention), and DDoS (Distributed Denial of Service) attack prevention, as well as vulnerability scanning and external penetration testing. The results of these measures are reviewed, and improvement recommendations are provided to enhance the overall security of the information environment.

Information Security Execution and Prevention in 2022



We conducted irregular awareness campaigns across different regions, emphasizing the importance of personal data protection and data backup to mitigate high-risk information security vulnerabilities that could significantly impact our information operations.



In China, we strengthened our ERP and PS systems to address hardware limitations, effectively controlling excessive account permissions among operations personnel to prevent data deletion issues and enhance data security within the company.

Customer privacy management

The “Personal Information Protection and Management Regulations” drawn up by Legal Affairs now requires all corporate functions and divisions at the Headquarters and subsidiaries to comply with personal information protection targets, to collect, process, and use personal information in accordance with the law, to collect, process and reasonably use personal data as required by law, and to provides a basis for the legal use of personal, employee and customer data during corporate functions, business activities or internal management. The purpose of the regulations is to protect the rights of affected people, protect the reputation of the Company, as well as shield Namchow and our employees against legal risks. In 2022, Namchow Group did not experience any incidents of customer or personal information leakage.

1.7 External Initiatives

GRI: 2-28

Namchow Group actively participates in industry associations located in Taiwan, China, and the rest of the world. This close interaction has enabled the exchange of knowledge and experience and created collaborative opportunities that build closer bonds between Namchow and other industry participants. Since its investment in mainland China in 1996, Namchow Group has actively engaged with national industry associations in China. By establishing and participating in such platforms, the company contributes to the development of the industry. In July 2022, the All-China Federation of Industry and Commerce Baking Association held its sixth member assembly and the sixth board of directors and supervisors meeting. Chairman Cheng-Wen Chen Namchow Food Group was elected as the new Managing Chairman. Chairman Chen expressed that Namchow is a food company with a strong sense of mission and has long taken it upon itself to advance the industry. The company has spared no effort in promoting the prosperity and development of the baking market, and it will continue to do so in the future.

Namchow Group holds memberships in various external organizations, including RSPO (Roundtable on Sustainable Palm Oil), the Taiwan Association for Food Science and Technology, the Taiwan Dairy Industry Association, the Ecological Environment Association of Jinshan District, Shanghai, the German Chamber of Commerce, the Guangdong Procurement and Supply Chain Association, the Tianjin Economic and Technological Development Zone Environmental Protection Association, The Federation of Thai Industries, National Food Institute, Non-GMO Project Organization, and approximately 46 other external organizations. In 2022, the company did not provide significant funding to these organizations.

The senior representatives of the Namchow Group participating in external organizations and their roles in core decision-making positions

External organization	Governance role
Taiwan Margarine Industry Association	Chairman
Industrial Association of Taipei City	Chairman
Taiwan Confectionery, Biscuit & Floury Food Industry Association	Honorary Chairman
Taiwan Grain Industry Association (TGIA)	Managing Supervisor
China Grain Products Research and Development Institute	Director
Taipei Bakery Association	Honorary Chairman
Chinese National Federation of Industries	Director
Cross-Strait Business General Association	Managing Director
All China Bakery Association	Managing Chairman
The Association of Taiwan Investment Enterprises on the Mainland	Managing Vice Chairman
Tianjin Taiwan Investors Association	President
Shanghai Taiwan Investors Association	Managing Vice Chairman
Guangzhou Taiwan Investors Association	Managing Director
Shanghai Association of Foreign Investment	President
China Association of Bakery and Confectionery Industry	Managing Director
Refrigerated and Frozen Foods Committee of China National Food Industry	Managing Director
Shanghai Food Association	Vice President
Shanghai Food Safety Federation	Supervisor
Shanghai Arbitration Commission	Arbitrator
Tianjin Food Industry Association	Director
Tianjin Food and Oil Association	Director
Industry and Education Alliance of the Beijing, Tianjin, and Hebei Food Industries	Vice Chairman
International Federation of Chinese Bakery & Confectionery Associations (IFCBCA)	Honorary Chairman

2

Product innovation Smart Production

Responding
to change

Lead industry
innovation
Realize food
safety



SDGs:



2.1 Product Service and Innovation

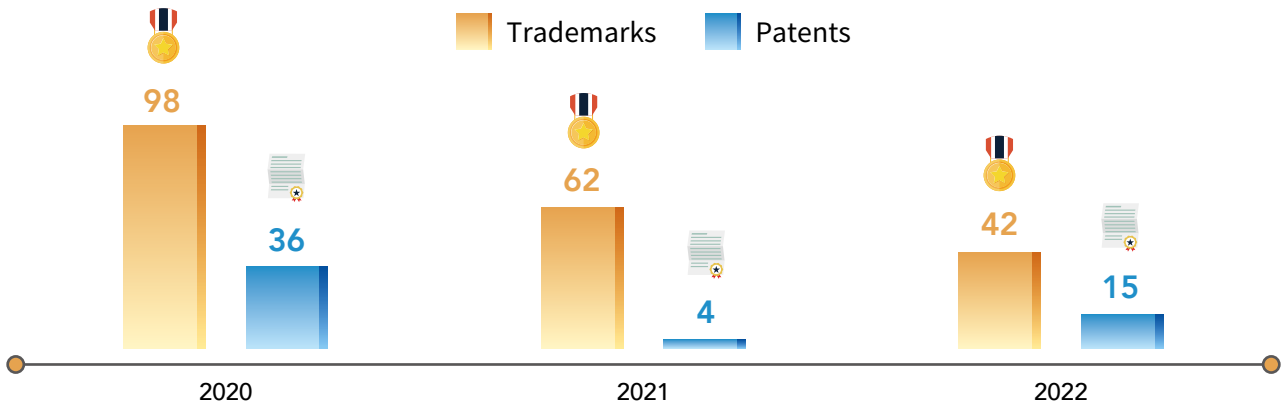
GRI: G4-FP6, G4-FP7

Namchow Group has grown from being “raw material-related, technology-related, channel-related, and culture-related” to a multi-faceted operation that laid a solid foundation in Taiwan and is actively developing abroad to gain consumers’ trust in our brand reputation. We use knowledge management to pass on our corporate know-how, flexibly use our strategic layout to create market segmentation through differentiation, and create the best core capabilities to stay competitive. If we don’t move forward, we are falling behind; that is how we motivate ourselves to continuously innovate, seek and respond to change, and master the key to sustainable management.

Namchow Group adopts a differentiation strategy to meet potential functional needs of consumers and continuously invests in the research and development of new products. For instance, in the detergents business, it has developed highly biodegradable crystal soaps for various laundry purposes. In the oils and fats business, it consistently introduces NEBOS series oils and fats that comply with international standards, known for their “clean” and “additive-free” qualities. In the ice cream business, it introduces new products every year to cater to consumers’ taste preferences and collaborates with renowned brands to expand its business model and opportunities.

Tianjin Namchow Food Co., Ltd. and Guangzhou Namchow Food Co., Ltd. jointly developed a project titled "A combination of compound vegetable oil structures is used to prepare tallow substitutes with stable thermal characteristics." In February 2023, it received the China National Light Industry Council's 2022 Third Prize for Technical Inventions. Namchow is the only oils and fats food company listed in this project.

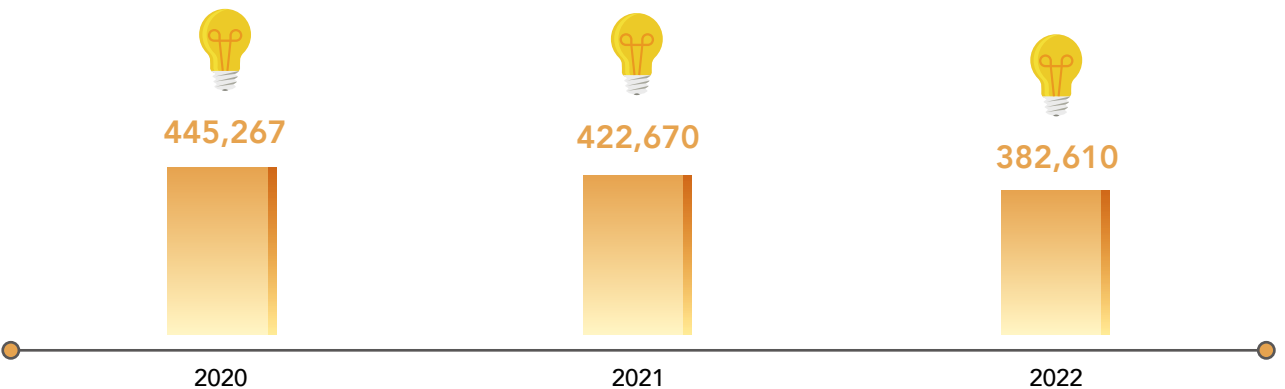
The number of trademarks and patents obtained in China in the past three years are as follows:



Explanation: Each year is based on the acquisition of trademark registration certificates and patent certificates.

Each business unit within the group has dedicated research and development teams responsible for continuous product improvement, development, and innovation. In 2022, a total of NTD382,610,000 was invested in research and development expenses. Research and development units in respective businesses are meant to ensure that existing products of the Company keep their leading positions on the market.

R&D expenses in the last 3 years



Cleaning Products

Namchow Crystal Soap

With the rise of environmental awareness, consumers' concern for household and cleaning products is not only focused on cleaning effect but on the safety of ingredients of the products. In 2022, Namchow introduced an upgraded version of “親親香皂” (Affectionate Soap), continuing the philosophy of Namchow Crystal, where “nature is the foundation, and antimicrobial properties are the purpose.” This soap carefully selects natural oil and fat sources as raw materials and refrains from adding artificial colorants and fragrances. It aims to provide relief to both the skin and the Earth, aligning with the post-pandemic era's trend of consumers returning to their core values, loving themselves, and embracing a closer connection to life.



Antrodia Tale

Antrodia Tale has inherited the spirit of Namchow, and made yet another innovation in the art of soap making. Namchow carefully developed a soap formula enriched with selected Antrodia extract, avoiding the use of quick-acting chemicals and opting for safe and pure ingredients. The soap was voluntarily submitted for testing and obtained the American Medical Association (AMA) Low Sensitization Test accreditation, as well as USDA accreditation. In addition to avoiding the use of skin irritants and allergens, the soap also uses entirely renewable materials. While being gentle on the skin, it also achieves the goal of not harming natural ecosystems and being environmentally friendly.



Bakery products

Oil & Fat

Taiwan region

For many years, Namchow Group's Oils & Fats business has been researching into baking fats to offer food processors better and more viable products, while at the same time giving consumers the assurance of health and safety. Since 2016, Namchow Oils & Fats has committed to use non-genetically modified raw materials in the products. None of our baking process oil and fats contain any transgenic gene fragments or transgenic proteins. Starting in 2018, in response to the growing awareness of health-conscious consumers, we have been dedicated to developing Clean Label products. As of 2022, our oils and fats have received the Tse-Yue International Clean Certification for a total of 8 items (7 Clean and 1 Dual Clean), and one item has been certified as 100% Additive-Free by the Asia Pacific Anti-Additive Association.

01

Forward-Looking
Governance and
Sustainable Operation

02

Product Innovation and
Smart Production

03

Energy Efficiency and
Carbon Reduction,
Environmental Sustainability

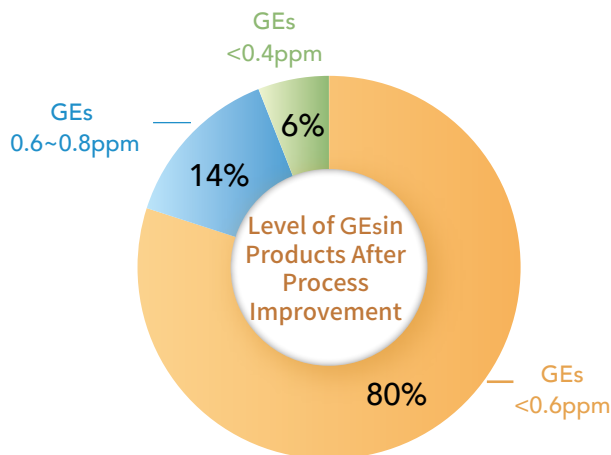
04

Happy Workplace and
Social Inclusion

Appendix

Mainland China region

In 2022, to enhance food safety and reduce the levels of contaminants such as Glycerol Esters of Fatty Acids (GEs) and 3-Monochloropropane-1,2-Diol Esters (3-MCPDEs) in our oils and fats, we implemented process improvements. These enhancements were aimed at further reducing the GE content in our products while maintaining compliance with EU regulations (<1.0 ppm).



Frozen Dough

Taiwan region

Starting in 2015, Namchow Frozen Dough began developing bakery products with reduced food additives. This product line emphasizes ingredient transparency and simplicity, successfully promoting the concept of “making delicious bread with fewer additives” to our customers and consumers. In 2022, there were a total of 7 products of frozen dough that met the Tsu-Yue International Single Clean Label Standard. Furthermore, our frozen dough products exclusively use baking fats produced by Namchow Oils that undergo a fully hydrogenation-free process, reducing the health risks associated with trans-fatty acids. In 2022, products with a trans-fatty acid content lower than 0.3g/100g accounted for 64% of annual sales, while the remaining products contained trans-fatty acids from natural sources (ruminant animal fats) and high-temperature refining processes. Continuing to promote a healthy diet, we have reduced the sugar content in our formulations. Low-sugar frozen dough products with less than 5g of sugar per 100g accounted for 53% of sales in 2022.

Mainland China region

Using the company’s specially formulated low trans-fatty acid oils, along with rigorous raw material control and recipe design, we can keep the trans-fatty acid content in the dough below 0.3%, complying with regulatory requirements. This allows us to label the trans-fatty acid content as 0% and provide our customers with healthy and safe bakery products. Dietary fiber is an essential plant-based component in daily nutrition and one of the fundamental nutrients for human health. In 2022, we successfully developed concepts for 10 products containing dietary fiber ingredients. To meet the fried product demands of custom in some regions, we have developed pre-fried products so that customers do not need the frying operation again. This can reduce the emission of soot exhaust gas and waste oil, and achieve the energy conservation and emission reduction effects.

Flour products

Frozen Noodles

Taiwan region

Namchow has always been concerned about the entire supply chain from farm to table, food safety management, and providing consumers with products that have simple ingredients and transparent information. For new product formulation design, the company follows principles such as choosing legal ingredients and additives, using as few additives as possible, and reducing salt usage. Several products have passed the Tse-Yue International Dual Clean Label Standard, A.A. (Anti-Additive Association)’s 100% Additive-Free Certification. Frozen noodle products have received FSSC22000, HALAL, and SQF certifications. The raw materials and processes for new products are strictly inspected by Muslim authorities. Products that have been certified must also adhere to the standards of the certifying organization. This includes using required raw materials, processes, and factory management to ensure the delivery of high-quality and trustworthy products to consumers and customers.

Taiwan entered an aging society in 2018 and is expected to become a super-aged society by 2026. With the changing demographics, the aging population presents new opportunities for industry development. The Namchow Sanuki Red Quinoa Noodles use local ingredients, carefully selecting Taiwan's unique Taitung red quinoa as the primary ingredient. These noodles have a soft texture and are convenient to heat and consume. This product has been awarded the "Eatender" senior-friendly food in 2022.

Mainland China region

Most of the frozen noodles developed are low in sodium and low in fat. Stringent quality control measures are implemented for all materials, sources, processes, and inspections to ensure the product's promise of health and safety to customers. In 2022, sales of low-sodium products increased to 36.51%, along with the addition of 4 low-sodium products. In addition, we have continued to develop a variety of western-style noodles made from special regional ingredients to provide customers with more choices. Namchow has developed beetroot noodles, yuzu noodles, quinoa noodles, and a variety of frozen noodles containing vegetables, fruits, and grains, allowing consumers to increase their intake of fruit and vegetable fiber. In 2022, vegetable and fruit products accounted for 5.64% of sales. Regarding products under the Duroyal brand, the company uses the simplest and most consumer-friendly ingredients in their designs. Sales of low-sodium products increased by 3% in 2022 compared to 2021, with the addition of 1 low-sodium product. Additionally, the formulation for the Russian Creamy Mushroom Beef Noodles was optimized to create a product with clean label characteristics.

Little Cook Slow-Meal Noodles

For the convenience of consumers, Namchow (Thailand) has developed a series of delicious and nutritious Little Cook slow-meal noodles. All ingredients in each retort pouch are cooked with the freshest authentic produce and packaged to preserve these flavors. New flavors are continuously launched and presented to appeal to consumers' tastes.



Rice Products

Aseptic cooked rice

Taiwan is committed to developing products that are healthy, nutritious, and delicious. It has actively developed a series of health-promoting rice products in hopes of providing functional health care rice products with preventive properties to people of all ages as Taiwan becomes an aging society. The raw materials for aseptic cooked rice are chosen from ingredients grown or produced in Taiwan if possible. Effective partnerships with local farmers to promote locally-grown cereals and grains not only support domestic agricultural development but also reduced carbon emissions.



Rice crackers, cooked rice, and porridge

Namchow (Thailand) uses local rice as raw material to develop and produce rice-based products. The processed foods are manufactured in Thailand and include as rice crackers, baked goods, snacks, and instant noodles, which are exported to over 70 countries worldwide, including the United States and Australia. In recent years, Namchow has ventured into the development of baby rice crackers, targeting infants who are six months old and just transitioning from breastfeeding, as well as nine-month-old babies who are starting to teethe. New products with different flavors have been developed to cater to this market.



Ice Cream

Our ice cream business in Taiwan has long adhered to two principles: persistence and innovation. We insisted on the use of safe and superb raw materials. With the exception of milk powder sourced from New Zealand and Australia and used in Duroyal products, we use fresh Taiwanese ingredients to make delicious ice cream. We have long focused on product innovation and brand investment. Unique products are being researched and developed to fulfill consumers' expectations for novelty and variation and to create differential competitive advantages for customers. For consumers who have a particular preference for lighter, more refreshing flavors and pay attention to fat intake, Duroyal has now introduced a low-fat ice cream with less than 3% fat content that consumers can enjoy to their hearts' content without feeling guilty.



Gastronomy Business Division



Taiwan region

To support Taiwanese farmers and safe, locally-produced ingredients, the menu has been localized under the "heartfelt care for Taiwan" principle. The goal is to develop more creative dishes, create agricultural or fishery brands, and open up new markets. Benefits include the production and sale of quality produce and higher profits for farmers. We intend to support the production and sale of Taiwanese agricultural and fishery products for the long-term.

Since 2017, the group's restaurants have implemented a rating system. We analyze the annual scores and areas of improvement, which allows us to provide more effective guidance and assistance to each restaurant. In 2022, the Food Safety Office conducted a total of 22 restaurants in Taiwan. A total of 8 restaurants was ranked "Excellent" in food and beverage sanitation. We will continue to work toward our goal of having all of our restaurants achieve the rank of "Excellent", so that customers can feel Namchow Group's dedication and effort to food safety.



Mainland China region

We use soybean and olive oil as our cooking oil due to their tremendous health and nutritional benefits. In terms of restaurant management, we implemented a clear and transparent kitchen system and used real-time video monitoring to display our kitchen operations on a screen at the entrance of the restaurant. Consumers can therefore see our kitchen operations for themselves when they pass by. The arrangement gives Paulaner customers more confidence in the safety and hygiene of the restaurant as well. At present, five restaurants have adopted the transparent kitchen system. In addition to the transparent kitchen system, each table of Paulaner @ NECC, a BLN Restaurants & Caterings located in the Hongqiao National Convention and Exhibition Center, also displays a food safety information QR code sticker so customers can connect to the Shanghai Food Safety Information Traceability Network to review the restaurant's basic profile, food traceability system, and supplier qualifications. Customers can find out the source and origin of the ingredients via the QR code and display screen, further increasing their confidence with the food and hygiene of the restaurant!



2.2 Customer Health and Safety

GRI: 2-25, 416-2, G4-FP5

SASB: FB-AG-250a.1, FB-AG-430b.1

Food Safety Office

Product quality and safety maintenance have always been our most important business policies. In response to regional regulatory changes and to provide more self-regulations food safety managing, Namchow Group headquarters in Taiwan established a "Food Safety Office" in charge of regulatory compliance on food safety, final review of food raw materials, additives, labels; and auditing of food safety and sanitation throughout the Group. In addition to compiling information on changes in laws and regulations, we collect news related to food safety on a daily basis, and inform relevant departments of relevant information by e-mail in real time, so that we may respond at any time. When we need to further communicate matters related to food safety with the manufacturing or the food and beverage industry, we will hold a food safety meeting with relevant departments. In 2022, in response to COVID-19 prevention measures and to avoid gatherings, we conducted 12 meetings using video or teleconference methods to discuss relevant topics. During these meetings, we disseminated information on recent food safety regulatory changes and discussed measures to address them. We also reviewed each department's food safety management practices, tracked progress, and evaluated effectiveness.

The Food Safety Office continued to comply with epidemic prevention requirements in 2022, conducting a total of 25 audits in Taiwan. These cover manufacturing factories, business locations, and warehouses, focusing on Good Hygiene Practices (GHP), food traceability, and food safety monitoring programs. Additionally, 22 audits were conducted for restaurants in Taiwan to ensure GHP compliance. Apart from internal company audits, third-party verification organizations, and client audits, our ChungLi, Taoyuan, Royal Tainan, and Royal Taoyuan Factory No. 2 factories underwent one inspection by the health authorities in 2022. This further confirmed our strict adherence to food sanitation and safety management.

Quality Headquarters and Food Safety Commission Food Safety Office

Namchow Group's headquarters in China is committed to the core principle that food safety and quality are the lifeblood of the company. A Food Safety Committee and a Food Safety Office were therefore established.

Compliance Assurance

- Collect and analyze domestic and international food safety regulations, promptly issue warnings and response strategies for food safety hazards related to the company, summarize them into weekly food safety reports and report them to members of the Food Safety Committee and relevant department heads. Food safety conferences were held from time to time to provide current food safety information and food safety reports. In 2022, a total of **51** weekly food safety reports and **2** food safety topic presentations were completed.
- As the preliminary compliance inspection and consultation point contact for imported foods and cosmetics, it collaborated with the supply chain and the marketing department to successfully complete the importation of products. In 2022, assisted in pre-market consultations for **24** items and successfully imported **10** items.
- Provided each department with the initial identification of food regulations, standards, and related professional food safety issues. Risk assessments and in-depth study were conducted to prevent any violations. In 2022, a total of **3** training sessions were conducted for relevant departments in Namchow China.
- The legal and regulatory compliance of packaging and labeling content has become a major focus and source of professional anti-counterfeiting efforts in mainland China. Ensuring that all packaging and label markings of the company comply with the requirements of mainland China regulations has become a key issue. Quality Headquarters, in collaboration with the Food Safety Office, Market Department, Research and Development Department, Legal Affairs Department, and Supply Chain, implemented the "Packaging Design Approval and Change Management Procedure" to improve and ensure the legal and regulatory compliance of packaging materials and labeling.
- We coordinated the relevant departments of Namchow China to complete the amendments to "Raw Material Risk Assessment and Supply Risk Management 5.0" and the revision of relevant forms.
- Coordinated various departments, including Customer Service Centers, Service Quality Centers, and Product Application Departments, to complete the "Technical Service Food Safety Management Procedure" and review **25** formula sheets.
- A total of **10** Knowledge Management (KM) evaluations were conducted at various factories, collecting **27** pieces of KM data (complaints, anomalies, supplier management, project reports, etc.).

Factory quality work coordination

- In 2022, the centralized management of suppliers for various factories under the Group completed a total of **491** new or modified raw material screenings. The results of supplier audits for the year 2021 were summarized to establish the audit plan for 2022. Simultaneously, a review and revision of the "Raw Material Risk Assessment and Supplier Risk Management" procedure manual were carried out. In 2022, a total of **9** new and existing supplier audits were completed.
- Provided guidance on factory accreditation planning and direction for each factory. Factories also received assistance with ISO, Halal, integrity, and anti-epidemic system accreditations. In 2022, we obtained **2** Indonesian MUI Halal accreditation certificates, **2** Jiangsu Islamic Association Halal accreditation certificates, and **1** Measurement Management System accreditation certificate. We underwent a total of **50** third-party system audits.
- Since the new food safety law was implemented in Mainland China in 2015, the government regulator "State Administration for Market Regulation" has placed increasing emphasis on routine supervision of food safety. Customers have become increasingly strict with the quality control of their upstream raw materials. In 2022, the factories in Tianjin, Shanghai, and Guangzhou underwent a total of **44** government inspections and **9** customer audits.

Government and Association Relationship Management

Mainland China has a relatively complete food regulatory and standard management system. To keep up with national food policies and regulatory standards, government departments and public associations are important and indispensable contact points. In 2022, the Quality Headquarters and the Food Safety Office actively participated in government and public association activities and made efforts to cooperate in related work. We participated in a total of 5 public association organization activities and actively participated in drafting standards and submitting opinions on the revision of standard drafts 3 times.

Food Safety Research and Inspection Center (Research and Inspection Center for short)

In 2015, the Namchow Board of Directors approved the investment of NTD37 million to establish a Food Safety Laboratory at our Taiwan Headquarters. The lab reports to the General Manager's Office and provides more stringent control over raw material and product safety. The improvement in inspection scope and capability for raw materials and products represented a new milestone in food safety. In 2019, the Food Safety Laboratory of the headquarters was officially established and named the Food Safety Research and Inspection Center, abbreviated as the Research and Inspection Center. It is dedicated to developing new testing items and collaborating with business units to conduct ongoing research on international food safety issues. With the operation of the Research and Inspection Center gradually on track, and the introduction of ISO17025: 2017 management system and technologies, we have possessed the ability to conduct independent a testing of food chemistry.

In 2020, the Research and Inspection Center applied for the Taiwan Accreditation Foundation's (TAF's) accreditation of the ISO17025: 2017 system for the first time, and successfully obtained the accreditation of the item of heavy metals in edible oils and fats, proving that the center's management system and the capability to test heavy metals in edible oils and fats have met the international standards.

In 2022, we successfully acquired several accreditations, including TAF accreditations for laboratory testing of E. coli, Coliform Bacteria, Enterobacteriaceae, Listeria monocytogenes, and Salmonella. Additionally, to meet the testing requirements of business units' food safety monitoring programs, the Research and Inspection Center dedicated efforts to develop new testing parameters in 2022. This includes testing for erucic acid and trans fatty acids in edible oils, which will assist in monitoring changes in ingredient oils and during processing. We anticipate applying for an expansion of TAF laboratory accreditation in 2023 to cover these new testing parameters.

Regarding the Gastronomy Business Division in Taiwan, since the establishment of the voluntary inspection procedure in 2017, we have continued to collect data from post-market surveillance and border inspections. Each year, we update this information and develop inspection plans for the current year's food materials and dishes based on the principles of high detection, high concern, and high risk.

In 2022, we conducted sampling and monitoring of restaurant ingredients, drinking water, ice cubes, and meals. We tested pesticide residues, heavy metals, sulfur dioxide, preservatives, and microorganisms (sanitary indicator bacteria), among other parameters. The results showed a 92% compliance rate for ingredients, and a 100% compliance rate for drinking water, ice cubes, and meals.

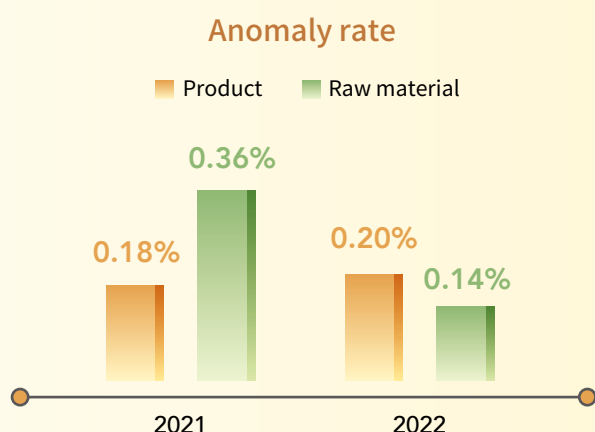
Compared to the previous year, the compliance rate for ingredients increased by approximately 10%. The compliance rate for drinking water, ice cubes, and meals remained at 100%, demonstrating our continuous commitment to food safety for our customers. To maximize testing efficiency, we continue to follow the principles of high detection, high concern, and high risk when conducting sampling. When there is an item that does not pass tests, the supplier will be asked to change their source. The Food Safety Office, in conjunction with the procurement department, conducts on-site audits of suppliers with a frequency aimed at reducing risks and achieving table-to-farm source management.

Food Safety/Quality Control Laboratory

In addition to the Research and Inspection Center at our headquarters in Taiwan, food safety/quality control laboratories as well as the relevant full-time personnel have been set up in each regional factory. The goal is to be able to conduct testing for different product items such as raw materials, semi-product, and final products as required. We also commission an external laboratory to conduct testing of some food safety items according to relevant regulations and risk control needs. In 2022, the total expenses incurred by the Namchow Group for quality and food safety-related management, as well as equipment, amounted to NTD152,811,000, representing 0.75% of the consolidated operating revenue. Other regional laboratories were mainly involved in carrying out the following activities and tests:

Taiwan region

Internal testing



Explanation:

- (1) Final products undergo different testing based on their respective attributes. Testing covers general quality, fatty acid composition, microorganisms, roasting/baking, and quality assessment.
- (2) Final products must achieve 100% pass rate in all indicators before selling. Final products that do not pass the tests are handled according to the Company's internal procedures.
- (3) Raw materials undergo different testing based on their respective attributes. Testing covers general quality, fatty acid composition, microorganisms, and quality assessment.
- (4) Raw materials must pass the quality test before they can be accepted and allowed to enter the production process.

Outsourced testing

Testing of attributes specific to individual materials and final products; the scope of the test varies depending on the type of material/product involved. Testing encompassed mandatory testing, sanitation standards (e.g. pesticide residue, veterinary drug residue, mycotoxin, heavy metals, micro-organisms), Standards for Specification, Scope, Application & Limitation of Food Additives, labeling of packaged food ingredients, as well as hazard analysis and assessment. The rate of anomalies reported by outsourced testing was 0%. In addition to the aforementioned test items, we also commissioned third-party laboratories to carry out testing on key metrics for internal research and reference.

Mainland China region

To fulfill our commitment to customers in providing food safety and assurance, quality inspection labs were established at each regional factory at the very start. In addition to requiring the re-certification of laboratory testing personnel every year, the laboratories also test raw and auxiliary materials, semi-products, and final products at the factories against the relevant standards. Please refer to Appendix pp. 112-116 for 2022 laboratory-related inspection details.



Thailand region

Namchow (Thailand) set up an internal laboratory under the QC department when the factory was first built. Raw materials, semi-products and final products are tested on their physical properties, chemical properties, microorganisms, allergens, and other food safety or related quality indicators to ensure that all products conform to regulatory and customer requirements. In order to enhance our self-testing capabilities, we invested nearly 1 million Thai Baht to establish internal laboratory equipment and provided professional training to laboratory staff to ensure compliance with testing standards. In addition, experienced external laboratories are commissioned to conduct some of the tests for potential risks that we do not have the inspection capability for. For detailed laboratory testing results in 2022, please refer to Appendix P117 to P118.

Certification of product safety system

Maintaining sound product quality and exercising proper safety management has always been our business focus. Internally, we continue to raise employees' awareness of food safety regulations; at the factory end, we constantly strive to upgrade the safety standards of our food production and tighten controls over product quality. Our production units are continuing to make improvements to food sanitation, safety and quality control systems. ISO 9001 (Quality Management System), HACCP (Hazard Analysis and Critical Control Points), ISO 22000 (Food Safety Management System), and FSSC 22000 (Food Safety System Certification) have been progressively introduced and certified to ensure that quality and safety targets are met.

Given the ongoing globalization and liberalization of trade activities, Namchow Thailand was founded as Namchow Group's first overseas operation and has since become the group's strongest support for export sales into Europe and America. All products manufactured by Namchow Thailand have been certified for BRC's Global Standard for food safety, which further strengthened the subsidiary's connection with retailers and raised consumers' confidence. By reducing food safety risk and adopting pro-active food safety management, Namchow Thailand has successfully opened up markets in Europe, Asia, and America. Apart from BRC certification, products manufactured by Namchow Thailand have also been certified for International Food Standards (IFS), as required by customers and to increase market share in Europe. Being certified for recognizable standards could promote transparency and process flow within the food supply chain.

In addition to obtaining international certifications for food safety and quality management systems, we have also implemented food safety monitoring and control measures on our production lines at each factory. Each factory has established committees for quality control, environmental management, and other relevant areas, in accordance with the requirements of ISO 22000, FSSC 22000, HACCP, and other food safety management systems. These committees formulate quality and sanitation control standards, tracking mechanisms, and personnel training programs. Regular meetings are held to discuss and monitor relevant projects and goal achievements within the factory. Specific food safety monitoring and control methods have been developed and implemented for different product lines, with regular tracking. Across all regions, the non-compliance rate for products audited by the Global Food Safety Initiative (GFSI) is 0, and the corrective action rate for major and minor non-compliance products is 100%.

To effectively meet the production needs of each division and production base, the procurement of raw materials should comply with the relevant laws and regulations on the use of GM food ingredients (such as Act Governing Food Safety and Sanitation), establish appropriate policies and internal standard procedures, and purchase at reasonable prices in order to reduce costs and increase the company's profits. In addition, according to the procurement management procedures, each new raw material or labeling of a vendor is submitted by the Product Development Division for cross-reference with the Food Safety Office and the Legal Affairs Director before the Procurement Division carries out the procurement.

At the same time, in order to ensure that Namchow Group's factories can identify and evaluate the risks affecting product quality, sanitation and safety during the processes of storing, manufacturing, packaging, and the storing and transporting of products, each factory has established and certified a Hazard Analysis and Critical Control Point (HACCP) system for food products to ensure that all products have undergone effective hazard analysis, that critical control points have been identified, and that a scientific and reasonable HACCP plan has been devised to ensure food safety. International audits as well as internal/external audits ensure that operational deficiencies at factories can be identified. Corrective action can then be carried out in a timely manner to ensure compliance with product safety regulations.

The statistics **related to food safety training and education** in various regions, which have a 100% impact on product quality and safety, are as follows:

Location	2020		2021		2022	
	participants	hours	participants	hours	participants	hours
Taiwan	1,338	6,400	1,307	5,522	1,346	4,437
Mainland China	2,102	9,503	1,560	6,488	1,872	13,001
Thailand	1,585	10,848	1,039	6,462	1,196	7,260

Description of product lines of production units with international food safety and quality management certifications:

Products and product lines of Namchow production units with international food safety and quality management certifications



Please refer to Appendix P109 to P111 for the certification status of factories in various regions.

2.3 Sustainable Supply Chain Management

GRI: 2-25, 204-1, 308-1, 308-2

SASB: FB-AG-250a.2, FB-AG-000.A, FB-AG-000.D, FB-AG-430a.1, FB-AG-430a.2, FB-AG-430a.3

In recent years, climate change will intensify the risk of business operations. Extreme weather events caused by climate change may have an impact on operating activities, such as resource acquisition and business activities, which will in turn impact the Company's finances and employee health and safety. To respond to the adverse impacts of climate change on business continuity, all operating sites of the Group conduct supplier risk assessments and share relevant experience in food safety control to ensure the quality, safety, and stability of the supply chain to adapt to the impact of climate change.

In the supply chain management policy, we regard suppliers and customers as our long-term partners, and join hands with them to create a stable and mutually beneficial partnership. In the process of business, we not only take into account the supplier's product quality, delivery time, and prices but also take on the corporate social responsibility to reduce the impact on the environment, create economic and social benefits, and jointly pay attention to material issues, such as environmental protection, human rights protection, and workplace safety. In 2022, all suppliers were able to ensure 100% safe supply of raw materials in accordance with the company's and local COVID-19 prevention requirements.

Local Procurement Principles

 Manufacturing business

 Taiwan region

The domestic procurement process has been unified to effectively coordinate the production requirements of each production location. Raw materials and packaging can then be purchased at reasonable prices to reduce costs, improve our profit margins, and fulfill our corporate social responsibility. The direct or indirect raw/packaging materials needed for production location for producing or packaging products are purchased domestically by the procurement unit in order to fulfill food safety and traceability management. For foreign procurement, to ensure that imported materials, machinery and parts all comply with the law, improve cost-effectiveness, and are procured in suitable quantities at appropriate times, the procurement process has been unified to maximize the synergies from procurement resources in Taiwan.

To do our part in supporting local industries in Taiwan, with the exception of imported commodity oils & fats, flour and dairy supplies, Namchow Group purchases locally produced ingredients where possible to reduce transportation costs and carbon emission. In 2022, the total quantity of primary agricultural products produced by various factories amounted to approximately 5,201 metric tons, with a cost of approximately NTD119,809,000 for externally sourced agricultural products. The cost of agricultural products purchased from primary suppliers was approximately NTD1,405,018,000. Among the agricultural products purchased from primary suppliers, those certified through GFSI-approved food safety certification programs accounted for 28.23% of the total cost.

 Mainland China region

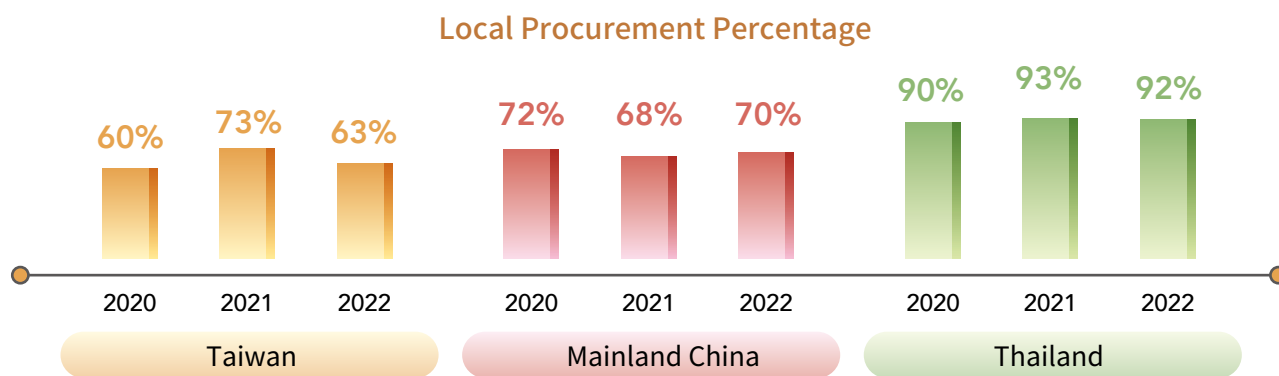
The specifications for raw materials depend on the formulation and production conditions. Raw materials come from multiple international and domestic sources with each procurement aimed at satisfying our operational requirements for the next 3 to 6 months. Market fluctuations, order lead time, and inventory levels are then used to determine the frequency and timing of procurement. For risk diversification, food safety traceability management, and balancing of multiple and local sources, preference is given to local suppliers that satisfy the procurement specifications and qualifications.

Thailand region

Namchow has developed rice crackers, cooked rice cuisine, and porridge related products based on the rich local rice resources. Except for some edible oils and fats purchased through Taiwan, raw materials are mostly procured from local suppliers to reduce delivery time, transportation costs, and tax expenses.

In 2022, the Thailand factory produced approximately 16,401 metric tons of primary agricultural products, with an approximate cost of NTD 1,156,956,000 for externally sourced agricultural products. The cost of agricultural products purchased from primary suppliers was approximately NTD 626,718,000. Among the agricultural products purchased from primary suppliers, those certified through GFSI-approved food safety certification programs accounted for 63% of the total cost.

Namchow Group is continuing to push for the localization of raw materials, packaging, machinery, and parts in order to reduce transportation costs and carbon emissions. The increased responsiveness of the supply chain also ensures effective customer service. The ratio of local procurement in each region is as follows:



Gastronomy Business Division

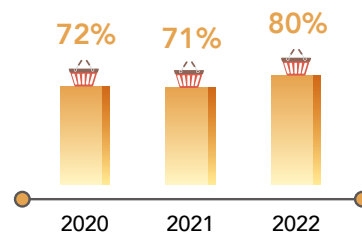
Taiwan region

We made seasonal, local ingredients our first choice in our selection of ingredients for restaurants, not only out of compliance with laws and regulations, but also because of the impact of extreme climates in recent years and our desire to protect the environment and reduce unnecessary consumption through transportation. At the same time, we also sought to acquire products directly from local producers with the same standards in quality, or purchased local agricultural products from farmers' associations, small-scale farmers, or production and marketing classes with the help of local farmers' associations based on the principle of integrity and mutual benefit. This also serves to promote local Taiwanese agricultural products. In 2022, 100% of the procurement was conducted from local suppliers within Taiwan to promote local economic development. The cost of externally sourced agricultural products was approximately NTD69,550,000. Through local suppliers, we not only enhanced the flexibility of supply and reduced unnecessary costs, but we also achieved effective control over the quality of ingredients and the stability of supply.

Mainland China region

BLN Restaurants & Caterings adhere strictly to the spirit of the *Food Safety Law of PRC* and *Food Safety Regulations of Shanghai* during the procurement of raw materials. Supplier screening and assessment give preference to local suppliers while also taking their qualifications, integrity, product quality, supply consistency, and pricing into account. The ultimate decision is based on supplier qualifications, market reports, and comparison of multiple vendors. The business process includes strict reviews and assessments of suppliers' product quality, punctuality, and cooperation. Those that fail to meet Namchow standards are replaced immediately. In 2022, domestic ingredient and consumable procurement accounted for 80% of the total procurement amount.

Local procurement percentage of BLN Restaurants & Caterings



Note: Domestic procurement amount/Total procurement amount

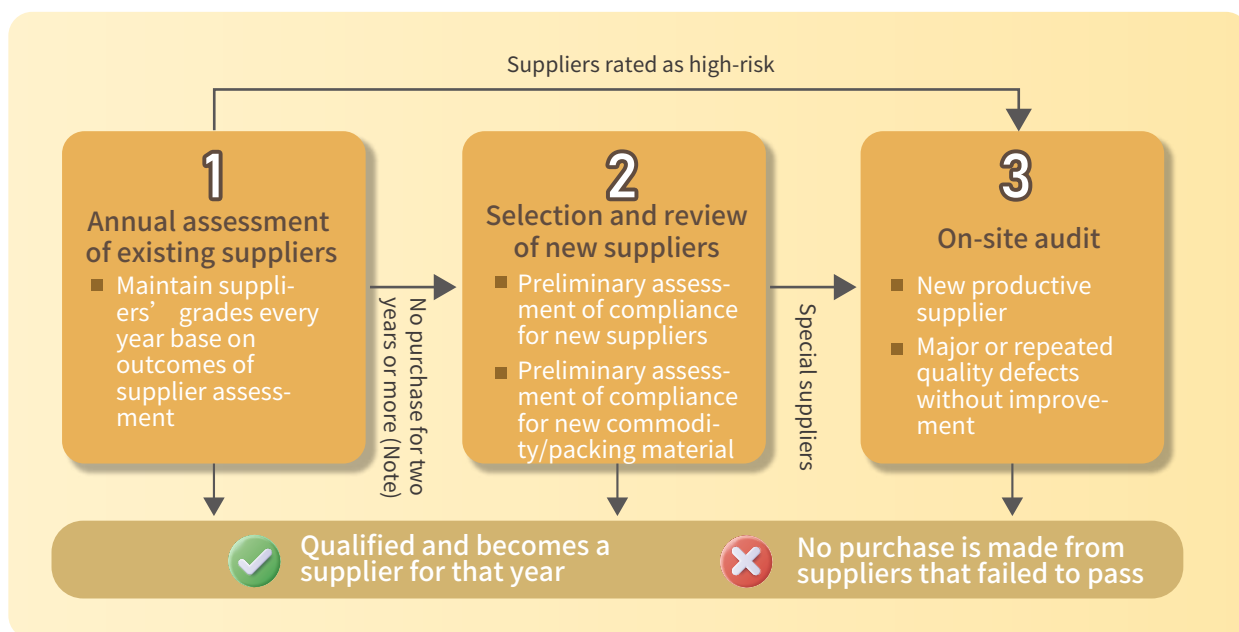
Supplier management and risk assessment

Manufacturing business

In addition to the procurement of bulk raw materials, in order to ensure that our suppliers provide safe and secure products, we require our suppliers to obtain accreditations from ISO, HACCP, AIB, HALAL, or FSSC. Some of our suppliers have also obtained other international accreditations such as RSPO and FSC. Any direct, indirect and packing materials required for production or packing are purchased by the procurement department of the respective production site after assessing raw material and supplier risks. Procurement policies have been established in accordance with local regulations, while issues concerning food safety and traceability are also being addressed properly.

Qualified suppliers of good quality are selected by Namchow Group through a fair, reasonable, and efficient supplier management process. We also make sure that all raw materials and packaging have reliable suppliers and good quality. Lower costs help to improve product competitiveness.

Supplier Management Process of Namchow Group



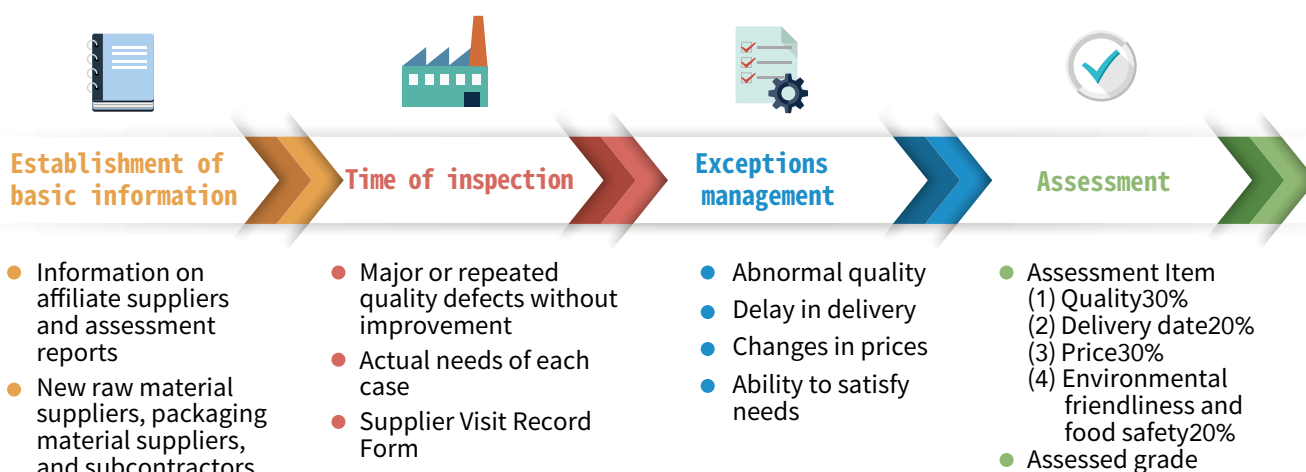
Note: In Taiwan, qualified suppliers who have not received orders from us for three years or more will be treated as new suppliers.

1 Annual assessment of existing suppliers

The procurement, food safety, quality, and R&D units are responsible for supplier assessments. These are divided into raw material risk assessment and supplier operation management (including environmental protection, food safety, delivery, price, supply, and quality assessment). On-site audits and document audits are conducted on a regular or ad hoc basis each year based on self-management and risk assessments.

Taiwan region

The assessment of suppliers is implemented on a regular and irregular basis; for assessments conducted on a regular basis, the supplier's delivery is reviewed every six months according to the SOP, and if abnormalities occur, the supplier is assessed.



Item	2020	2021	2022	Follow-up actions
Assessment frequency	Every 6 months	Every 6 months	Every 6 months	Grade A: Recommended as a priority candidate for reduced inspection or exemption from inspection Grade B: Continue to procure. Grade C: Reduce procurement (except exclusive vendors) Grade D: Cease transactions (if exclusive supplier, actively seek alternative suppliers)
No. of assessments	356	340	339	
Total supplier count	356	340	339	
Percentage assessed	100%	100%	100%	
Supplier assessment ratings				
Grade A	344	252	222	
Grade B	9	84	117	
Grade C	3	4	0	
Grade D	0	0	0	
Total	356	340	339	

Note: The total number of suppliers refers to the number of suppliers with whom transactions occurred during the given year.

Suppliers in Taiwan are expected to deliver goods in the appropriate quality, quantity, and timing. In the event of any quality anomalies, delivery delays, or change in pricing, the “exceptions management” protocol is triggered by the relevant units. The supplier is then required to undertake corrective action and undergo an assessment. In 2022, a total of 131 suppliers were subjected to exception management, and the assessment results are as follows:

Frequency/grade	2020	2021	2022
	Every 6 months	Every 6 months	Every 6 months
Grade A	8	10	14
Grade B	9	84	117
Grade C	3	4	0
Grade D	0	0	0
Total	20	98	131

In addition to monitoring suppliers' product quality, delivery timing and pricing, we also urge our suppliers to adopt stringent standards and tighten control over food safety and traceability, and to realize corporate social responsibility together with our company by protecting the environment, ensuring workplace health and safety, and valuing human rights. The contracts between the Company and our major suppliers contain the termination or dismissal clauses which come into force once the suppliers breach the corporate social responsibility policy and cause significant impact on the environment and society. In 2022, a total of 24 suppliers prepared sustainability reports for review during the supplier inventory.

Mainland China region

Annual supplier performance assessments look at components: raw material quality, delivery time, and service/cooperation. The Quality, Storage, and Procurement Departments jointly assess the supplier's capabilities. If no purchase occurs in the current year, no performance evaluation is needed for the supplier.

Item	2020	2021	2022	Follow-up actions
Assessment frequency	Once a year	Once a year	Once a year	<p>Grade A: Enjoy priority in negotiations, increase procurement percentage appropriately, and have the right of priority procurement.</p> <p>Grade B: Both parties identify improvement items, and the supplier provides improvement data.</p> <p>Grade C: Issue an improvement notice, with a deadline to complete within three months. If there is no improvement within the specified time frame and it involves high-risk raw materials, replace the supplier with a qualified one.</p> <p>Grade D: Strengthen inspections, cease transactions. (If no alternative supplier is available in the short term, dealing with existing suppliers may proceed only if approved according to internal procedures.)</p>
No. of assessments	227	247	230	
Total supplier count	263	275	254	
Percentage assessed	86.3%	89.8%	91%	
Supplier assessment ratings				
Grade A	217	239	223	<p>Description of Supplier Status for 2022:</p> <ol style="list-style-type: none"> 1. There were a total of 254 qualified suppliers. 2. Out of these, 230 suppliers were involved in procurement, while 24 suppliers were not involved in any procurement activities during the year.
Grade B	10	7	6	
Grade C	0	1	0	
Grade D	0	0	1	
Total	227	247	230	

The social responsibility has been added to the "Supplier On-site Inspection Report" since January 2017, such as whether the supplier has obtained SA 8000 accreditation, passed a CSR audit by a third-party with the corresponding accreditation or audit report, internationally accepted product responsibility standards, and internal CSR development program. These serve as a reference for continued collaboration with suppliers.

Thailand region

Every year, a comprehensive SOP is established for suppliers who have transactions in that year. Supplier basic risk assessments are conducted based on the assessment process, which covers product quality analysis and obtaining supplier verification certificates. Meanwhile, we issued Ethical Trade Alliance (ETI)—CSR questionnaires to all suppliers to learn about and manage their environment, social, and governance performance. In the questionnaires, suppliers were required to answer in detail their basic profile, as well as their management and practices on labor rights, health and safety, and prevention of environmental pollution. Responses are only deemed complete when they are signed and returned by the management. In 2022, Namchow (Thailand) collected a total of 7 supplier ETI questionnaires.

Item	2020	2021	2022	Follow-up actions
Assessment frequency	Twice a year	Twice a year	Twice a year	Grade A: Appropriate increases in procurement ratio and prioritized procurement. Grade B: Continue to procure. Grade C: Immediate suspension of procurement and issue of a notice of improvement. Procurement may only resume once the improvements have been confirmed.
No. of assessments	282	291	296	
Total supplier count	282	291	296	
Percentage assessed	100%	100%	100%	
Supplier assessment ratings				
Grade A	278	289	285	
Grade B	4	1	11	
Grade C	0	1	0	
Total	282	291	296	

Note: The total number of suppliers refers to the number of suppliers with whom transactions occurred during the given year.

2 ▶ Selection and review of new suppliers

Taiwan region

In terms of choices for new suppliers, ensure they have completed the registration and obtained the registration number if they are food industry operators that fit the registration category and scale. Otherwise, raw material and packaging vendors that have not received an order for over three years shall be treated as a new supplier. In terms of supplier choices, the procurement office may increase the number of experienced tendering vendors, which shall be approved and signed off by the company's department head or an authorized person.

Mainland China region

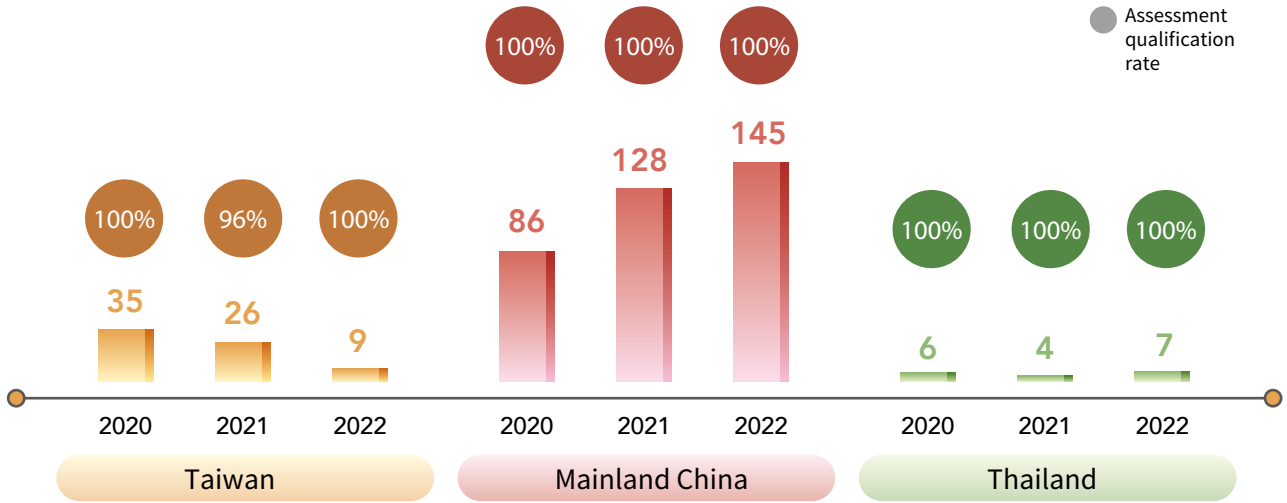
From the perspective of risk dispersion and food safety traceability management, we use multiple sources of supply for new materials, in addition to evaluating raw material risks and supplier risks in accordance with "Raw Material Risk Assessment and Supplier Risk Management", "Procurement Control Procedures", and "Supplier Evaluation Control Procedures"; furthermore, those who have obtained ISO9001 Quality Control System Accreditation, HACCP Hazard Analysis and Critical Control Point System Accreditation, ISO22000 Food Safety Management System Accreditation, AIB Accreditation, ISO14001 Environmental Management System Accreditation, and HALAL Accreditation are preferred. In 2022, in addition to the certifications mentioned above, 5 suppliers obtained RSPO (Roundtable on Sustainable Palm Oil) certification for sustainable palm oil, and 10 paperboard manufacturers became members of the FSC (Forest Stewardship Council).

Thailand region

When seeking new suppliers, priority is given to suppliers with BRC and IFS certifications for quality and food safety. Other suppliers with quality and environmental certifications, such as ISO 9001, ISO 14001, ISO 22000, GHPs, HACCP, FSSC, etc., are also considered. Company regulations require food safety testing during supplier selection. Suppliers are also chosen based on integrity, transparency, and certifications to meet production and customer requirements. In 2022, the Thailand factory added 7 new suppliers who have obtained organic and environmental accreditation for raw materials and packaging materials.

The new supplier review rules and principles require each region to continue looking for even more qualified suppliers to become long-term partners and grow together with Namchow Group.

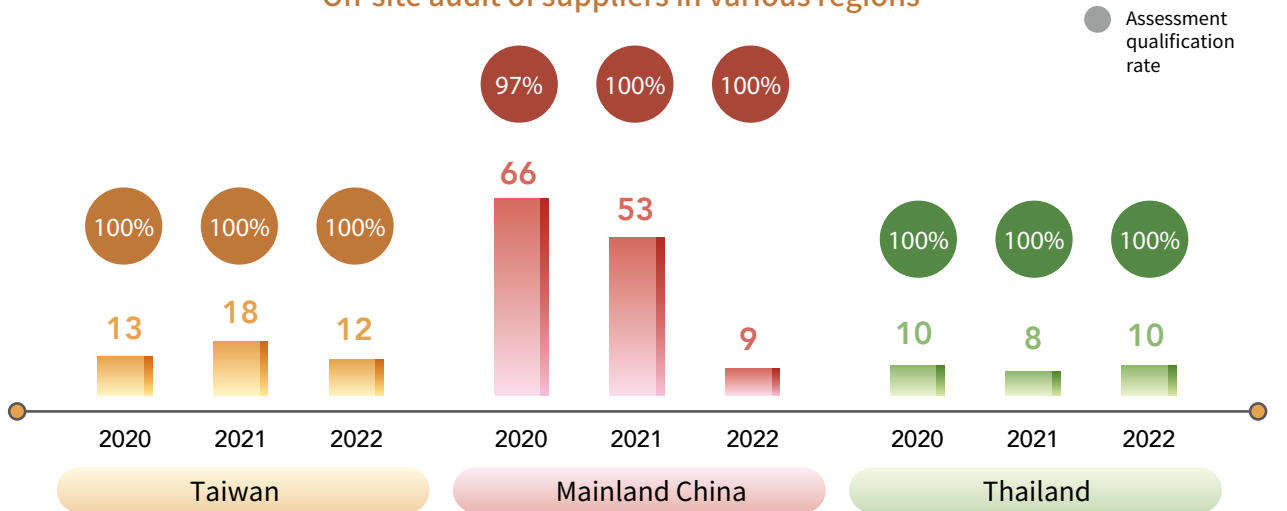
New supplier applications



3 On-site audit

In addition to supplier risk assessment and written reviews, field audits cover dimensions such as food safety, traceability, self-management, product quality, availability, service quality, process/product control, pollution prevention, waste removal and disposal, environmental hygiene, industrial safety, and corporate social responsibility. The audit ensures that the supplier's product meets our requirements. The audit findings are also taken into account by the annual supplier evaluation. Suppliers that experience problems such as a major quality defect, persistent quality issues, food traceability, or other issues (sourcing, pricing, delivery, and other) may also undergo a field audit if necessary.

On-site audit of suppliers in various regions



Taiwan region

The main raw materials of our company are edible oils and fats, primarily sourced from Australia (butter, canola oil), Spain (lard), the Philippines, Malaysia, and Indonesia (coconut oil, palm oil), among others. In order to ensure the quality of raw materials and traceability management, our company has conducted on-site visits to suppliers for edible oils, fats, and related raw materials, including butter, canola oil, lard, coconut oil, palm kernel oil, and Indonesian kaolin.

Before each inspection, based on the nature of the supplier and raw materials, and depending on the visit's needs and objectives, a Pre-Audit Checking list is prepared for the supplier. This is followed by an internal meeting to integrate internal resources and information. On-site inspections primarily focus on supplier aspects such as food safety, traceability (the spirit of FROM FARM TO TABLE traceability), self-management, product quality, supply conditions, service quality, process/product control, pollution prevention and control, waste clearance and disposal, environmental sanitation, industrial safety, and social corporate responsibility. After the inspection, we keep records of the visit period, personnel involved, issues discussed, and interview content. We provide improvement suggestions for any identified issues and compile visit reports, which are then incorporated into the supplier assessment results.

From first-tier suppliers, 1.84% of agricultural products have obtained third-party environmental or social standard accreditations. Suppliers underwent internal and external social and environmental standard audits, with no major or minor non-compliance issues.

Mainland China region

Routine management of suppliers consists of regular or random inspections of suppliers' production environment and pollution situation. Non-conforming suppliers are required to take corrective action. For suppliers with multiple instances of non-compliances, orders are reduced or canceled to preempt any negative impact from the supplier.

Thailand region

Implemented according to the items in the audit list. Relevant areas included the environment, ethics, quality, and CSR. From first-tier suppliers, 7.11% of agricultural products have obtained third-party environmental or social standard accreditations. Suppliers underwent internal and external social and environmental standard audits, with no major or minor non-compliance issues.

Gastronomy Business Division

Taiwan region

In selecting our supplier partners, we also consider those with international certifications such as ISO 22000, HACCP, and environmentally friendly product verifications like traceability and organic product certifications. In 2022, there were 47 suppliers with relevant certifications among our sources of ingredients, accounting for 43.12% of the total. Today, with the rising awareness of food safety, to ensure the safety of the food ingredients purchased, we have implemented supplier management, independent inspections, regular and unscheduled audits, and other tasks in the daily operating process; as such, every customer can be more at ease while enjoying our delicacies.

Suppliers of food ingredients with relevant certificates

Year	Total vendors	Number of certified vendors	Ratio of certified vendors	Explanation
2022	109	47	43.12%	Passed international accreditation or certifications, such as ISO 22000, HACCP, as well as eco-friendly product certificates, such as traceability and organic products.
2021	107	44	41.12%	
2020	94	43	45.7%	

Note: The total number of vendors refers to the number of suppliers managed in the company's records.

In 2022, we sourced 100% of our purchases from domestic suppliers and conducted assessments of 79 suppliers, accounting for 72.5% of all suppliers. To ensure that the quality, quantity and delivery of raw materials provided by our suppliers meet our standards, we conduct regular assessments of our suppliers, mainly in writing, supplemented by on-site factory visits. The assessment includes certification data or regular inspection reports of relevant products, product quality standards, factory operating environment, product delivery, and the ability to accommodate demands in all aspects of supply; it is based on the suppliers' annual trading performance.

Item	2020	2021	2022	Follow-up actions
Assessment frequency	Once a year	Once a year	Once a year	
No. of assessments	85	80	79	Grade A: Preferred supplier. Grade B: Qualified supplier. Grade C: Supplier with need for corrective actions or adjustments within a specified timeframe.
Total supplier count	94	107	109	
Percentage assessed	90.4%	74.8%	72.5%	
Supplier assessment ratings				
Grade A	57	46	20	
Grade B	28	34	58	
Grade C	0	0	1	
Total	85	80	79	

Note: The total number of suppliers refers to the number of suppliers managed in the company's records.

According to the "Raw Material Usage and Supplier Management Procedures," new suppliers must undergo a document review before confirming transactions. Factors considered include whether the supplier has product certifications like traceability and a history of compliance with past operational risks and food safety management. After confirming that these criteria are met, further procedures are carried out. In addition to including environmental risks related to food safety in the supplier assessment, due to the importance of environmental resources, we hope to work with our suppliers in the coming years to give priority to local, seasonal ingredients in order to reduce unnecessary transportation and attrition. Priority will also be given to environmentally-aware suppliers so we can protect the planet and look after the environment together.

On-site audits of suppliers are conducted every three years on a rotational basis, internalizing suppliers as part of the group and gradually improving supplier quality through audits, communication, improvement and feedback, so that we can work together to ensure food safety. In 2022, 9 supplier on-site audits were conducted, covering primary suppliers of vegetables, seafood, groceries, etc. Recommendations and follow-up feedback were provided as a result of these audits.

Out of the agricultural products purchased from primary suppliers, 41.86% have received third-party environmental or social standard certifications. These certifications break down as follows: ACCP: 36.21%, ISO: 36.21%, Organic Certification: 0.04%, Traceability Certification: 6.10%, Other Certifications (CAS, HALAL, TAF, etc.): 6.75% (calculated based on procurement amounts). Suppliers underwent internal and external audits based on social and environmental standards, and there were no major or minor non-compliance found. Suppliers were also required to provide product inspection reports, ensuring both product quality monitoring and consumer safety.

Yilan's Sanshing green onion are used in bulk; they are harvested where they're grown, packed into boxes, and delivered straight to our restaurants, reducing the carbon footprint created by packaging, secondary purchases, and the transportation process as well as the burden on the environment. To ensure the normal provision of meals, we will actively develop more suppliers to respond to extreme weather events caused by climate change, which will affect harvests.



Mainland China region

When BLN Restaurants & Caterings selects and evaluates suppliers, they primarily consider supplier qualifications, integrity, product quality, supply stability, and reasonable pricing, among other factors. They conduct market research for the required goods based on the kitchen requirements of their restaurants, following the principle of comparing products from at least three different sources. This involves assessing product quality, pricing advantages, supply capabilities, and the reputation of the supplier before choosing the most suitable one. For 41 key suppliers of BLN Restaurants & Caterings, an annual check is conducted by logging into the National Enterprise Credit Information Publicity System to verify the supplier's credit status for the current year. This check includes investigating whether they have faced any administrative penalties or have been listed on the blacklist for serious violations or dishonesty.

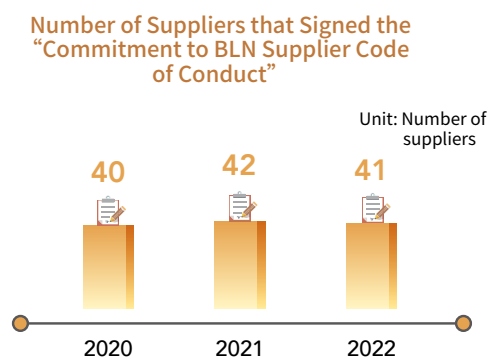


In 2022, BLN Restaurants & Caterings selected 5 of its main suppliers and commissioned a third-party auditing organization to conduct on-site inspections. The auditing firm provided an audit summary, and a statement of integrity from the third-party auditing organization was also obtained.

Supplier Assessment Outcomes

Item	2020	2021	2022	Follow-up actions
Assessment frequency	Once a year	Once a year	Once a year	The supplier grade evaluation results are summarized according to the actual audit of legal compliance, storage conditions, cross-contamination prevention, waste and garbage disposal, integrated pest management plan, and other criteria. Grade D or lower suppliers shall be suspended.
No. of assessments	9	8	5	
Total supplier count	81	67	50	
Percentage assessed	11.1%	11.9%	10.0%	
Supplier assessment ratings				
Grade A	4	1	2	Note 1: The total number of suppliers refers to the number of suppliers with whom transactions occurred during the given year.
Grade B	4	6	3	
Grade C	1	0	0	Note 2: The audits of the 5 suppliers in 2022 were delayed due to the pandemic and were completed in 2023.
Grade D	0	1	0	
Total	9	8	5	

Inheriting Namchow's philosophy of "in-depth and people-centered development", we are keenly aware of our responsibility to customers, suppliers, and employees. We also accept our responsibility for greening, energy conservation, and environmental protection. To this end, we have defined a strict set of ethical values to serve as a guide for business activities. At the same time, we hope that suppliers can adhere to the same ethical principles and code of conduct as well. The code of conduct they sign encompasses legal and ethical standards, non-use of child labor, non-discrimination, provision of a safe and healthy work environment, prevention of environmental damage, and anti-corruption. It also includes a declaration that suppliers may be disqualified for more severe violations. Number of suppliers that signed the "Commitment to BLN Supplier Code of Conduct" is as follows:



2.4 Product Traceability Management

GRI: 2-25, 417-1

SASB: FB-AG-250a.3

Product Resume and Traceability Management

The diversity, professionalism, and division of labor in the food industry have resulted in today's very complex food chain. Local and overseas manufacturers alike have to evaluate and consider sources, quality and safety of raw materials or products. As a result, information regarding the origin of raw materials or products is increasingly important to food manufacturers. We have therefore introduced a food resume traceability system that integrates the public cloud of the food registration platform with the private cloud of the traceability system. Together, they provide the public with fast and accurate product information. In 2022, there were no recalls or product withdrawals due to food safety issues in any region.

Taiwan region

Manufacturing business

Our food production businesses in Taiwan have registered information designated by the government on the Fadenbook—FDA Registration in accordance with the laws, including basic information on the food business, scope of business, and factory information. Information including the raw material purchase order number, raw material stock-in date, production order number, product expiry date, and shipping order number is used as the concatenated code for product traceability. Purchasing, manufacturing, and sales data are entered into ERP to achieve 100% traceability of products' raw materials and distribution. We simulate product recall once a year to verify the effectiveness of the product traceability system. The ERP traceability data will be integrated into and uploaded to the public cloud platform of Namchow Group for convenient inquiry on the platform. Before the 10th of each month, we upload the product traceability data of the previous month to the government's "food cloud" (Food traceability system - Ffacebook), and use e-invoice to help fulfill the purpose of the government's electronic management of food traceability.

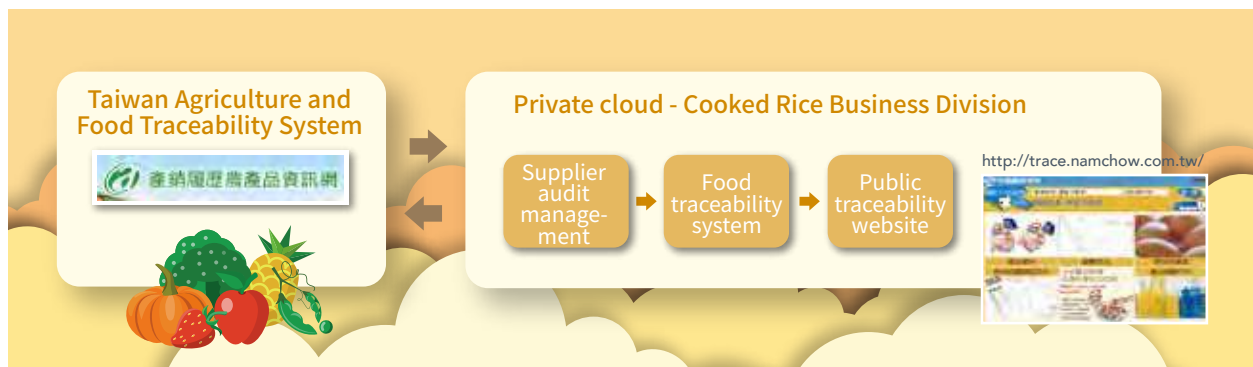


Note: Our food production business includes the Oils & Fats and Frozen Dough Business Division, Frozen Noodles Business Division, Lucky Royal Business Division, and Cooked Rice Business Division.

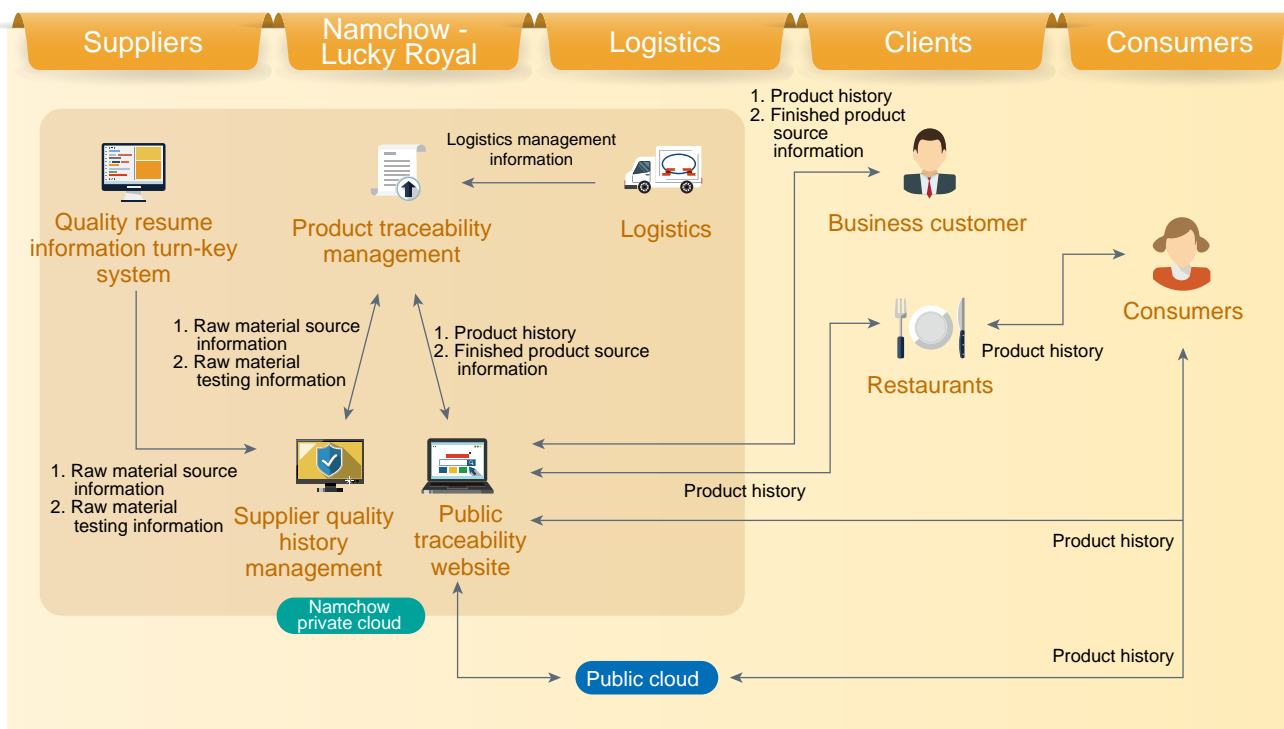
In addition, we have introduced a QR-code system for Oils & Fats and Frozen Dough Business Division, and use a PDA device to scan customers' QR codes on the shipping order and the QR-code on the product labels to collect the correct sales information, and send the data back to the ERP system.



Our Cooked Rice Business Division have established a corporate private cloud for aseptic cooked rice. We adopted the convenient 1D barcode for scanning to trace the history of such products. Through the website, domestic consumers, for the tray of rice in their hands, can learn about which farmer grew the rice; where it was grown; when the seedlings were planted; when were the irrigation, spraying, and fertilizing, harvest, drying, and milling; when it was made into aseptic cooked rice; the testing results of the aseptic cooked rice. This is truly from farm to table, allowing consumers to have rice with peace of mind.

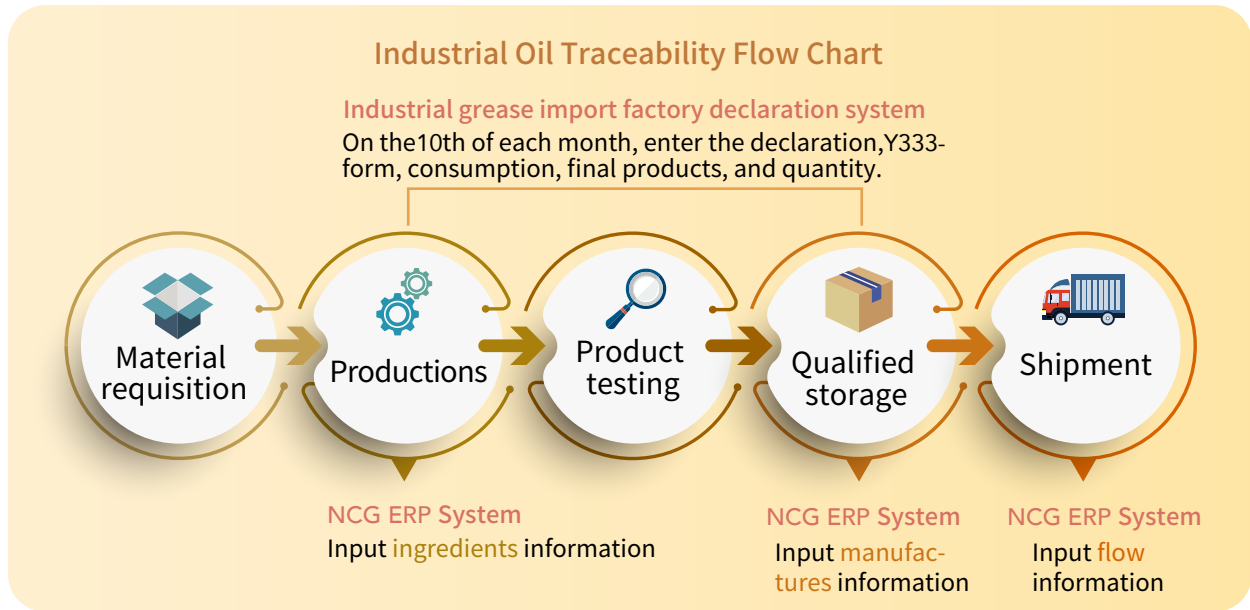


As for our Lucky Royal Division, it has implemented the Oracle electronic system to monitor the food traceability management system so that everything from the management of raw materials and food additives to the tracking of product flow is within its grasp. When combined with the Duroyal Ice Cream Business private cloud, consumers are given easy access to accurate information on all products offered.



Detergents Business

Namchow Detergent has set up a database to track the distribution of all imported industrial oils as part of the imported general industrial oil & fat factory reporting system required by law. The Taoyuan Factory now uploads 100% of its traceability data for products made from imported industrial oil to the reporting system.



Gastronomy Business Division

In consideration of food safety risks associated with various ingredients, and in accordance with the guidelines of the “Raw Material Usage and Supplier Management Procedures,” suppliers are required to fill out a “Raw Material Survey sheet.” Additionally, they are requested to provide relevant sanitary testing or packaging certification to confirm the source of the materials. In 2022, 78% of the gastronomy procurement amount can be traced back to its source.

Mainland China region

Manufacturing business

Products produced at the Tianjin, Shanghai, and Guangzhou factories have adopted the following traceability management and control information in accordance with the *Food Safety Law* and the production control requirements of customers and the enterprise itself. This ensures the rapid tracing of target history, application of location. In addition, each factory conducts at least one simulated traceability/recall exercise each year to verify the 100% traceability of all products and raw materials.

The traceability and recall procedures are used to control and verify product traceability. First, proper labeling and records enable the rapid and effective identification, quarantine, and tracking of affected products.

The advanced Electronic Resource Planning (ERP) system, allows the company to strictly control and record raw material access, storage, and transport information according to the production formula, process, and quality requirements throughout the whole production process. Information queries and traceability management can then be carried out more quickly and accurately.

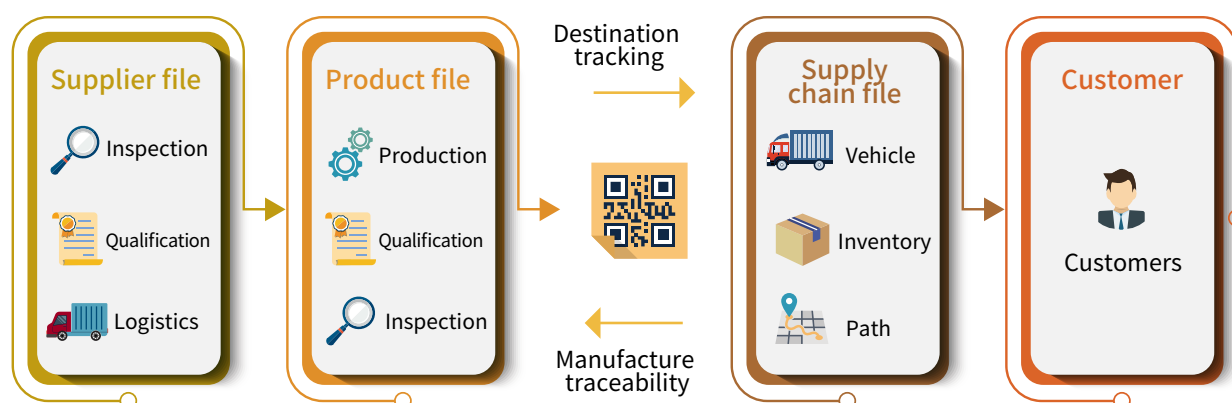
The ESC (Electronic Supervision Code) two-dimensional code encoding and the WMS (Warehouse Management System) are two mature and operational systems. A 2D code is printed on each product carton and another 2D code is automatically generated for each pallet. The 2D codes of the pallets and the cartons are then linked to each other, making it possible to query the product warehouse and shipping information through the 2D code. In the future, users can scan the 2D code with their mobile phones to get more product information.

In 2022, each factory's production lines conducted simulated traceability and recall drills, primarily using a combination of ERP, WMS, and paper-based records for the exercise.

The goal was to strengthen the management of food traceability information, practice production operator responsibility, improve the effectiveness of food safety supervision, as well as protect the public's physical health and consumers' right to know.

Shanghai Factory follows the regulations outlined in the "Shanghai Food Safety Information Traceability Management Measures." These regulations require the implementation of information traceability management for eleven major categories of food and edible agricultural products within the administrative area of Shanghai. This management covers the entire process, including production (including cultivation, breeding, and processing), distribution (including sales, storage, and transportation), and catering services. Specifically, the meat product division of the Shanghai factory has established a smart traceability system in 2022 in accordance with the "Guidance on Promoting the Smartization of Food Production Process Traceability System" and the "Three-Year Action Plan for Quality and Safety Improvement of Meat Products in Jinshan District." This system enables real-time information upload for various processes, including raw material procurement, inspection and receiving, production requisition, processing, product inspection, release, finished product storage, and shipment. Additionally, it has successfully integrated with the government's traceability platform, allowing for real-time access to traceability information with a single click.

To meet the Guangzhou city government's basic traceability management requirements for food production enterprises, our Guangzhou factory has registered its basic information, raw/auxiliary materials, supplier profile, and product-related information with the "Guangzhou Food Production Process Monitoring Platform".



Gastronomy Business Division

The purchasing department of BLN Restaurants & Caterings strictly follows the regulations of the "Food Safety Regulation of Shanghai". Each restaurant maintains a ledger on food acceptance based on the template provided by the Shanghai Municipal Administration for Market Regulation. The ledger provides a faithful record of all traceability information from purchased food products. In 2022, 88.54% of raw materials for foods by value could be traced to their origin.

Thailand region

100% traceability is available for products manufactured by Namchow (Thailand) from raw materials to the finished product or from finished products to raw materials. Purchase order number, package label reference code, or the date of manufacture printed on the package can be used to trace products back to their raw materials as well as packaging. By establishing new product coding principles to facilitate document management and data storage within the ERP system, and by developing an annual product traceability testing plan, in 2022, 10 product traceability tests were conducted, and it was confirmed that 100% of the traced products were successfully completed.

Correct and Complete Product Information

To enable consumers in understanding basic information about the product, efforts are being made to enhance the disclosure of relevant information. The containers or outer packaging of all products, foods, and ingredients produced by each region are clearly and fully labeled in accordance with local regulations. In 2022, Namchow Group did not experience any legal violations related to food labeling and descriptions.

Taiwan region

Product conformity is checked by all relevant units before a new product is launched in the market. For example, R&D checks for compliance with national standards, the Food Safety Office reviews the ingredients and labeling, and Legal Affairs reviews the relevant laws to ensure compliance with *Act Governing Food Safety and Sanitation* and related regulations.

All product labeling adheres to Article 22 of the *Act Governing Food Safety and Sanitation*. The labeling for Oil & Fat products and the Frozen Dough Business Division currently provides an expanded list of all ingredients. As a result, customers receive full disclosure on product ingredients, nutritional content, allergens, and genetic modification information. All of the above information is labeled fully and clearly on the product packaging with no promotional messages or slogans added.

All products by the gastronomy business are properly labeled in accordance with the regulations. In addition, the origins of ingredients are indicated on some menus to provide consumers with full disclosure so they can enjoy our products without fear.

Mainland China region

All of Namchow Group's business units in mainland China strictly adhere to the specifications outlined in the national standards, such as "GB 7718 Food Safety National Standard for Prepackaged Food Labels," "GB 28050 Food Safety National Standard for Prepackaged Food Nutrition Labels," and "GB 13432 Food Safety National Standard for Prepackaged Special Dietary Food Labels," for the labeling of "prepackaged foods provided directly or indirectly to consumers." These labels include information such as the product name, specifications, net content, production date, shelf life and storage conditions, compliance with standards, place of origin, factory address, contact information, nutrition labels, and allergen information. Any additional information not included on the label is specified in the product manual or contract. All labeling is subject to joint review and approval by the Marketing Department, Quality Department, Legal Affairs Department, or Research and Development Department, as per the requirements of each respective business unit.

Thailand region

Namchow (Thailand) works closely with the customer on all of its products to provide correct product labeling information tailored to their sales region. Product labeling, therefore, conforms to national regulations or policies. Product labeling includes shelf life, product ingredients, storage recommendations, cooking instructions, importer's name and address, legal and regulatory warnings and other food regulatory labels, and requires strict internal review and approval.



2.5 Diversified Creative Marketing and Strategy

Namchow will develop high value-added products according to consumer interests, partner with various types of enterprises to create and expand business opportunities, maximize benefits for consumers, and drive the industry's progress. Namchow Group prides itself for "providing the best service to customers". We operate a service network that covers all customers and brings them the closest attention and the most comprehensive consultative service, so that we may engage our customers in a mutually beneficial relationship and grow with time.

Taiwan region

Detergents Business

The "Namchow Crystal Soap" brand has almost become synonymous with "soap" after sixty years. We are committed to the pursuit of a healthy lifestyle in harmony with nature through making products from natural oils and fats.

The constantly improving living standards and rising awareness of environmental protection have made consumers constantly pay attention to cleaning products that are highly biodegradable and will not hurt the ecological environment. The Namchow crystal soap series is made of natural oils and fats, with simple composition and free of additives; it is highly recognized by general consumers.



Antrodia Division

The brand "Antrodia Tale" was launched by Namchow in 2017. Its main ingredient is antrodia, a precious fungus unique to Taiwan. Local features were incorporated into "Antrodia Tale—Essential Bath Soap" to create a competitive advantage by conveying the energy of Taiwanese forests and a unique bathing experience. The soap opens a new door for Namchow's skin care products line. In-depth engagement through the corporate website and social networks provided consumers with a complete understanding of Antrodia Tale's product ingredients, the soap-making process, and correct usage. Consumers are therefore put at ease and made more willing to share the product with friends and relatives, spreading a favorable impression of our company through word-of-mouth advertising.

Oil & Fat / Frozen Dough Business

In the post-pandemic era, a new normal developed in the industry and among consumers. Healthy, delicious, and convenient has become key in the food and beverage industry. In the face of a rapidly changing and competitive market, the new norm in consumption has brought a variety of challenges to the industry as well as new opportunities for the market to expand infinitely. We proposed a new concept—the "culinarization" of baking—to lead the improvement of the overall market, introducing the concepts, techniques, skills, emotions, and values used in fine cuisine to our baking operations, working together with bakers to create product differentiation, and enhancing business competitiveness and added value.

☑ Cooked Rice Business

With the intention of improving Taiwanese people's health, Namchow Group has developed two products, "cooked rice with various grains" and "cooked rice with barley and oat", which have been certified by many national healthy food certifications. They help to regulate blood sugar and control total cholesterol, serving as the only types of instant rice on the market that help to maintain health, and are high-quality products recommended by many healthcare workers.

The recently launched organic red quinoa raw rice is the first organic cooked rice certified by a professional organization in Taiwan. Our R&D team carefully selected the organic brown rice and organic white rice in Chishang, Taitung, along with Peruvian organic red quinoa, to create nutritious, highly absorbent, and gluten-free instant rice in a perfect proportion. Among our aseptic cooked rice products, the organic product's share of sales increased from 3.8% in 2021 to 4.4% in 2022.



☑ Frozen Noodles Business

For twenty years, Namchow's Sanuki Frozen Noodles used its unique advantage and professional frozen noodles production technology to become the only professional manufacturer and supplier of frozen noodles in the industry. Over the years, we have deeply penetrated the domestic gastronomy market through various channels, as well as major supermarkets, department store fresh sections, and convenience stores across the province. Our customer base has exceeded twenty thousand people. The competitive advantage in the frozen noodles market lies in providing innovative and differentiated products with high added value. This approach caters to the diverse lifestyles of modern consumers and the varied demands of gastronomy providers while also fostering strong customer relationships.

☑ Little Cook Slow-Meal Noodles Division

The Little Cook Slow-Meal Noodles Division adheres to the brand spirit of never compromising on taste by incorporating well-known worldwide ingredients into our products and presenting the most high-quality products to consumers. We advocate and promote the "Slow Meal Noodles" Movement, encouraging people to take breaks from their busy daily routine and enjoy the delicious and nutritious meals presented by Little Cook Slow-Meal Noodles. We constantly research, develop, and launch new products so that more and more consumers can taste the deliciousness of Little Cook products and experience our dedication.

Furthermore, Little Cook produces high-quality vegan slow-meal noodles with a cautious attitude and rigorous manufacturing process. We advocate occasional vegetarian choices in daily life, contribute to planetary well-being, and enhance nutritional value. Little Cook's vegetarian slow-meal noodle soup is completely vegan and made from unprocessed vegetarian ingredients, leading the trend of vegetarian food with less health burden and more delicious taste.



☑ Ice Cream Business

Lucky Royal operates the business in the affordable and high-end ice cream markets in Taiwan with two brands: Duroyal and Kabisuo. The product categories include: ice cream, ice cream bar, ice cream cone, popsicles, ice cream desserts, soft-serve ice cream, smoothies, etc., and its Crunchy Pie series, Duroyal ice cream cone, Duroyal ice cream, Duroyal mochi ice cream, and Duroyal green mango popsicles are all well-known long-term bestselling products, and their sales channels range from convenience stores, supermarkets, hypermarkets to restaurants. It has expanded our OEM and ODM business since 2009. In 2019, it also took advantage of the trends towards co-branding and platforming to develop best-selling products that generate a strong market buzz.

International Trading

Namchow International Trading Business promotes and sells products manufactured in Taiwan to countries worldwide (excluding China). Our primary export products currently include aseptic cooked rice, Frozen Dough, Oil & Fat, and Frozen Noodles. We expand our product reach to various regions through overseas exhibitions and participation in procurement conferences. Our products are promoted in North America (USA, Canada), Europe (Switzerland, Spain), Australia, Asia (Japan, Hong Kong, Indonesia), and the Middle East (Dubai), among others. In addition, we have continued to pay attention to product requirements of various governments, adjust our pace to meet customer needs, and further develop more channels and markets.

Gastronomy Business Division

Namchow Group's restaurant brands (Paulaner, Dian Shui Lou, Honbaryu) believes that innovation and differentiation should incorporate the culture of a region or nation. These restaurants are therefore known for serving authentic and classic cuisines using local, seasonal ingredients. Their creative dishes have won numerous awards over the years. We monitor brand and product-related messages on social media networks and the Internet every day to provide an appropriate response in a timely manner.

Mainland China region

Namchow always aims to provide customers with a full range of solutions. We have extensive production technology and marketing management experience, and diverse products, suitable for the processes and market needs of different types of customers. With advanced R&D technology, high-end quality management, and comprehensive after-sales service, we have developed a reputation in the baking field successfully, with customers located in China's major cities.

Oils & Fats/Pre-Made Baking Business

Namchow's pre-made baking business in mainland China has been developed for many years. With a commitment to continuous improvement in product development and a keen understanding of market trends, we have consistently strived to create a variety of high-quality baking products that enhance competitiveness for our customers and provide consumers with delicious and trustworthy baked goods. This has allowed us to accumulate extensive marketing experience in China's baking industry.

As consumer markets rapidly evolve, and consumer behavior related to baked goods becomes more sophisticated, "freshly baked" products have become a mainstream selling point. Consequently, there is a growing demand for both quality and variety in baking products. To meet this demand, bakeries are increasingly inclined to offer pre-made baking products that improve product quality, reduce labor costs, and cater to the need for quick and efficient service, making pre-made baking products a blue ocean in the baking industry. Namchow leverages its comprehensive expertise in raw materials and production techniques to align with market demands, strategically expanding its pre-made baking product offerings. We understand the primary consumer scenarios for pre-made baking in bakery chains, including coffee shops, restaurants, membership discount stores, supermarkets, convenience stores, and home baking. With the growth of labor costs, technology, and capital requirements, the demand for pre-made baking products continues to rise.

Namchow possesses extensive experience in the research and development of frozen baked goods, along with advanced production equipment and a professional baking production organization. We consistently invest in modern and specialized pre-made baking production facilities, equipped with smart and scalable production lines, advanced cold storage, and distribution systems. This substantial investment enhances our product manufacturing capabilities, allowing us to continuously upgrade and expand the range of solutions we offer to meet the diverse needs of the Chinese market.



Namchow has accumulated rich marketing experience and keen market insights in the baking market. We conduct in-depth research on overseas markets, anticipate trends, and proactively position ourselves. We have assembled project teams to provide customized solutions and organize various events such as seminars, product launches, and exhibitions. This allows us to offer customers a 360-degree consultancy service.

Namchow's original aspirations is to provide comprehensive baking solutions to various industries and channels. We offer customers a diverse selection of distinctive products, whether it's popular baking items from Japan, Korea, and Europe or products that simplify their production processes. We always consider regional baking consumption trends while closely aligning with customers' positioning and requirements. This helps customers expand their business scope and seize baking-related opportunities. We also provide the market with more timely and convenient pre-made baking products to meet the needs of different scenarios.

In the face of fierce market competition, Namchow not only focuses on expanding its business in the mainland Chinese market but also actively explores international markets. Currently, we export our products to countries including Canada, Japan, and Australia, with plans to continue expanding our overseas business for global baking and food and beverage customers. Namchow will continue to rely on its strongest support—its customers. We will continuously upgrade our industry, meet market demands, and provide consumers with higher-quality pre-baked baking product solutions.

Frozen Noodles Business

With the aim of providing delicious, safe, and efficient food and beverage services, we uphold professional and rigorous production processes to deliver excellent products to our customers. We also provide comprehensive solutions to assist customers in restaurant management, menu design, and store planning. Through market research on consumer intentions and taste preferences for healthy fast food, we have developed the “Duroyal Kitchen” premium meal kits and frozen noodles made from natural ingredients without additives. We constantly innovate in response to increasing market demand.

In addition to Shanghai, which is our primary market of sales, we have gradually expanded to various regions in mainland China and even ventured beyond China, stepping onto the global stage. Consequently, Sushi Tei, a Japanese restaurant in Indonesia, has become one of our service points. Our collaboration with Sushi Tei in Indonesia was driven by the demand for halal food. Our entire line of frozen noodles has received MUI halal accreditation, ensuring not only satisfaction for consumers' taste buds but also peace of mind.

As technology advances, people's lifestyles are becoming increasingly fast-paced, and convenience and speed have become the sought-after attributes. Whether in the food and beverage sector or individual consumers, everyone recognizes that freshness, deliciousness, and speed bring maximum convenience. Thus, B2B and B2C have become products of this era. B2B partnerships primarily target food and beverage channels, including hotels, cafeterias, and restaurant chains. Other closed channels such as airport food courts and Disneyland have also evolved into customers for Namchow. Furthermore, operating under the B2B business model allows us to establish and maintain long-term customer relationships, creating mutually beneficial situations.

Gastronomy Business Division

BLN Restaurants & Caterings is a subsidiary of Taiwan's Namchow Group, established in Shanghai in 1996. It is a well-established and steadily growing renowned catering group, known for its successful operation of high-end brand restaurants in Asia. In the global context of the COVID-19 pandemic in 2022, BLN Restaurants & Caterings steadfastly adhered to the guiding principles of the parent company, Namchow Group, which embodies the ethos of “steadfastness and prudence.” We remained committed to legal compliance, refraining from speculative or short-term gains, maintaining financial integrity and transparency, fostering harmonious labor relations, upholding the correct business direction, and fulfilling our corporate social responsibilities diligently.

Currently, the company operates one brand, the German-themed Paulaner Beer Garden restaurant, with a total of five restaurant locations. These restaurants host diverse international culinary and cultural events, promoting the regional transition towards internationalization and a more refined lifestyle. They encourage community interaction and cultivate a lifestyle characterized by cultural enrichment. By deeply engaging with cultural activities, BLN Restaurants & Caterings build an image of a dining kingdom that embodies rich culinary culture and humanistic values. In 2022, BLN Restaurants & Caterings organized two major culinary and cultural marketing events, enhancing the company's image among local employees and residents.

Halloween

Participants
497

Goal Cultural Festival Communication

Event theme Popular festivals in Europe and America, including Halloween-themed food and beverages and children's Halloween parties

Accomplishments The children's Halloween party has become another iconic children themed activity of BLN Restaurants & Caterings, which is very popular among local and international families in Shanghai.



Christkindl market

Participants
7,538

Goal Cultural Festivals and Spread of Love

Event theme A world-famous medieval folk custom. It is a festive market held during the winter season that is also known as the Pentecost.

Accomplishments The Christkindlmarkt is an event brimming with a strong holiday atmosphere. It illuminates the cold winter of Shanghai with laughter and joy. Through its warm ambiance, it brings together people from different backgrounds and cultures, while also serving as a platform for charitable organizations to spread warmth and love. For instance, it supports the Heart to Heart foundation in providing heart surgeries for local underprivileged children.

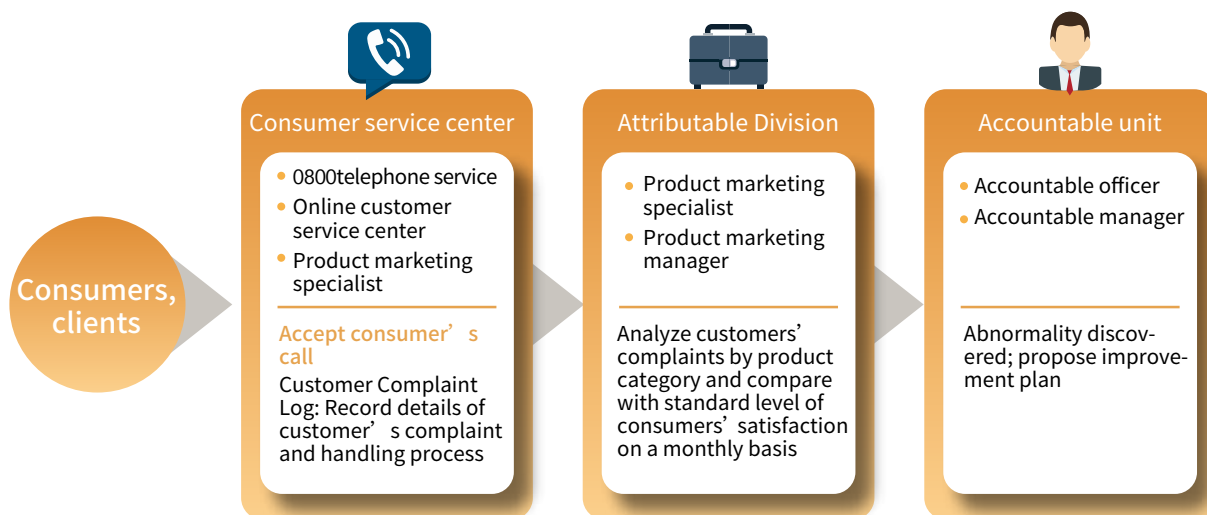


Thailand region

Namchow Thailand was established in 1989 for producing instant noodles and rice crackers. It has striven hard to develop new markets and obtained many food accreditations as the mainstay of our European and American exports. Rice snacks produced by Namchow Thailand are sold in major markets worldwide. They are well-regarded in mainstream Western markets due to their healthiness and products tailored to different age groups. Market development and promotion are carried out through the media, sponsorships, trade shows, or business partnerships in order to attract the attention of consumers or vendors. We also provide sponsorships in kind of activities organized by schools and community groups to improve community relations.

2.6 Customer Satisfaction and Service

Customer service has always been our top priority. We attach great importance to each of our customers' suggestions and ideas for our products and services. Through seminars, new product presentations, bi-monthly publications, in-store technical services, and face-to-face interactions, we have developed an in-depth understanding of customer needs. This is also a critical part of Namchow Group's unique marketing consultation services. Customer or consumer opinions are generally gathered through customer satisfaction surveys conducted by the consumer service centers and customer service hotlines. Customer complaint statistics and surveys during events are used to monitor consumer and customer expectations or opinions of products. The information is then used as the basis for quality and service improvements.



2022 Customer Satisfaction Results

Location	Business	Survey topics	Explanation/Result
Taiwan	Oils & Fats	Service quality, product quality, timely delivery, and overall performance	The satisfaction results mostly fall within the "very satisfied" and "satisfied" range.
	Frozen Noodles	Pricing, distribution, product, marketing	Customers were invited to provide opinions on each of the survey topics. Their responses were rated, and most of the results was "Very Satisfied".
	Ice Cream	Melting, foreign objects, others	Based on the revenue, a threshold for the acceptable number of complaints is established, and the acceptable range percentage is calculated concerning the number of complaints. If the number of complaints accounts for less than 30% of the acceptable threshold, the satisfaction rating is categorized as "very satisfied." In 2022, customer satisfaction with the company's products and services was rated as "very satisfied," and all customer complaints have been successfully resolved. Additionally, there were no negative messages or comments on online media that could harm the brand's reputation.
Mainland China	Oils & Fats	Company reputation, service quality, product quality, on-time delivery, and product pricing	After conducting the customer questionnaire based on the survey items and calculating the statistical results, the overall score falls within the range of 90-92 points.
	Frozen noodles	Company reputation, product quality, service quality, pricing, and service	Based on the survey items in the customer questionnaire, the majority of the responses fall within the "very satisfied" and "satisfied" range.
Thailand	Rice cracker, instant noodles, cooked rice and porridge	Product (quality, labeling, value), customer service, and overall performance in communication	In the 2022 customer satisfaction survey, customers were asked to fill out a questionnaire based on survey items, and the average score was 96 points.

BLN Restaurants & Caterings

BLN Restaurants & Caterings has continued to maintain a sustainable business philosophy of continuous growth and excellence. It attaches great importance to the dining experience of each customer in its branch restaurants, and appreciates the feedback from each customer. Customers can conduct direct communication and dialogue with BLN Restaurants & Caterings through questionnaires, social media (such as Facebook, WeChat and Weibo), and websites.



3

Energy Efficiency and Carbon Reduction Environmental sustainability

Seeking to change

Promote environmental protection
Focus on Climate Change



SDGs:



Namchow Group is committed to promoting energy conservation and emission reduction, continues to evaluate and introduces international management standards to improve energy management efficiency and climate resilience. In the mainland China and Thailand, our factories have established environmental management systems through ISO 14001 certification and third-party verification to comply with applicable laws, regulations, and other environmental requirements. We also adhere to the principles of ISO 14064-1 for greenhouse gas inventories, gradually conducting greenhouse gas emissions inventories and verifications in various regions. Carbon reduction targets will be set based on the inventory results. Starting from an inventory of energy consumption, we will plan a reduction plan, and evaluate and develop actions in multiple aspects to respond to climate change.

In February 2022, Namchow Food Group (Shanghai) participated in HSBC Bank's green deposit program in mainland China, with an investment of ten million RMB, and obtained the Green Deposit Certificate issued by the bank. This fund will be used for HSBC Bank's financing in green projects, including renewable energy, energy efficiency, and environmental protection projects that meet the criteria. We will regularly receive reports on the use of funds provided by the bank to ensure that the funds are channeled into the development of various industries in the ESG-related field.

Namchow Group's Sustainability Management Performance in 2022

Taiwan region

- In the ChungLi Factory in Taoyuan, the company completed the replacement of air compressors, transformers, and chiller units. This is expected to result in an **annual electricity savings of 635,000 kWh**. Additionally, rainwater harvesting and reuse initiatives were implemented, with an estimated recovery of **828 tons of rainwater**.
- The Tainan Factory undertook a project to improve the efficiency of boiler equipment and extend the lifespan of combustion tubes. This involved the recovery and reuse of waste heat from natural gas boilers, resulting in the recovery of thermal energy and an approximate reduction of **12.8 tons** in annual carbon emissions.

Mainland China region

- In the pursuit of a circular economy, the Shanghai Factory implemented comprehensive steam condensate water recovery and energy-saving improvements, replacing steam with recovered heat energy. It is estimated to save approximately **300 tons** of steam and reduce wastewater emissions by about **300 tons per year**.
- The Tianjin Factory underwent a renovation of streetlights around its premises, resulting in an expected electricity savings of **1.24 million KWH** per year, translating to approximately **NTD3,212,000** in annual electricity cost savings. Additionally, insulation equipment for 4 external raw material oil tanks was updated, with an estimated annual steam cost savings of around **NTD440,000**.
- The Guangzhou Factory implemented steam condensate water heat recovery and added odor treatment facilities to reduce the environmental impact of pollutants.
- To align with local government policies, the Shanghai, Guangzhou, and Tianjin factories initiated photovoltaic power generation projects. These projects involve the installation of solar power devices on factory buildings, which reduces annual carbon emissions by approximately **1,500 tons**.
- In early 2022, the Shanghai, Guangzhou, and Tianjin factories simultaneously embarked on a series of obtaining green accreditations. They successfully obtained accreditations such as the **ISO 50001** Energy Management System, **ISO 14064-1** Carbon Inventory/Verification, and **ISO 14067** Product Carbon Footprint. In August 2022, the Shanghai Factory was recognized as a **"Green Factory"** by the Shanghai municipal government.

Thailand region

- Namchow Thailand installed solar panels on the factory's roof to enhance the use of green energy. Installation has been completed on Building E, and it is estimated to reduce annual carbon emissions by approximately **1,093 tons**.



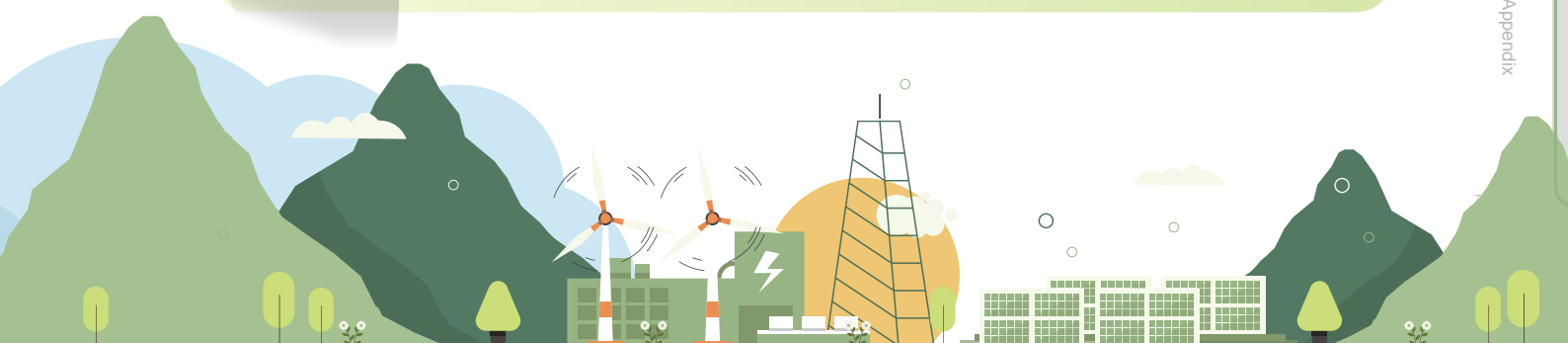
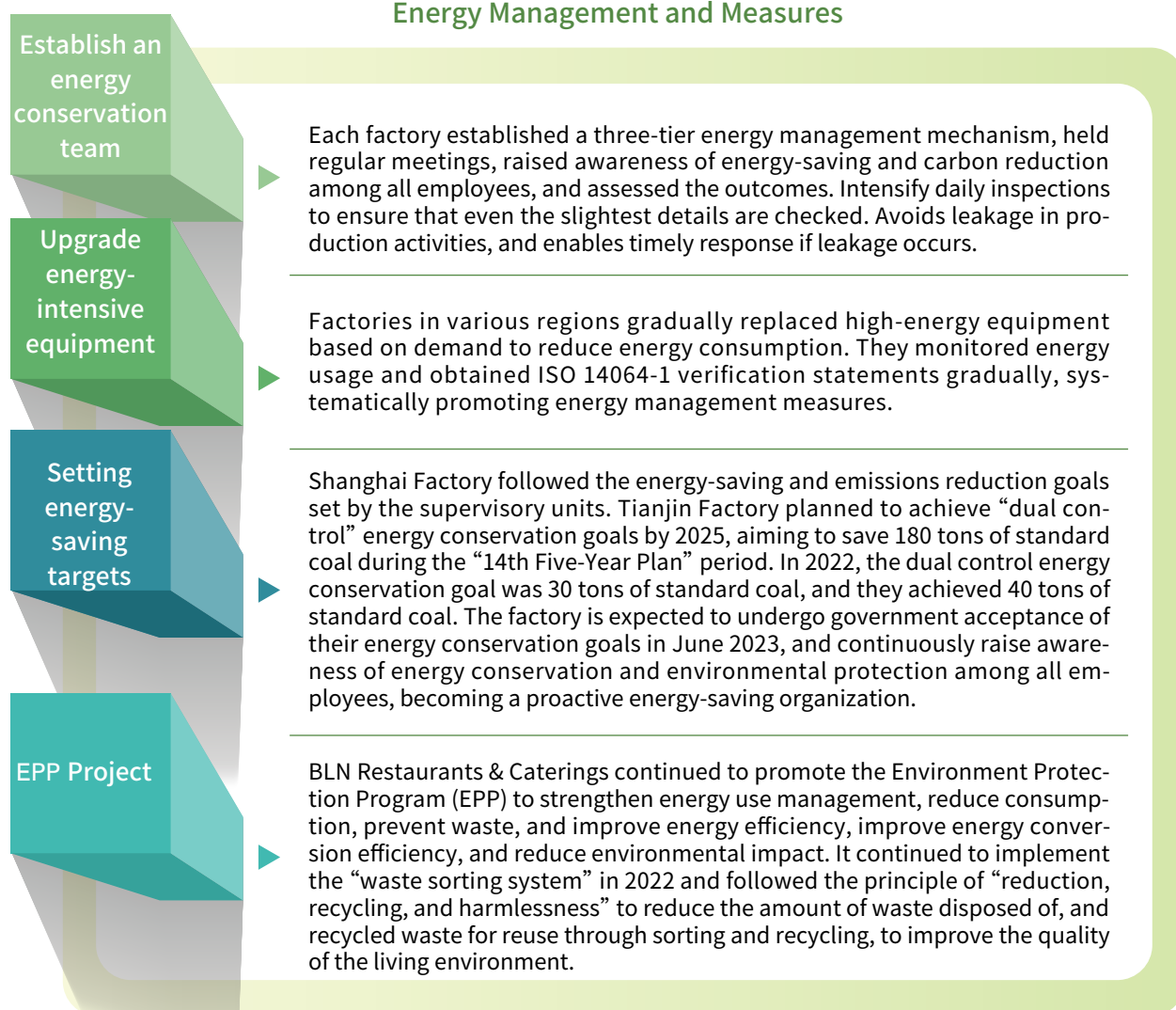
3.1 Energy Management

GRI: 2-25, 302-1, 302-4, 302-5
SASB: FB-AG-130.1

Energy consumption by Namchow Group consists mainly of purchased electricity, natural gas, and coal; to strengthen our energy management, we have organized an internal energy conservation task force to promote energy conservation measures that reduce consumption, prevent energy loss, and curb waste. We also developed energy efficiency indicators and targets in support of regional government energy and environmental policies, or by signing the "Annual Energy Conservation Target Responsibility Agreement Letter" in order to improve energy conservation, enhance energy conversion efficiency, and reduce our environmental impact.

In 2022, each region continued with efforts to implement various energy management measures with the expectation of achieving energy-saving and emissions reduction results.

Energy Management and Measures



Energy utilization of Namchow Group in the past three years

Location	Item	Unit	2020	2021	2022
Taiwan	Purchased electricity	kWh	33,291	33,364	34,861
	Liquid natural gas (LNG)	Thousand cubic meters (m ³)	4,631	4,521	4,878
Mainland China	Purchased electricity	kWh	50,990	53,963	55,230
	Liquid natural gas (LNG)	Thousand cubic meters (m ³)	951	1,010	747
	Purchased steam	(tons)	112,126	125,512	110,741
Thailand	Purchased electricity	kWh	22,618	22,308	21,911
	Liquid petroleum gas (LPG)	(tons)	2,852	2,343	2,313
	Coal	(tons)	20,712	22,113	26,991

Explanation 1: In 2022, the total energy consumption for the Namchow Group was 1,744,224.87 gigajoules (GJ), with purchased electricity accounting for 403,298.16 GJ, making up 23.12% of the total energy consumption. Renewable energy accounted for 0.45% of the total energy consumption. Other energy sources included natural gas (188,393.23 GJ), purchased steam (307,879.56 GJ), liquid petroleum gas (LPG) (116,199.89 GJ), coal (711,758.47 GJ), diesel (14,951.95 GJ), and gasoline (1,743.61 GJ).

Explanation 2: In Taiwan, which includes Taoyuan Factory, ChungLi Factory, Tainan Factory, and various restaurants, the total energy consumption in 2022 was 303,053.44 GJ. Purchased electricity accounted for 125,528.18 GJ, representing 41.4% of the total energy consumption. Currently, there is no use of renewable energy, but the company plans to continuously evaluate the purchase of green electricity and increase the proportion of renewable energy usage each year. Other energy sources in this region included natural gas (163,378.15 GJ), diesel (13,958.64 GJ), and gasoline (188.47 GJ).

Explanation 3: In mainland China, which includes Tianjin Factory, Guangzhou Factory, Shanghai Factory, and various restaurants, the total energy consumption in 2022 was 533,257.19 GJ. Purchased electricity accounted for 198,873.47 GJ, making up 37.29% of the total energy consumption. Renewable energy accounted for 1.013% of the total energy consumption. Other energy sources in this region included liquid natural gas (25,015.08 GJ), purchased steam (307,879.56 GJ), diesel (265.08 GJ), and gasoline (1,224.00 GJ).

Explanation 4: In Thailand, at the Ban Pong Factory, the total energy consumption in 2022 was 907,914.25 GJ, with purchased electricity accounting for 78,896.52 GJ, representing 8.69% of the total energy consumption. Renewable energy accounted for 0.26% of the total energy consumption. Other energy sources in this region included liquid petroleum gas (LPG) (116,199.89 GJ), coal (711,758.47 GJ), diesel (728.23 GJ), and gasoline (331.14 GJ).

3.2 Greenhouse Gas Management

GRI: 2-25, 305-1, 305-2, 305-4, 305-5
SASB: FB-AG-110a.1, FB-AG-110a.2, FB-AG-110a.3

Most of the greenhouse gases emitted by Namchow Group are associated with energy consumption. Our current focus is therefore on the inventory of energy consumption. Each Factory has been authorized to manage their consumption levels according to local regulations.

Plan and Reduction Targets

Short-term carbon reduction strategy

- Complete inventory of energy use
- Set energy saving goals, and actively implement energy-saving programs.
- Continue to optimize existing processes and equipment to achieve carbon reduction goals.

Long-term carbon reduction strategy

- Continue to implement energy saving programs to substantially reduce greenhouse gas emissions.
- Follow government policies on saving energy and reducing carbon, implement energy integration, and reduce energy consumption.
- Research and formulate measures to counteract costs brought about by carbon fees or carbon pricing.

Greenhouse gas emission volume and intensity in the past three years

Unit: tons CO₂e

Location	Source of emissions	2020	2021	2022
Taiwan	Scope 1 emission	9,679.96	9,654.56	9,293.36
	Scope 2 emission	16,944.86	16,612.90	17,256.19
Mainland China	Scope 1 emission	2,117.91	2,343.91	1,714.55
	Scope 2 emission	61,584.28	75,560.88	71,575.08
Thailand	Scope 1 emission	61,706.74	63,681.90	75,985.31
	Scope 2 emission	13,166.09	13,353.60	10,619.28
Total	Scope 1 emission	73,504.62	75,680.37	86,993.22
	Scope 2 emission	91,695.24	105,527.38	99,450.55

Explanation 1: Greenhouse gas emissions for Taiwan:

- (1) Purchased Electricity: Estimated based on the Bureau of Energy's 2022 announcement of electricity emission coefficients.
- (2) Other Energy References: Coefficients primarily referenced from the Environmental Protection Administration's greenhouse gas reporting platform "Mandatory Greenhouse Gas Reporting System Table 6.0.4 Version."

Explanation 2: Greenhouse Gas Emission Calculation and Reduction Achievements in Mainland China:

- (1) Shanghai Factory, Tianjin Factory, Guangzhou Factory, and BLN Restaurants & Caterings restaurants estimate liquid natural gas, gasoline, diesel, and purchased steam emission coefficients based on the "Greenhouse Gas Emission Calculation Method and Reporting Guidelines (Trial)" in 2015 for the food, tobacco, alcohol, beverages, and refined tea enterprises.
- (2) Purchased electricity is estimated based on the average carbon dioxide emission factor for China's regional grids in 2012.
- (3) After the modification of the combustion equipment to low nitrogen combustion equipment in the Shanghai Factory, nitrogen oxide emissions reduced by approximately 396.86 kilograms in 2022.

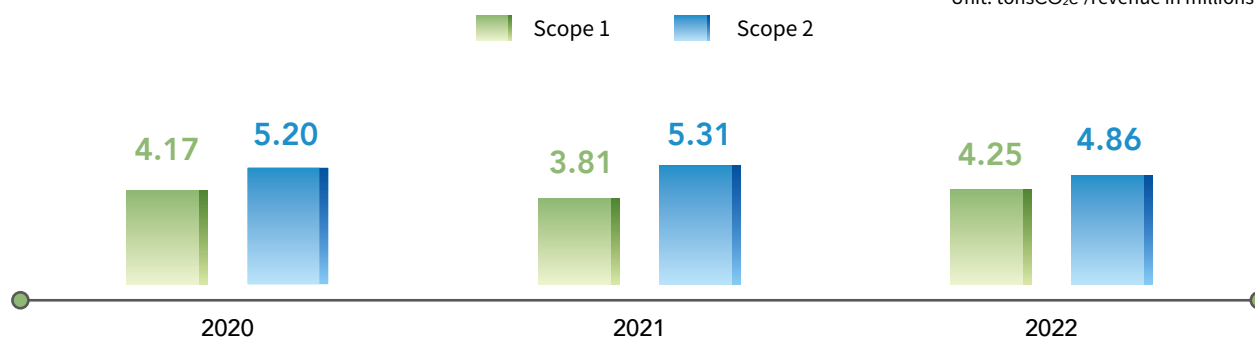
Explanation 3: Greenhouse gas emissions for Thailand:

- (1) Electricity emission factors referenced the 2022 Thailand National LCI Database, TIISMTEC-NSTDA, AR5 (with TGO electricity 2016-2018).
- (2) Coal and liquid petroleum gas coefficients are based on the 2022 IPCC Vol.2 table 2.2, DEDE.
- (3) Gasoline and diesel coefficients are based on the 2022 IPCC Vol.2 table 3.2.1, 3.2.2, PTT/DEDE.

Explanation 4: In 2022, the Scope 1 fleet vehicles in various regions primarily used gasoline and diesel as fuel, without utilizing renewable fuels. The total fuel consumption of the fleet vehicles was 16,695.56 GJ. The optimization of distribution routes through systematic management continued with the goal of reducing carbon emissions.

Explanation 5: The main reason for the increase in Scope 1 emissions in 2022 was the 6.64% increase in production in Thailand compared to 2021.

Greenhouse gas emissions intensity

Unit: tonsCO₂e /revenue in millions

3.3 Water Resource Management

GRI: 303-1, 303-2, 303-3, 303-4, 305-5
SASB: FB-AG-140a.1, FB-AG-140a.2, FB-AG-140a.3

The changes in the global rainfall pattern, and the increased frequency of heavy rains and prolonged droughts in recent years have resulted in an unstable water supply, thereby increasing business risks. As food processing as Namchow Group's main production model, clean and sanitary water resources and stable water supply are of significant importance to the Group. Therefore, water resources management plays a critical role in the Group's sustainable development.

The water used in restaurants and food processing facilities in various regions, including Taiwan and mainland China, is sourced from disposable tap water provided by local governments or relevant authorities. The operational risk associated with water resources is relatively low. However, as part of corporate social responsibility, multiple water conservation measures are implemented to effectively manage water resources. In Thailand, treated water from deep bores is used. The use of groundwater may lead to ground subsidence and deplete underground aquifers, so water conservation and exploration of new sources of water supply are issues our business in Thailand will continue to face in the future.

In recent years, changes in rainfall patterns have occasionally led to water interruptions or restrictions, with an average duration of less than 24 hours. To address such situations, the ChungLi Factory in Taiwan has storage tanks and water towers with a capacity to supply the factory for three days or more, ensuring uninterrupted operations. Similarly, the Shanghai Qiaohao Factory in mainland China has a 650-cubic-meter emergency water tank in place to prevent accidents and reduce operational losses.

Due to greater differences in seasonal and regional rainfall in various regions, there is a possibility that drought may lead to water restrictions or reduced water supply. In addition to ongoing water conservation measures and wastewater treatment, each region conducts water use inventories using the World Resources Institute's (WRI) water resource risk map to identify the proportion of water consumed in areas of high or extremely water stress, and uses the results to develop water use improvement plans and water conservation plans.

Water Resource Management

Data Management

Continuous metering of water consumption was used for rigorous monitoring, analysis, and assessment of consumption statistics.

Equipment Upgrade

Water-consuming equipment was upgraded to reduce water consumption.

Improvement to Process

In April 2022, the Guangzhou Factory invested RMB240,000 to complete a project for the recovery of refined steam condensate. This project involves using the heat from the recovered condensate to heat wastewater, reducing the steam required for raising wastewater temperature. Additionally, it lowers the cooling tower load, resulting in reduced electricity consumption for cooling. It is estimated to reduce annual electricity consumption by 10,000 kWh and annual soft water consumption by 20,000 tons.

Recycling and Reuse

Treated wastewater is recycled for purposes such as irrigation of plants or cleaning. For example, reverse osmosis-treated wastewater is used for irrigating plants in the factory or restaurant. In 2022, Qiaohao Jinshan Factory increased its recycled and reused water by 680 tons, with a utilization rate of approximately 37.7%.



Water withdrawal and discharge of wastewater by Namchow Group—by the production site

Location	Item	Unit	2020	2021	2022
Taiwan	Total water withdrawal		435,537	422,274	424,502
	Total effluent emission	Cubic meter (m ³)	345,909	326,900	300,536
	Total water consumption		89,628	95,374	123,966
	Water intensity	Cubic meters (m ³)/thousand NTD	0.10	0.11	0.16
	Discharge percentage	%	79%	77%	71%
Mainland China	Total water withdrawal		486,988	614,513	547,952
	Total effluent emission	Cubic meter (m ³)	378,566	453,806	405,881
	Total water consumption		108,422	160,707	142,071
	Water intensity	Cubic meters (m ³)/thousand NTD	0.05	0.05	0.04
	Discharge percentage	%	78%	74%	74%
Thailand	Total water withdrawal		317,928	436,245	494,682
	Total effluent emission	Cubic meter (m ³)	302,522	380,181	429,587
	Total water consumption		15,406	56,064	65,095
	Water intensity	Cubic meters (m ³)/thousand NTD	0.11	0.16	0.14
	Discharge percentage	%	95%	87%	87%

Explanation 1: Disclosure covers factories and restaurants in all regions. (Unit: cubic meters; water intensity = total water withdrawal/thousand dollars of revenue; release ratio = total emission/total water withdrawal)

Explanation 2: In Taiwan, the main source of groundwater usage is from the Taoyuan Factory. It has legal water rights. Groundwater is treated through processes such as iron removal, softening, and purification. Iron-removed water is used for general irrigation and plant cleaning purposes, softened water is used to replenish cooling water, and purified water is used in steam boilers. In 2022, the total water withdrawal in Taiwan, including 928 cubic meters of rainwater usage at Taoyuan Factory, was recorded.

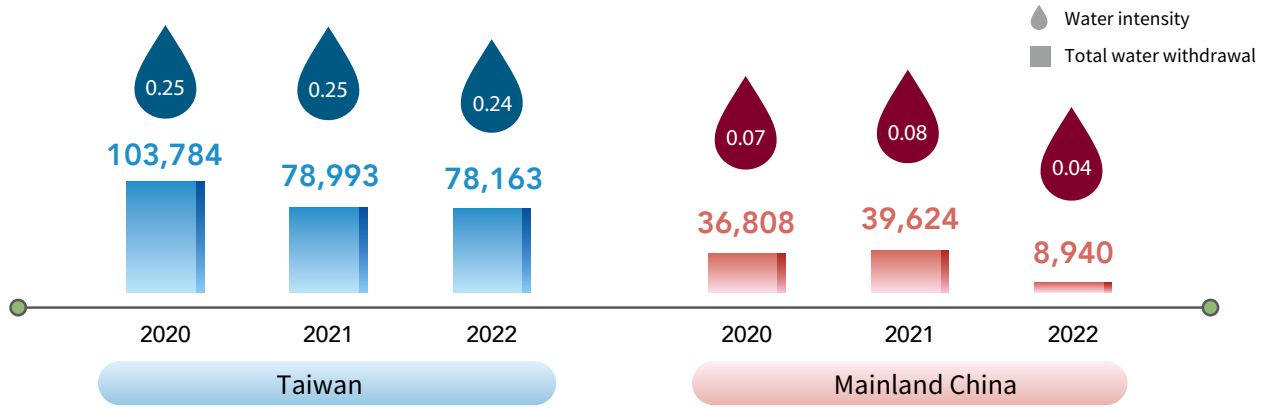
Explanation 3: The total water withdrawal of various regions was approximately 1,467.14 cubic meters, total water consumption was approximately 331.13 cubic meters. In areas with high or extremely high water pressure, the water consumption ratio is 0.

Explanation 4: Ban Pong Factory draws groundwater from deep underground and uses the aeration process to remove settleable solids. The water is then pumped through a 100µm filter, sterilized with added chlorine, and stored in the fresh water tank for general cleaning purpose. Only fresh water that has been softened and purified through reverse osmosis can be used for making of the final product. Namchow Thailand performs daily water quality checks for chlorine content and hardness. External laboratory testing also ensures that water quality complies with the standards set by the Thai Ministry of Public Health every year, and that of EU Council Directive 98/83/EC once every 3 years.

Explanation 5: In 2022, there were no incidents of violations related to water quality, water quantity, or water discharge.

Explanation 6: All regions are not located in areas with high or extremely high water pressure.

Water Withdrawal by the Gastronomy Business Division of Namchow Group



- Explanation 1: The disclosure scope includes restaurants and administrative offices in all regions. (Unit: Cubic meters (m³); Water intensity = Total water withdrawal / Thousand NTD revenue)
- Explanation 2: To improve the efficiency and performance of water use, the gastronomy business has adopted water-saving faucets that regulate water output and eliminate waste. In addition to strengthening routine inspections and carrying out our regular maintenance and repairs, we also focused on water awareness during education and training by reminding employees to turn the tap off when not in use.
- Explanation 3: In 2022, due to the COVID-19 control measures implemented in Shanghai, the total water withdrawal at BLN Restaurants & Caterings decreased significantly compared to 2021.

Wastewater Prevention, Monitoring, and Management

All factories under Namchow Taiwan and Namchow Thailand comply with local government regulations and requirements on the treatment and discharge of effluents. Effluents from living activities are either directed to the water treatment plant located within the industrial park or treated internally before being discharged into the river. In Mainland China, local regulations and government authorities require domestic effluents to be treated at the sewage treatment plant before being discharged into the municipal sewage network, while effluents from production activities must be collected by the factory's wastewater station and treated to class-3 local discharge standards. The treated effluents are then channeled through the municipal wastewater network to the public water treatment plant for further treatment before being discharged into the river.

Waste water treatment measures in various regions

Compliance

Wastewater is treated and discharged by production units in each region in accordance with local government wastewater treatment guidelines and requirements. There were no penalties for violation of discharge regulations in 2022.

Recovery and treatment

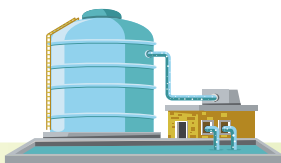
Production of ice cream leads to small amounts of food waste inside the pipelines. The food waste exists in a milkshake-like state and is collected and disposed of by qualified companies approved by the Ecology and Environment Bureau (or the EPA). This recycling process produces no waste and reduces the volume of effluents treated.

Equipment upgrades to reduce emissions

Grease interceptors and water separators are installed in restaurants for wastewater treatment; factories in China have installed online automated water quality inspection equipment at their main discharge outlet for water quality monitoring.

Punctual monitoring

The “Waste Water Treatment Operations Policy” and “Monitoring and Measurement Procedures” were put in place to guide operations in Mainland China. Employees have been assigned to operate and monitor water treatment 24 hours a day according to standardized procedures. Effluent quality is tested daily and is discharged only if it meets the required standards. The factory also engages qualified third parties to perform annual tests, and all test results showed conformity with local standards.



3.4 Waste Management

GRI:306-1, 306-2, 306-3, 306-4, 306-5

In response to the global trend of green environmental protection, Namchow Group has incorporated the concept of circular economy into waste management. We modified our processes to reduce waste generated, and increased the recycling rate from processes to achieve the goal of reducing waste from the source.

Industrial waste generated by Namchow Group's operating sites in each region is removed, treated, or recycled in accordance with local government regulations. Related information is also regularly declared through online reporting. In addition, the removal, disposal, and reuse of industrial waste are double-checked online within the prescribed deadline. Waste sorting, collection, storage, management, and disposal are enforced for effective waste control. The waste treatment by the Group's operating sites in each region in compliance with the requirements of laws and regulations. They apply for discharge or treatment permits in accordance with the law and file reports to the competent authorities truthfully. At present, waste is mainly disposed of by external treatment companies.

The Taoyuan Factory, in addition to recycling paper, scrap metal, and plastic waste from household waste, reduced its total amount of general business waste by 398.41 metric tons in 2022, a decrease of 30.88%. In 2022, approximately 142.913 metric tons were reused and recycled, which was an increase of 6.193 metric tons compared to 2021, representing a growth rate of 4.33%.

Waste treatment measures in each region

Regular reporting

Waste disposal in all regions is contracted to qualified waste and recycling companies. Waste disposal is also reported and tracked in accordance with local regulations.

Sorting and storage

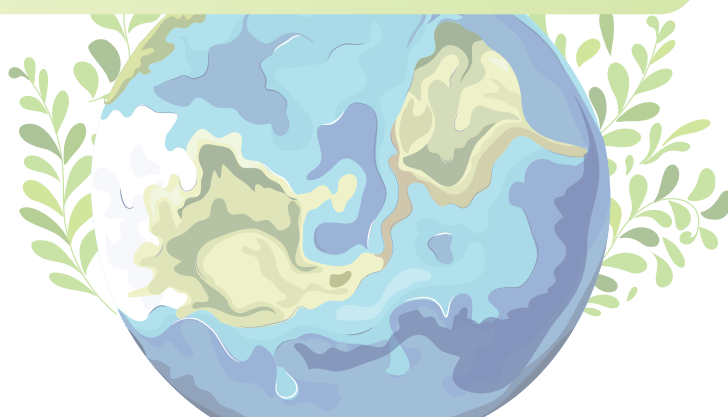
The "Solid Waste Management Regulations" and "Hazardous Waste Management Regulations" have been implemented in Mainland China. Factories have designated storage locations for sorted waste to avoid cross-contamination.

Education and training

Thailand Factory uses the3R (xReduce, Recycle x, and Reuse) to teach employees about waste reduction and how to create value from waste. Production attrition targets were also set to reduce waste.

Reduce and disposal

The Tainan Factory in Taiwan installed new sludge dewatering and drying equipment to effectively reduce the volume of sludge to be disposed of.



Waste disposal at Namchow Group—by location

Location	Item	2020		2021		2022	
		Quantity (tons)	Recycle and reuse (%)	Quantity (tons)	Recycle and reuse (%)	Quantity (tons)	Recycle and reuse (%)
Taiwan	General commercial waste	3,993	72%	2,707	70%	2,658	59%
	Production waste	3,317	87%	2,145	83%	1,945	73%
	Domestic waste	675	0%	562	24%	713	20%
	Hazardous commercial waste	0	0%	1	0%	0	0%
Mainland China	General commercial waste	5,491	76%	6,363	74%	5,893	82%
	Production waste	4,179	100%	4,740	100%	4,796	100%
	Domestic waste	1,311	0%	1,623	23%	1,096	3%
	Hazardous commercial waste	34	75%	30	73%	29	68%
Thailand	General commercial waste	5,237	67%	4,842	65%	5,554	62%
	Production waste	4,993	70%	4,677	67%	5,339	65%
	Domestic waste	244	0%	165	0%	215	0%
	Hazardous commercial waste	2	0%	0	0%	6	47%

Explanation 1: Covers factories and restaurants in all regions, with amounts rounded up.

Explanation 2: Total amount of general business waste (divided into process waste and domestic waste)

Explanation 3: Hazardous business waste (as defined by local laws)

Explanation 4: Hazardous business waste in Mainland China, including waste engine oil, waste engine oil from lead accumulators, lab organic waste liquid, empty glass bottles (reagent bottles), packaging bags for sodium methoxide, waste tube lights, waste iron drums of 20L or less, waste activated carbon, and waste oil filter, sodium hypochlorite solution, waste absorbent cotton, waste plastic drums of 30L and less, lead accumulators, waste phosphoric acid, waste chemical packaging products, waste paint, and waste liquid is all treated by external third-parties.

Explanation 5: Hazardous business waste in Thailand, including concrete fragments, brick debris, ceramics, construction waste, spray cans, batteries, used lubricants, and contaminated materials, is all treated by external third-parties.

3.5 Promotion of Circular Economy

We use environmentally friendly and less energy-intensive materials for packaging to support the recycling and reuse of resources; materials such as PP shrink-wrap, PE bottles, PET bottles, HDPE bags, paper labels, cardboard boxes, and cartons are recyclable.

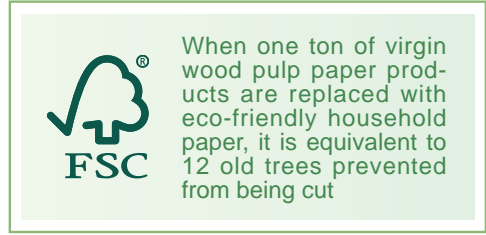
Taiwan region

Dedicated cartons were used by Frozen Dough for packaging best-selling products to reduce label use. The production line uses 100% reusable stainless steel trays, aluminum trays, and HDPs. Plastic baskets that are usable, efficient with low attrition are used instead of cartons for some products to help customers reduce the risk of foreign objects contaminating the production line. We adopt recyclable, reusable, resource-saving, low-packaging plastic baskets and other measures for some products rather than using cartons, which has reduced environmental pollution. In addition, we source our primary external packaging materials from corrugated cardboard manufacturers certified with the Taiwan Environmental Protection Agency's environmental label. In 2022, Namchow Taiwan used approximately 1,995 tons of corrugated cardboard.

Mainland China region

Namchow's mainland China operations prioritize the use of paper packaging materials that comply with FSC (Forest Stewardship Council) forest accreditation. In 2022, 100% of the purchased paper boxes were FSC forest certified.

BLN Restaurants & Caterings purchases eco-friendly products to conserve energy, reduce carbon emissions, and protect the environment. These included green trash bags, hand-wipes, toilet rolls, and takeaway boxes. The toilet rolls and hand-wipes used in the restaurants use recycled paper made from high-quality fibers. These fibers are extracted using a special process from eco-friendly raw materials such as milk cartons and forestry waste. Disposable packaging boxes are mainly made from straw pulp with starch. Disposable utensils are made from 100% natural corn starch, shaped under high temperature and pressure, sterilized using UV light then sealed in sterile packaging. The product is truly zero pollution and environmentally friendly as it can be biologically broken down after 180 days in compost. In 2022, BLN Restaurants & Caterings reduced its spending on environmentally friendly consumables to RMB32,962, representing a decrease of 85.8% compared to 2021. This reduction was primarily due to the stringent containment measures implemented in Shanghai, which significantly reduced consumption.

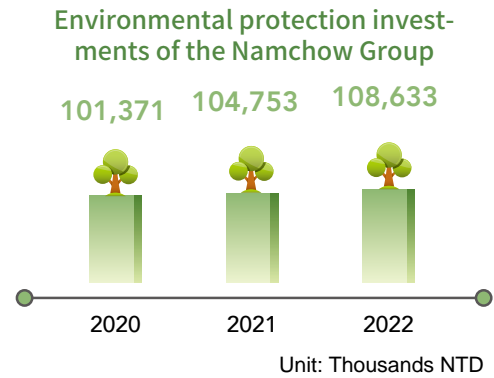


When one ton of virgin wood pulp paper products are replaced with eco-friendly household paper, it is equivalent to 12 old trees prevented from being cut

Thailand region

The R&D department of Namchow Thailand strives to use eco-friendly packaging materials that align with the ISO 14021 standard in product design. Green paper boxes, meeting these environmental standards, are chosen whenever possible. Green paper boxes help reduce paper consumption and energy usage while maintaining stacking and protective capabilities. In 2022, green paper boxes accounted for 34% of the total procurement.

Apart from various measures for resource recycling, environmental protection expenses are primarily allocated to pollution prevention and control, including wastewater treatment, soil remediation, waste management, and resource recycling. This spending also covers equipment testing, maintenance, improvement, landscaping, pest control, and more. In recent years, we have accumulated expenditures as follows:



3.6 Response to Climate Change

GRI: 201-2, 305-2
SASB: FB-AG-440a.1, FB-AG-440a.2

In 2022, extreme weather events swept across the globe, leading to climate-related disasters such as avalanches, heatwaves, floods, droughts, and more. The occurrence of these disaster events signifies that the climate crisis is an ongoing and imminent threat, posing a severe risk to global ecosystems and human lives. In the face of climate change and associated risks, the food industry must address how to ensure the resilience and stability of its raw material supply chain, safeguard it from climate and environmental impacts, and simultaneously seek sustainable development in the natural environment. This includes protecting soil health and biodiversity. These considerations have become a focal point of international attention in the food industry in recent years, and countries around the world are actively addressing these challenges and proposing relevant actions for long-term planning and adaptation.

Major produce that have a significant impact on Namchow's operations are flour and rice. The risks associated with climate change include reduced or uneven distribution of water resources, ecological imbalance, reduced crop yields, food shortages, and price increases; opportunities are available for us to develop and use other crops with less risk or high economic value, or to use technology to avoid risks and increase yields. We continue to pay attention to global climate change information and impact, and actively participate in governmental and non-governmental activities or organizations to obtain effective response measures to mitigate losses from the impact of climate change. In addition, we keep track of trends and market changes to purchase from new sources or find substitutes in line with our company's procurement strategy, and identify new markets/opportunities in order to adapt to the new normal. The World Resources Institute's (WRI) Water Risk Mapping Tool is used to identify agricultural products that are not sourced from areas of high or very high water stress.

To cope with the climate change, we continue to review the progression and the effectiveness of the reduction project in each factory and evaluate the trend by gathering the related information internationally and domestically. We will gradually plan policies on saving energy; reducing carbon, greenhouse gases, and water usage; management of other types of waste, and related management goals. We have implemented the carbon labeling system to make the source of carbon emissions of products transparent, thereby achieving the maximum benefit of reducing product carbon emissions.

In alignment with global sustainability initiatives, Namchow Group has been a member of the Roundtable for Sustainable Palm Oil (RSPO) since 2011. This membership includes Namchow Taiwan's Taoyuan Factory, as well as Namchow's factories in Shanghai, Guangzhou, and Tianjin in mainland China, and the Ban Pong Factory in Thailand. RSPO is an organization that brings together stakeholders from the palm oil industry with the goal of establishing and implementing global standards for sustainable palm oil production. They aim to ensure sustainability by monitoring the entire supply chain of RSPO-certified palm oil products through a real-time tracking system (e-trace). By participating in international organizations, we hope to raise the public's awareness of sustainable palm oil and support the production of sustainable palm oil without the destruction of forests.

Ratio of RSPO-Certified Palm Oil Purchased in Taiwan and Thailand to the Total Procurement Volume of the Product

Location	2020	2021	2022
Taiwan	0.9%	1.45%	3.2%
Thailand	60%	56%	62%

Note: In mainland China, in 2022, the percentage of palm oil sourced from RSPO member suppliers accounted for 32% of the total procurement volume of that product.

Optimization of Transportation Management


Namchow Group actively leverages its own strengths to promote energy conservation measures along the value chain in employee transportation management and product distribution, with the aim of advancing environmental protection. For example, both the Ban Pong Factory and Namchow's businesses in mainland China are committed to improving the planning of employee commute buses. By integrating bus resources and optimizing routes, more employees can use the buses, reducing travel distances and thereby lowering energy consumption and pollution emissions.

In recent years, as Namchow's businesses in mainland China has experienced rapid economic growth, it has expanded its market presence by establishing customer service centers in 18 cities. Additionally, the Tianjin Factory, Shanghai Factory, and Guangzhou Factory have added new production lines as needed, while the Western Chongqing Factory is currently in the planning and construction phase. These efforts aim to reduce the distances for product redistribution and transportation, simultaneously mitigating environmental and energy impacts during the transportation phase. These initiatives reflect our commitment to green environmental protection and sustainable development. We will continue to make practical contributions to environmental protection through innovative approaches, while also fully considering the environmental and social impacts in our business development.

An order management system is used for product shipping. Production and distribution units make use of bulk haulage together with optimized delivery routes to ensure products can be successfully delivered to the customer. Particular attention is therefore paid to energy conservation and carbon reduction when selecting freight contractors. In addition to complying with local regulations, contractor vehicles must also satisfy the minimum emission standards in each region. Any non-compliant vehicles must also be replaced. We review the transportation indicators with the contractors every year and draw up improvement proposals for areas that failed to make the grade.

Joint Distribution Measures

Ambient shipping	Cold chain transportation
Utilizing less-than-truckload (LTL) transportation mode by selecting qualified carriers and consolidating products with compatible goods on the same vehicle.	Employ chartering services, allowing different customers to share the same vehicle. Emphasize route optimization during scheduling. Maintain a focus on the load factor of refrigerated chartering, which is a key performance indicator in our monthly logistics operations assessment. Through route optimization and increasing load factor, we aim to achieve energy savings and emissions reduction.



3.7 Protection of Biodiversity

GRI:304-1

The production facilities of Namchow Group are all located within local industrial parks. Considerations for the surrounding biodiversity and environmental assessments primarily align with the relevant policies of the local industrial parks. Additionally, across various regional production sites, we achieve the protection of local aquatic and terrestrial ecosystems by installing and maintaining effective pollution control facilities, such as wastewater treatment systems, gas emission control systems, and solid waste management measures. This approach aims to promote the recovery of local biodiversity and ensure the health of local water bodies and land ecosystems. In the future, we will continue to enhance relevant management measures and conduct regular environmental monitoring to reduce pressure on natural resources, promoting the sustainable development of ecological environments.





Happy Workplace Social Inclusion

Remaining
Unchanged

Uphold the
Namchow culture
Improve brand
reputation



SDGs:



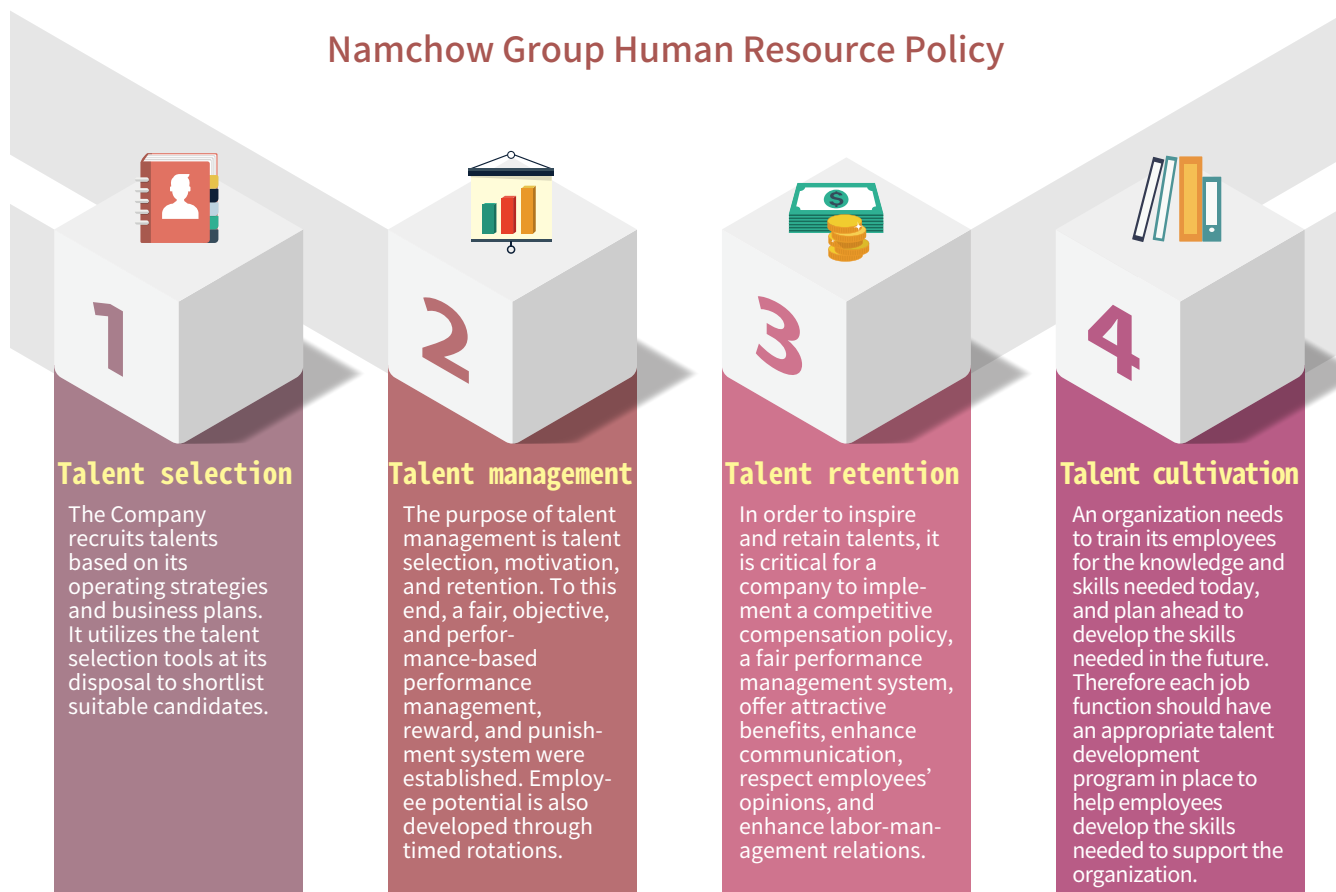
Namchow Group fosters a workplace environment conducive to learning and sharing, aiming to create a culture where experienced employees mentor and guide their colleagues, fostering a culture of learning by doing. Through this approach, we aim to unlock the potential of our employees, leading to a sense of fulfillment and happiness derived from their achievements at work. The core principle of Namchow's sustainable operation is to ensure the well-being of our employees, allowing them to work confidently and utilize their skills to the fullest. As employees grow with the company, the company, in turn, grows with its employees, establishing a foundation of trust between labor and management and collectively creating a happy and successful enterprise.

4.1 Human Resource Policy

GRI: 2-25, 405-1, 406-1

Namchow's human resources management policy is based on the company's vision and core values. It focuses on the selection, recruitment, retention, and development of employees to enhance organizational effectiveness. The key aspects of this management strategy are as follows: 1. Employee Development: The emphasis is on nurturing and developing the potential of human resources within the organization; and 2. Promoting Employee Interaction and Learning: Creating opportunities for employees to interact and learn from each other, with the aim of making learning an integral part of the organizational culture. By fostering a continuous learning environment for both the organization and its employees, Namchow aims to maximize economic benefits, ensuring the company's sustainable operation and providing a win-win environment for long-term employee development.

Namchow Group Human Resource Policy



Human Rights Policy and Inclusivity

Namchow Group was founded in 1952, and under the guidance of its leadership, it has been dedicated to the core principle of "putting people first." The company identifies and voluntarily adheres to the spirit and fundamental principles of human rights protection as outlined in various international human rights conventions, including the United Nation's "Universal Declaration of Human Rights," "Global Compact," the "Guiding Principles on Business and Human Rights," and the conventions of the "International Labour Organization (ILO)." We are committed to preventing any actions that violate or infringe upon human rights. It upholds the dignity and respect of all its employees. Furthermore, the company extends these principles to its suppliers and partners, ensuring that their business activities also respect and safeguard basic human rights. In 2022, there were no reported incidents of forced labor or violations of any international human rights conventions.

Equality and Non-Discrimination

Namchow Group treats all individuals equally regardless of race, religion, color, nationality, age, gender, sexual orientation, marital status, or political stance. This commitment extends to recruitment, hiring, training, performance management, and promotion processes, where no differentiation is made based on the backgrounds mentioned above. The company follows the "Act of Gender Equality in Employment," safeguarding gender equity, and works to create a gender-friendly workplace while preventing workplace harassment and gender discrimination. Policies and mechanisms, such as the Namchow Corporate Sexual Harassment Prevention and Complaint Handling Procedure, promote open and fair communication to support workplace equality and prohibit gender discrimination.

In order to support individuals with disabilities in achieving social independence and development, we hired 20 people with disabilities in Taiwan in 2022. Moreover, respect for cultural customs is extended to the 14 Indigenous employees in 2022, and there have been no reported incidents of violating their work rights and human rights.



4.1.1 Workforce Structure

GRI: 2-7, 2-8, 202-2, 401-1, 405-2, 408-1, 409-1

As "finding the right person is crucial to business management", the Company has pursued organizational development and worked to achieve goals while cultivating and using human resources effectively according to the strategic direction of the Company and the changes in the environment. We predict through analyses and supply human resources needed at the various stages of organizational development. We have developed plans to meet these manpower needs and ensure that the Company can retain "appropriate talents" at the "appropriate time and place".

All operational locations adhere to international social norms and local regulations, ensuring equal job opportunities and prohibiting any form of forced labor. The company also provides favorable working conditions and reasonable working hours for its employees. In Taiwan, the company follows the "Labor Standards Act," placing individuals in positions based on their professional competencies and strictly prohibiting the employment of child labor under the age of 16. Operational locations in mainland China and Thailand also adhere to the company's policy against child labor. In 2022, there were no reported cases of child labor employment at any of the company's operational locations.

In 2022, Namchow Group had a total global workforce of 4,641 employees. Of these, 2,029 were male, representing 43.72% of the global workforce, and 2,612 were female, representing 56.28% of the global workforce.

Namchow Group categorizes employee labor contracts by gender and region and distributes them by age range.

Location		Taiwan			Mainland China			Thailand			Total		
Year		2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Permanent employees	Male	723	664	656	1,076	1,025	1,117	245	242	256	2,044	1,931	2,029
	Female	687	614	628	606	610	660	1,487	1,340	1,324	2,780	2,564	2,612
	Total	1,410	1,278	1,284	1,682	1,635	1,777	1,732	1,582	1,580	4,824	4,495	4,641
Non-permanent employees	Male	4	4	13	0	0	0	0	0	0	4	4	13
	Female	7	5	81	0	0	0	0	0	0	7	5	81
	Total	11	9	94	0	0	0	0	0	0	11	9	94

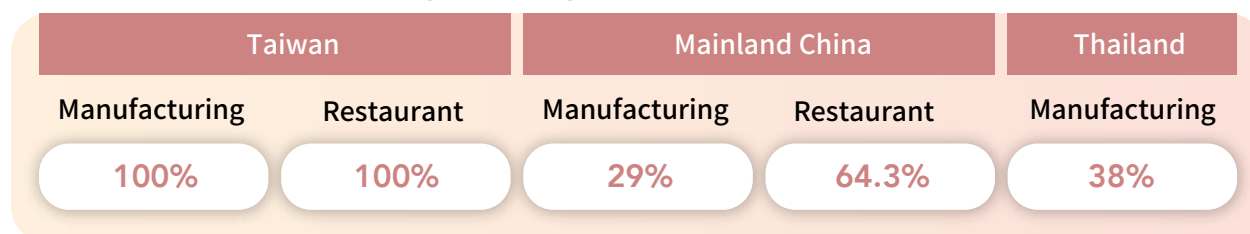
Age (excluding non-permanent employees)													
Under 30	Male	179	130	113	190	162	198	117	106	108	486	398	419
	Female	158	118	126	140	125	133	499	426	398	797	669	657
30-50 years old	Male	370	354	371	787	758	819	106	113	127	1,263	1,225	1,317
	Female	373	350	363	443	467	513	893	792	787	1,709	1,609	1,663
Over 50	Male	175	179	172	99	105	100	22	23	21	296	307	293
	Female	155	147	139	23	18	14	95	122	139	273	287	292

The distribution of new hires and departures of employees in Namchow Group by gender and age.

New Employees	2020			2021			2022		
	Male	Female	New recruit rate	Male	Female	New recruit rate	Male	Female	New recruit rate
Under 30	195	565	15.75%	157	260	9.28%	290	540	17.88%
30-50 years old	105	380	10.05%	172	193	8.12%	254	398	14.05%
Over 50	9	12	0.44%	11	6	0.38%	22	13	0.75%
Total	309	957	26.24%	340	459	17.78%	566	951	32.69%

Resigned Employees	2020			2021			2022		
	Male	Female	Turnover rate	Male	Female	Turnover rate	Male	Female	Turnover rate
Under 30	225	507	15.17%	201	314	11.46%	201	458	14.20%
30-50 years old	200	348	11.36%	247	326	12.75%	220	400	13.36%
Over 50	23	33	1.16%	40	47	1.94%	52	41	2.00%
Total	448	888	27.69%	488	687	26.14%	473	899	29.56%

2022 the percentage of hiring local residents as senior executives



- Local: Refers to individuals who possess the “nationality” or “permanent residency” status of the country where the subsidiary is located.
- Senior Management Level: Refers to senior executives or leadership positions within the various business groups under the company. The specific definition of senior management levels may vary based on the organizational size in different regions or countries.

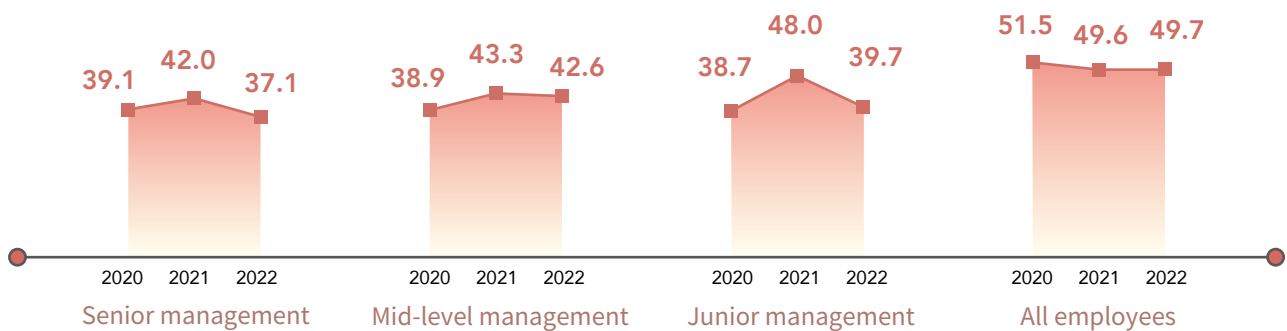
Gender Equality Policy

Namchow Group upholds a corporate culture that promotes gender equality and equal opportunities. Male and female employees are evenly distributed, with women representing over 35% of the workforce in managerial positions. The average salary ratios between male and female employees across all job levels and within each operational location are close to 1:1, indicating minimal gender-based disparities. This highlights Namchow's commitment to being an important benchmark for gender-friendly businesses.

Distribution of employees in managerial positions within Namchow.

Location		Taiwan			Mainland China			Thailand			Total		
Year		2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Vice President and above	Male	7	6	9	9	8	10	3	3	3	19	17	22
	Female	4	5	7	6	7	5	0	0	0	10	12	12
Director	Male	7	7	8	12	15	13	1	1	1	20	23	22
	Female	4	4	1	7	9	9	4	4	4	15	17	14
Deputy Manager and above	Male	68	65	61	109	109	110	18	11	12	195	185	183
	Female	28	39	41	61	65	59	35	37	36	124	141	136
Section Chief/Director	Male	81	40	87	138	118	107	15	22	22	234	180	216
	Female	45	68	47	63	62	59	40	36	36	148	166	142

Distribution Ratio of Female Employees within Namchow Group



4.1.2 Talent Cultivation and Development

GRI: 404-1, 404-2

We treat employees as our most important asset and believe in the value of "life-long education and repeated training"; thus, we train talents in various learning methods actively to align our employees' career paths and training programs with our business goals. This is a win-win solution because it helps improve employees' and the organization's performance and help them accomplish individual and the Company's overall targets.

Education and Training of Namchow Group in Various Regions

Location		Taiwan			Mainland China			Thailand		
Year		2020	2021	2022	2020	2021	2022	2020	2021	2022
Deputy Manager and above	Training hours	432	409	381	1,391	1,073	1,386	2,100	2,163	1,662
	Year-end headcount	83	86	79	213	208	191	123	114	114
	Average hours	5.20	4.75	4.82	6.53	5.16	7.25	17.07	18.97	14.58
General employees	Training hours	4,128	2,473	2,627	7,040	4,457	4,884	3,342	2,165	2,547
	Year-end headcount	772	510	517	912	898	946	105	121	112
	Average hours	5.35	4.85	5.08	7.72	4.96	5.16	31.83	17.89	22.74
Factory workers	Training hours	4,007	4,797	4,204	22,112	21,484	24,974	12,378	6,820	11,214
	Year-end headcount	937	1,301	1,219	604	525	625	1,504	1,347	1,354
	Average hours	4.28	3.69	3.45	36.61	40.92	39.96	8.23	5.06	8.28
Total training hours		8,566	7,678	7,212	30,542	27,014	31,243	17,820	11,148	15,423
Year-end total headcount		1,792	1,897	1,815	1,729	1,631	1,762	1,732	1,582	1,580
Average course hours		4.78	4.05	3.97	17.66	16.56	17.73	10.29	7.05	9.76

Taiwan region

Every year, we invest a lot of resources to provide employees with diversified education and training, build the necessary basic skills for employees, and cultivate the abilities needed for future development and promotion. In addition to learning from on-the-job training, three types of training support are included: internal training, external training, and employee self-development subsidies. Through various learning methods such as job coaching, rotations, professional assignments, seminars and internal and external training, we actively cultivate our talents.

Professional and technical personnel receive support for training and testing so they can obtain related certifications. Production line workers undergo regular training on food safety management, food hygiene, food safety and protection, food inspection and testing, best practices when working with food, hygiene seminars for food & beverage workers, as well as occupational health and safety.

In addition, retired specialists familiar with company operations that possess great technical experience are retained as consultants after retirement. Their experience is harnessed for the teaching of professional knowledge and troubleshooting. They play a very important role in the passing on of core competencies.

In November 2022, Namchow Group organized a cultural training camp for new mid- and senior-level employees to provide them with a deeper understanding of Namchow's history, philosophy, and values. The camp was led by senior officials who were well-versed in Namchow's history and culture, serving as "mentors" and "assistant mentors." The Chairman of the Board actively participated throughout the day's activities and provided guidance.



Namchow Group also supports local education by offering practical work experience to students. They collaborate with nearby universities and colleges with culinary-related programs to promote internship-based cooperative education and practical training. This approach allows interns to learn through hands-on experience, develop practical skills, and not only grow in their professional competence but also enhance their abilities in adapting to the workplace, communication, and coordination. It helps reduce the exploration and adjustment period for entering the workforce. The company is open to recruiting talented individuals who align with the corporate culture and have demonstrated excellence to join the company's team. The status of industry-academia collaboration in 2022 is presented in the table below:

2022 Industry-Academia Collaboration

Total 38 persons			
Kai Ping Culinary School 8 persons February 7, 2022 to February 6, 2023	Century Green Energy Vocational High School 13 persons January 1, 2022 to December 31, 2022	Yuda High School 13 persons January 1, 2022 to December 31, 2022	Hsing Wu University 4 persons September 1, 2022 to May 30, 2023

Mainland China region

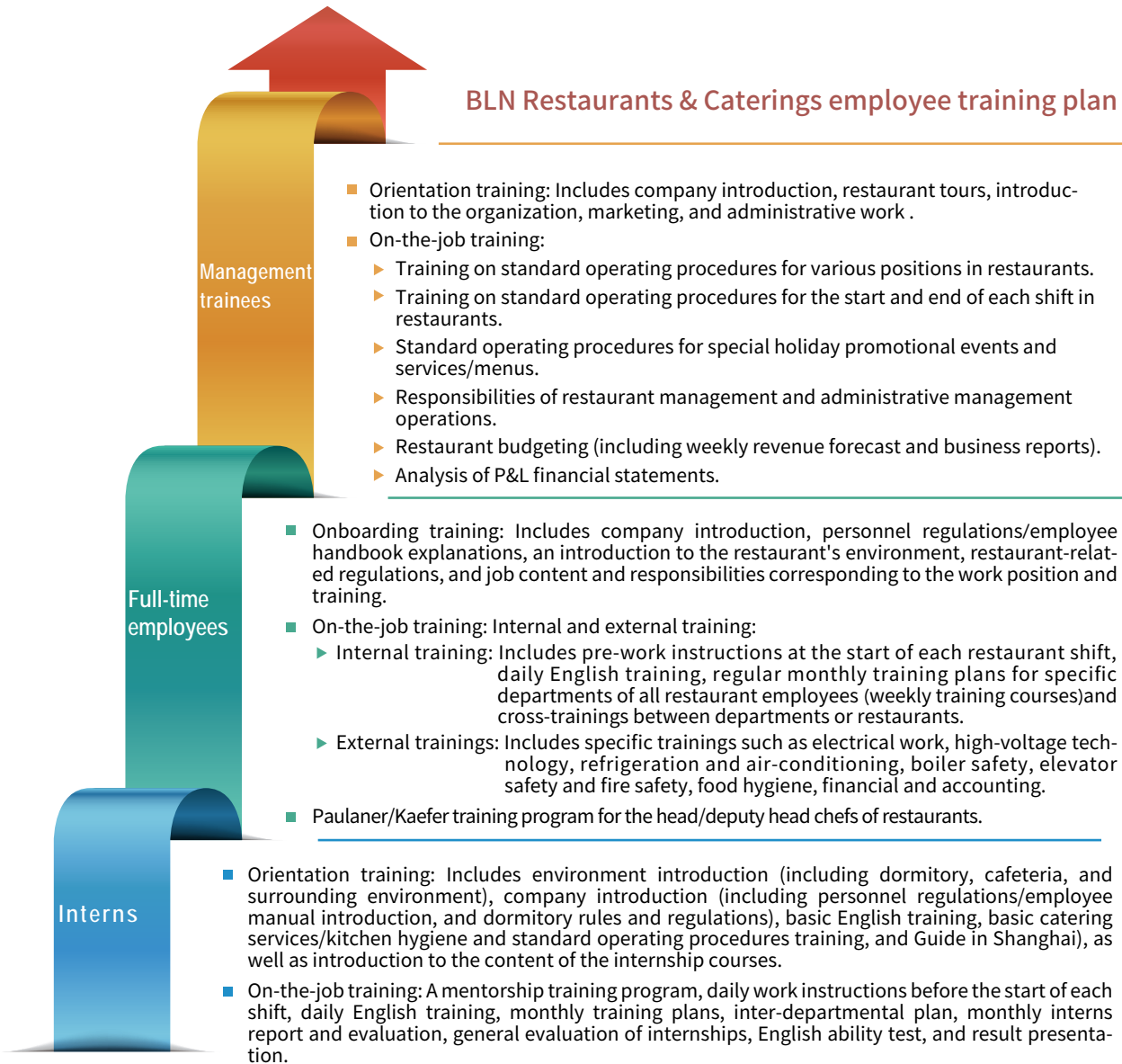
Manufacturing business

To meet the company's developmental needs in alignment with our core values and departmental expertise and requirements, the training department has launched various courses on the online learning platform "Namchow Academy." These courses are tailored to different subjects and functions, including user guides, product knowledge, general knowledge, management and leadership, marketing and sales, baking techniques, production and manufacturing, and new employee training. In 2022, a total of 121 online courses were offered on the platform, with 2 online learning assignments and 2 live online broadcasts conducted.



Currently, the courses on the platform are still being refined, and the training department will not only expand upon the existing course content but also optimize the course format to present courses that are more engaging and suitable. We make good use of the micro-learning model, so that employees can learn at any time, any place through mobile devices.

BLN Restaurants & Caterings has operated the business in the Shanghai market for almost two decades. Its brand has won the trust of consumers. The company has spared no effort for talent training and offers systematic training plans for full-time employees and interns, including internal and external training for full-time employees, training programs for interns, and training programs for management trainees.



📍 Thailand region

Namchow Thailand has organized various training courses to improve and develop employee skills. In addition to planning annual, quarterly, and monthly training programs to enhance staff professionalism and skills, our corporate social responsibility requirements also need to meet international standards as we are part of the international supply chain. It also abides by the labor, safety, environment, and integrity principles defined by Ethical Trading Initiative (ETI). The training sessions covered labor, human rights, safety, health, ethics, and legal compliance. Namchow Thailand also used the training as a supplement to the company's policies and regulations. Corporate social responsibility is thus incorporated into every aspect of daily operations. Due to the ongoing impact of the COVID-19 pandemic, in 2022, 33% of employees completed educational training. This represents a decrease of 15.38% compared to the employee training completion rate in 2021.

4.1.3 Employee Compensation and Benefits

GRI: 201-3, 202-1, 401-2, 401-3, 404-3

Namchow Group is committed to creating a comfortable work environment and a harmonious work atmosphere, and to setting up a comprehensive compensation and welfare system based on employee needs and market standards. Attractive compensation and welfare system are the keys to retaining top talents. The Company understands the usual salary standard in the market salary survey report through salary survey reports, and formulates Namchow's salary policy, to have a competitive salary and benefit system to attract outstanding professionals to grow together with the Company.

Taiwan region

We determine each employee's salary based on his/her academic background, work experience, abilities, and job requirements, support gender equality in the salary system, and our salaries provided do not differ between men and women. To encourage employees to attach importance to the company's business goals, we determine the amount of year-end bonus or performance bonus based on the profitability of each business unit, the strategic targets, and the nature of each business while referencing each employee's personal performance to motivate them to perform well.

Insurance system superior to the regulatory requirements

We strictly abide by various labor laws and regulations, purchase employee labor insurance, national health insurance, employee group insurance, travel safety insurance, as well as public accident liability insurance, to provide employees with more protection, so that they can work with peace of mind.

Number of Full-Time Employees Not in Managerial Positions (Taiwan), and Differences in Average Salary

Unit: NTD thousands

Item	2021	2022	Difference
Full-Time Employees (people)	36	38	+2
Average Salary for Full-Time Employees	1,009	1,007	-2
Median Salary for Full-Time Employees	729	734	+5

Note: The disclosed information pertains only to Namchow Holdings Co., Ltd. in Taiwan and does not include other subsidiary companies in Taiwan.



Employee Welfare Committee

The Employee Welfare Committee implements welfare systems and oversee welfare-related matters that help boost employee morale and strengthen employer/employee collaboration. Relevant information is provided to employees through the corporate intranet.

Various Employee Benefits of Namchow Group

Educational subsidies for children Educational scholarships and discounts on child-care/education are provided for children	Club/activity subsidies Subsidies for holidays, gatherings, club equipment and venues, and activities.	Holiday gifts Gifts for the three annual national holidays, senior citizen holiday, and New Year.
Employee insurance Labor Insurance/National Health Insurance Group insurance (life insurance, accident insurance, accident medical insurance, hospital cover, cancer insurance)	Pension Pension contributions are made in accordance with the "Labor Standards Act" and "Labor Pension Statute".	Medical care Employee health check-ups and hospitalization consolation funds for employees and their immediate family members. Wedding and bereavement gift/Condolence payment/Birthday gift

Parental Leave Application and Return-to-Work Statistics Table

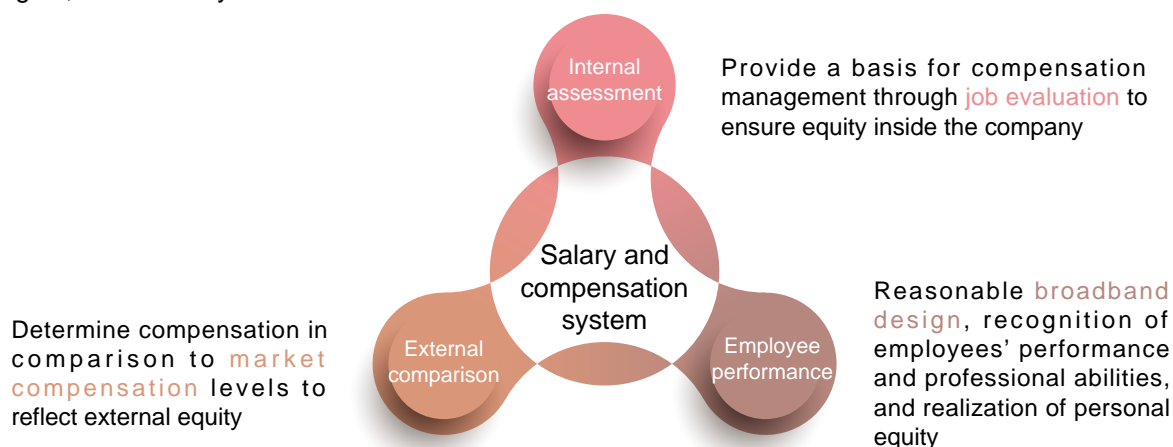
Taiwan	Male	Female	Total
Number of employees eligible for parental leave	10	11	21
Number of employees who actually applied for parental leave	3	6	9
Number of projected return-to-work employees after paternity leave (A)	2	5	7
Number of actual return-to-work employees after parental leave (B)	2	5	7
Return-to-work rate (B/A)	100%	100%	100%
Number of return-to-work employees in the previous year (C)	2	9	11
Number of return-to-work employees in the previous year and continued employment for at least one year (D)	2	9	11
Retention rate (D/C)	100%	100%	100%

Explanation 1: In Taiwan, according to Article 16, Paragraph 1 of the Act of Gender Equality in Employment and Article 52 of the Labor Standards Act, employees who have been employed for over half a year and have the responsibility to care for children under the age of three are eligible to apply for parental leave without pay. In 2022, a total of 7 employees applied for parental leave, and the return-to-work rate was 100%. This indicates that the company provides comprehensive support for employees with childcare needs, allowing them to balance family and work responsibilities effectively.

Explanation 2: In regions outside of Taiwan, there are no statutory parental leave policies. In Mainland China and Thailand, the company complies with local policies. In Mainland China, parental leave duration varies by province but is at least 128 days. In Thailand, employees are entitled to 98 days of parental leave.

Mainland China region

Our company is a benchmark company in the industry and various regions, offering stable employment opportunities and adequate compensation packages. We refer to our consultants' salary reports to keep track of industry trends and provide comprehensive compensation packages that enable us to compete for talent in local markets, as illustrated in the chart below. There are no differences due to gender, race, religion, etc. in the system.

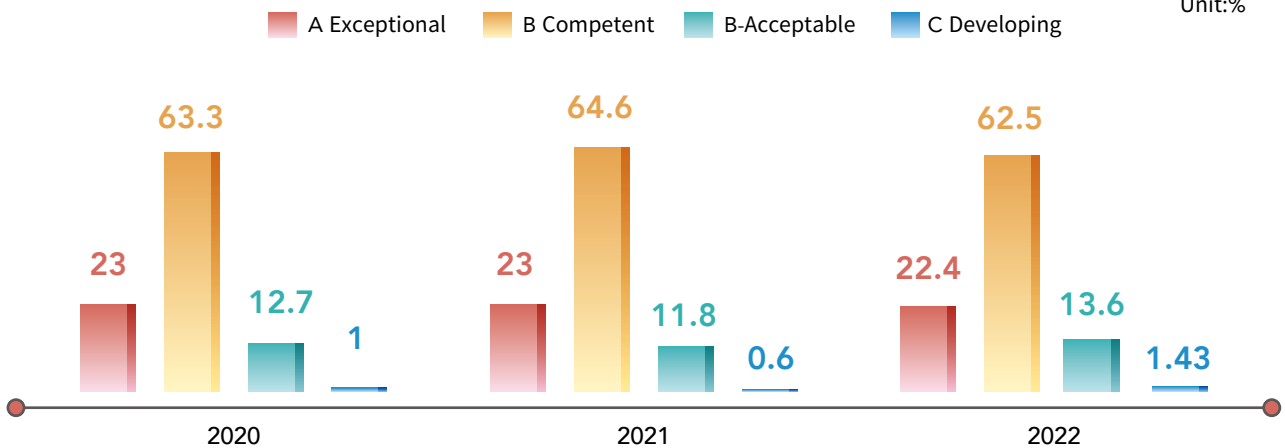


Namchow Food Group Performance Evaluation

Namchow Food Group places great importance upon on timely communication, feedback, and motivation in performance management. The aim is to support employees effectively in improving their capabilities and to provide year-end bonuses and promotions for their performance growth. The Company has established an objective performance appraisal system and process, and completed the performance management E-information platform in 2017 to effectively understanding and analyzing the performance issues of employees at all levels and facilitate follow-up counseling.

Namchow Food Group Performance Evaluation Results

Unit:%



Explanation 1: Performance level from high to low (Exceptional, Competent, Acceptable, Developing)

Explanation 2: Employees were classified "Under development" for various reasons. For example, it may be a new recruit who is still undergoing orientation, an employee who is on extended illness leave, frequent absenteeism, or one that requires enhancement of work skills or work attitude. Employees who are not adequately familiar with the required work skills, such as new recruits and transferees, are mostly trained on-the-job. Employees who are unable to accomplish their assigned tasks are offered timely training or transferred to a more suitable position.

Explanation 3: No "Unqualified" is defined for performance evaluations. We believe that unqualified employees shall be provided with immediate assistance.

BLN Restaurants & Caterings

BLN Restaurants & Caterings provides restaurant staff with work meals (lunch, dinner, or late-night snacks), work uniforms, and laundry and ironing services for these uniforms. Additionally, dormitory accommodation is offered to interns from outside the province and interns who transition to regular employees. In addition, foreign and Taiwanese employees are provided with accommodation, annual return air tickets and commercial medical insurance. Taiwanese employees and some foreign supervisors are insured with group insurance (term life insurance, accidental injury insurance, and critical illness insurance).

Ratio of standard entry-level wage by gender compared to local minimum wage



Explanation 1: The average annual regular salary is RMB6,801 per month.

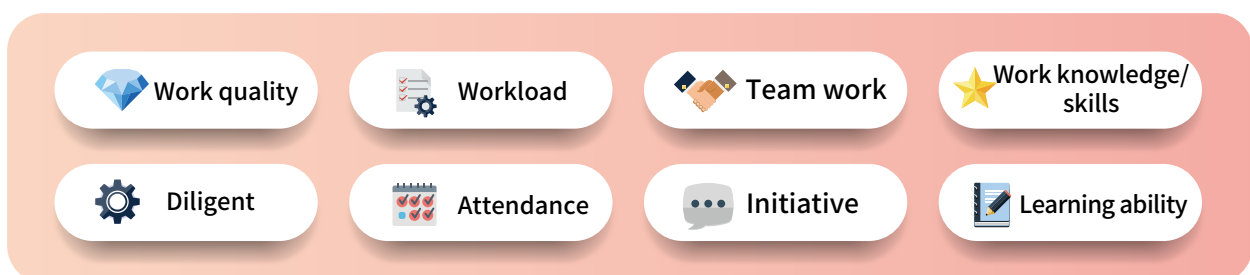
Explanation 2: In 2022, the monthly minimum wage standard in Shanghai was RMB2,590 per month.

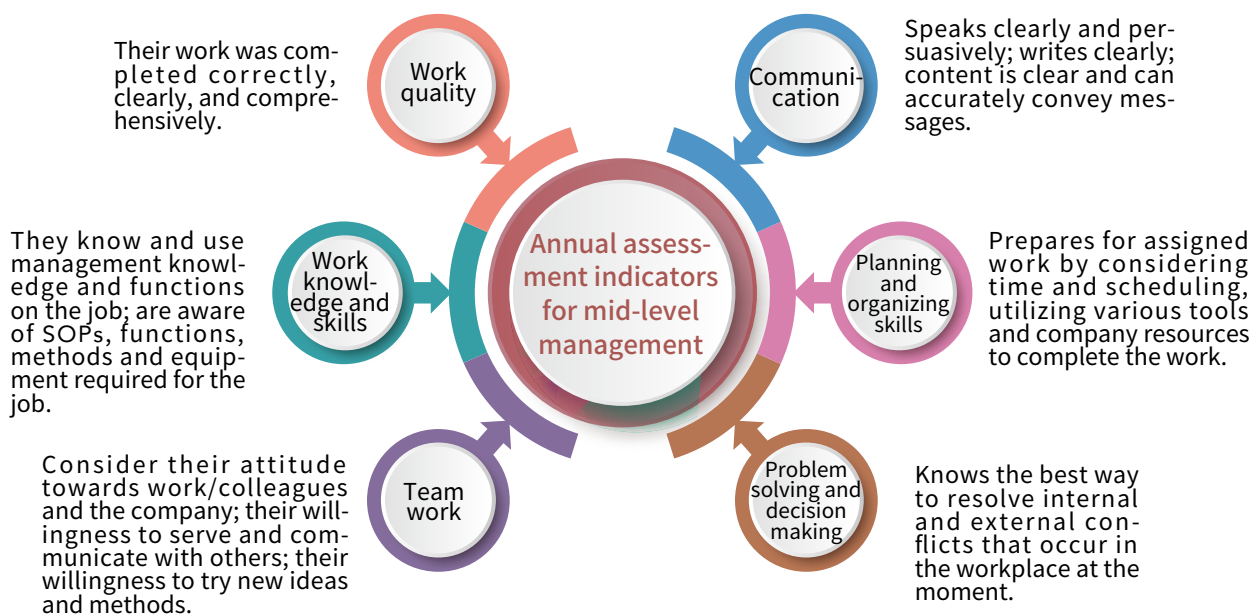
BLN Restaurants & Caterings Performance Evaluation

BLN Restaurants & Caterings evaluates employee performances during specific time periods based on their responsibilities and standards. The goal is to encourage employee development and strengthen the efficiency of each department; optimize performances; help to determine promotion, retention, and salary adjustment; develop common goals; and enhance the interaction and communication between employees and the company. In 2022, a total of 30 entry-level employees and 22 mid-level managers participated in the evaluation.

The annual performance evaluation period is from January to November, and the employee evaluation is conducted in December. The annual evaluation indicators for entry-level and mid-level employees are as follows:

Annual assessment indicators for entry-level employees





📍 Thailand region

Namchow Thailand provides a range of employee benefits in accordance with labor laws such as the social protection fund and worker compensation fund. Additional non-mandatory benefits are also provided including group insurance, wedding/childbirth/overtime subsidies, employee dormitories, tennis court, badminton courts and other facilities. Employee activities are also organized at different times within the factory.

Comprehensive Health Checkup

The health of employees is our responsibility. Except for BLN Restaurants & Caterings where employees are asked to undertake a health checkup every year, employees' health certificates must be kept up to date and held by the restaurant they work at for safekeeping. All other Namchow Group employees receive regular health checkups, with physicians from professional institutions invited to provide health consultations. In 2022, a total of 4,047 employees from the Namchow Group participated in company-sponsored health checkups, with a total cost of approximately NTD2,083,000. To protect the dietary health of employees, caterers are required to provide health reports for their staff at the time of contract-signing to ensure there are no cases of infectious diseases capable of aerosol transmission.

Compliant Pension Coverage

The pension system also abides by local laws and regulations. Our retirement plan is based on Taiwan's Labor Standards Act, while pension contributions are based on Taiwan's Labor Pension Act as well as the contribution plans defined by overseas subsidiaries based on their local laws. In addition to providing a pension reserve fund as required by law, the pension fund is reviewed by professional actuaries every to ensure that contributions were made in full and ensure that employees can apply for pensions in the future. In 2022, 19 employees in the Namchow Group's Taiwan applied for retirement, and the total retirement benefits applied for amounted to NTD49,051,000. As of the end of the year, there were 170 employees with over 20 years of service.



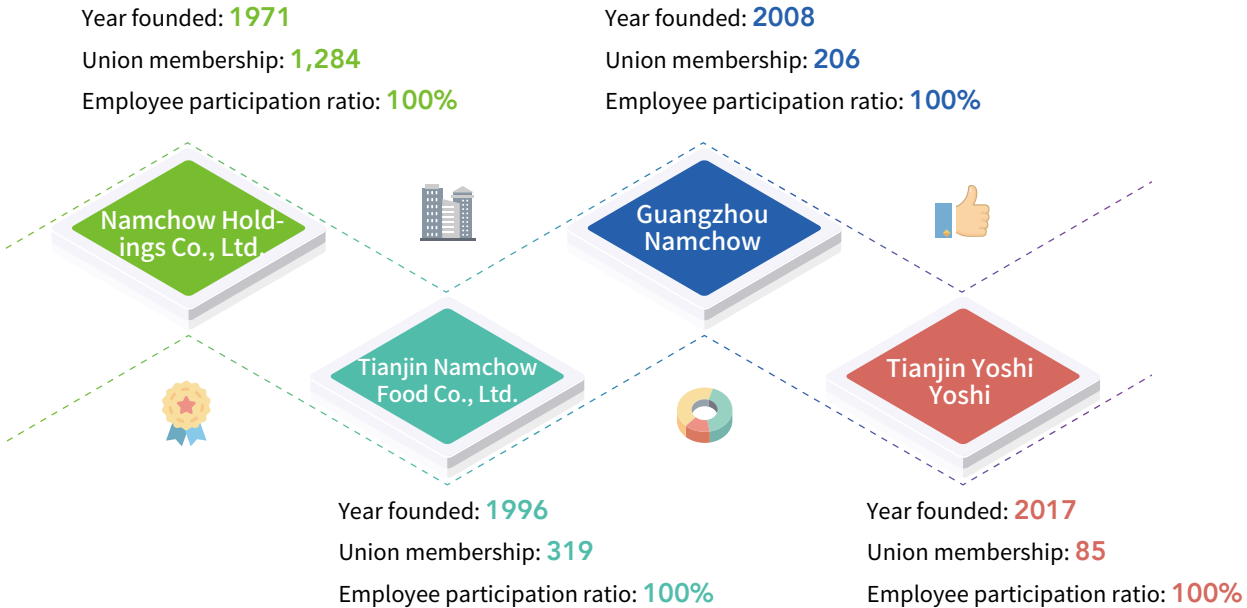
4.2 Healthy Workplace

GRI: 2-25, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10
 SASB: FB-AG-320a.1

We have strengthened employee communication and coordination across the board as part of our emphasis on harmonious labor/management relations. In addition to establishing trade unions, we also set up a range of channels for open communication in the form of employee suggestion boxes, internal publications, management regulations, product information, bulletin boards, and internal departmental meetings to uphold the principle of integrity and build up employer/employee consensus. Furthermore, the company considers contractors as important work partners. To ensure the safety of contractor personnel, all production sites in various regions comply with occupational safety and health regulations. We provide hazard notifications and supervision while implementing various management mechanisms to strengthen contractor safety and health management.

The mission of the trade union established by Namchow Taiwan is to improve labor conditions, labor safety and health, and the welfare of its members. There have been no labor disputes since the establishment of the trade union. There are trade unions for Guangzhou and Tianjin factories in Mainland China whereby 100% of the employees in the factory are trade union members, and 2% of their monthly wages go towards union dues. Union funds are dedicated to improving employee benefits and the work environment. BLN Restaurants & Caterings and Namchow Thailand have not established trade unions, but maintain open channels of communication with employees. In 2022, there were no strikes or labor disputes leading to work stoppages or factory closures.

Union Formation and Operation



Note: Excludes non-full-time employees

We are committed to creating a harmonious office atmosphere, caring for employees, and promoting a safe and healthy work environment for employees. In addition to regular employee health checkups, employee health and safety organizations have been established in accordance with regional regulations. These organizations meet regularly to discuss, improve, and manage company environmental safety and employee health issues.

Statistics on occupational accidents reported by Namchow Group's full-time employees in each region

Business locations	Year	Injury rate (IR)		Occupational disease rate (ODR)		Absenteeism rate (AR)		Lost Time Injury Frequency Rate		Fatality	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Taiwan	2020	2.58	2.43	0	0	0.01	0	0	0	0	0
	2021	1.2	1.27	0	0	0	0.01	7.48	6.35	0	0
	2022	1.23	0.91	0	0	0.01	0.01	13.45	5.49	0	0
Mainland China	2020	1.175	1.04	0	0	0.005	0.01	0	0	0	0
	2021	0.225	1.37	0	0	0.01	0.01	0	0	0	0
	2022	0.57	0.32	0	0	0.005	0.015	35.58	174.6	0	0
Thailand	2020	3.65	0.15	0	0	0.01	0.01	0	0.37	0	0
	2021	0.9	0.17	0	0	0.02	0.02	0	0.5	0	0
	2022	3.93	0.04	0	0	0.04	0.04	9.84	0	0	0

Explanation 1: Injury rate (IR) = total injuries/total work hours × 200,000*(200,000 represents chance of injury per 100 employees, assuming there are 50 work weeks a year and 40 work hours a week. In addition, workplace injuries do not include accidents during commuting to and from work.)

Explanation 2: Occupational disease rate (ODR) = (number of occupational disease incidents/total hours worked) × 200,000*

Explanation 3: Absentee rate (AR) = (absentee days/total workdays) × 100% (the number of absentee days is based on all absenteeism caused by employees' inability to work, such as sick leave and injury leave, but does not include leave that was approved in advance, such as pregnancy leave)

Explanation 4: Lost Time Injury Frequency Rate (LTIFR) = (Number of Lost Time Injuries during Reporting Period / Total Employee Hours Worked during Reporting Period) × 1,000,000

Lost Time Injury Frequency Rate (LTIFR): refers to the number of lost time injuries occurring per one million person-hours worked.

Lost Time Injury (LTIs) is defined as injuries resulting in fatality, permanent disability, or work hours lost. Lost time must be at least 24 hours, one day, or one work shift.

Explanation 5: In 2022, there were no false alarms or near-miss incidents reported in any region.

Explanation 6: In 2022, there were no reported cases of occupational diseases or work-related fatalities in any region.

Taiwan region

In accordance with relevant regulations of the Occupational Safety and Health Act, a "Occupational Safety and Health Committee" has been established. This committee is jointly composed of representatives from both labor and management, with the General Manager or Factory Manager serving as the chairman as by law. Labor representatives make up more than one-third of the committee's members. The committee meets quarterly and is responsible for monitoring occupational accidents or occupational disease incidents within the company. The committee operates under the framework of the Occupational Safety and Health Act and the PDCA (Plan-Do-Check-Act) management cycle. It conducts hazard identification and risk assessments, and based on the assessment results, proposes relevant improvement measures. The committee also tracks the effectiveness of these improvements.

Occupational Health and Safety Measures



Taoyuan Factory

- At the Taoyuan Factory, a total of 107 employees participated in occupational safety and health training. The training program covered various topics, including forklift operators, anoxia operation supervisors, boiler operators, first aid responders, occupational safety and health business managers, fire safety managers, hazard identification and risk control, and hazardous substances awareness. Out of these participants, 69 received in-house training, while 38 received external training.
- A health education, promotion, and hygiene guidance plan for employees has been developed. For employees with annual health examination results indicating significant risks, individual consultations and health education based on the examination reports are conducted. Health education, promotion, and hygiene guidance are provided accordingly. In the event of accidents or emergencies involving employees, assistance is provided for first aid, care, and follow-up care as necessary. An analysis of health examination results and questionnaires is conducted, and risk classification is completed. Subsequently, interviews, health consultations, and health education are arranged for colleagues. Referral to specialized medical treatment and follow-up care is recommended based on individual conditions. A total of 103 individuals received follow-up management and health guidance for abnormal medical examination results.

ChungLi Factory

- At the ChungLi Factory, occupational safety-related regulations are implemented, including contractor management, automatic inspections, education and training, operational environment monitoring, reporting of occupational accidents, and periodic inspections of hazardous equipment.
- Each department within the factory has conducted hazard identification in advance. For equipment with medium to high risk, contractors and the Facilities Department are required to install relevant protective devices and establish standard operating procedures for employees to refer to at any time. Whenever there are new equipment installations or repairs to machinery, hazard identification is carried out, followed by training.
- Every year, a designated hospital accredited by the Occupational Safety and Health Administration is commissioned to conduct health examinations for employees. The results are provided to employees individually in written form, and if any abnormalities are detected, relevant recommendations are included in the written communication. Alternatively, the company's contracted physicians and nurses are available to conduct interviews and provide guidance or advice to employees during working hours.
- Regarding the work environment, the company arranges for qualified testing companies to perform environmental monitoring every six months, and the results of these assessments are reported to relevant parties.

Tainan Factory

- At the Tainan Factory, daily safety and health inspections are conducted, and observations are reported to respective department heads. Any identified deficiencies are tracked until they are fully rectified.
- At-risk machinery and equipment were inspected to ensure regulatory compliance. Internal inspections and personnel protection measures were implemented. An annual education and training plan is developed, offering relevant courses to meet the needs of various departments. New employees receive education and training to enhance their awareness of safety and health measures within the factory.
- The Tainan Factory also contracts occupational doctors and occupational nurses to provide on-site services every year. They consolidate the annual health examination reports, classify employees based on their health status, and arrange for interviews with the occupational doctor and nurse to provide health education and guidance. Regular follow-ups are conducted for employees with abnormal results in their health examinations, especially those with moderate to high health risks.

Mainland China region

Manufacturing business

In the mainland China manufacturing business, each factory has a "Safety and Health Committee" composed of the factory manager and department heads. There are a total of 77 committee members across all factories. Monthly meetings are held to promote work safety, prevent accidents, improve the work environment, and safeguard employee health. The Safety, Health, and Environment Department (SHE) take the lead in facilitating the committee's work. They plan, monitor, and summarize responses to abnormal situations or special tasks. The SHE Department also designates specific personnel to correspond with each member of the Safety and Health Committee, providing timely communication and feedback during daily production meetings. The company's SHE team consists of 21 members, all of whom are permanent employees of the company. Among them, 43% hold bachelor's degrees.

All personnel at each factory undergo annual health examinations for food industry workers to ensure employee health and food production safety. In 2022, a total of 814 individuals underwent health examinations, with a total cost of RMB30,397.

For positions that may have potential occupational disease risks, strict compliance with regulatory requirements is followed, including pre-employment, on-the-job, and pre-departure occupational health examinations. In 2022, 403 individuals across various factory locations underwent occupational health examinations, with a total cost of RMB65,594.

Occupational Health and Safety Management System

Item	Function summary
Compliance obligation identification and evaluation	Continuously track newly enacted laws and regulations and other requirements that the company must comply with, and ensure compliance obligations are carried out.
Identification of hazards and risk control assessment	Identify hazards, conduct risk assessments on hazards, recognize occupational health and safety risks and opportunities, and develop effective risk control measures to minimize risks and losses.
Hazardous operations review	Develop review/approval procedures for hot work, elevated operations, and working in confined spaces.
Contractor management	Check contractors' practices regarding employee selection, personnel training, safety handover, and daily safety inspections.
Contingency plan	Prepare each department for possible safety incidents, thereby enabling them to carry out their duties in a timely manner while at the same time minimize injury and property loss.
Accident management	Reporting, adjustment, and training after the occurrence of a work accident.
Management of employee qualification documents	Maintain files on certificates held by the personnel involved in hazardous operations and special equipment, and review certificate validity regularly.
Health management	Arrange annual occupational hazard health checkups at reputable hospitals for employees involved in hazardous work or at risk of occupational diseases.
Safety inspection	Conduct safety inspections of the factory, workshop, team, or profession on a seasonal/daily basis or during public holidays. Uncover hidden concerns and correct accordingly.

Certification of occupational health and safety measures/Occupational health and safety system



Shanghai Factory

- A contractor is commissioned every year to conduct a total safety inspection of specialized equipment throughout the factory. The outcomes were also reviewed by the market supervision administration. All of the equipment passed the inspection and were issued the relevant reports.
- The factory diligently implement the company's safety inspection system, with regular inspections conducted by the SHE Department and specialized safety inspections organized by various departments. It also oversees and supervises the implementation of corrective actions.
- Shanghai Factory passed the ISO 45001 accreditation for its occupational health and safety management system. (Valid until October 2023)

Tianjin Factory

- Every year, various forms of training are conducted for employees across departments, including face-to-face, video-based, and on-site emergency drills. These training sessions aim to enhance the overall safety knowledge, improve employee operational skills, and enhance accident prevention capabilities.
- Special inspections are carried out twice a year for electricity, machinery and equipment, special equipment, dangerous chemicals, safety devices, fire and explosion prevention, and dust and toxic materials prevention.
- Hazardous operations involving heights, soil movement, flame, hoisting, temporary electricity use, and confined spaces in the factory were given permits to ensure regulatory compliance.
- Tianjin Factory passed the ISO 45001 accreditation for its occupational health and safety management system. (Valid until November 2023)

Guangzhou Factory

- Every year, qualified external contractors are commissioned to inspect occupational hazard factors in the workplace, and in 2022, all inspection results were found to be compliant.
- In order to continuously improve the workplace environment, the SHE Department of the Guangzhou Factory conducts daily inspections of the workshop and addresses any abnormalities promptly when detected.
- The Guangzhou Factory formulated relevant management systems, such as operation control procedures for occupational health and safety, an occupational health checkup system, and monitoring and measurement procedures.
- Guangzhou Factory passed the ISO 45001 accreditation for its occupational health and safety management system. (Valid until November 2023)

The SHE Department conducts hazard identification and risk assessments for various departments, all areas within the factory, and different production processes. They assess the magnitude of risks, develop risk control measures, and implement them. The hazards and control measures for each process are documented in the operational instructions for the respective positions. Regular training is provided to personnel in these positions to ensure the proper implementation of control measures and risk reduction. An annual inspection plan is developed, and the factory is inspected according to the plan. If any areas with potential risks or hazards are identified during inspections, recommendations for corrective actions are provided.

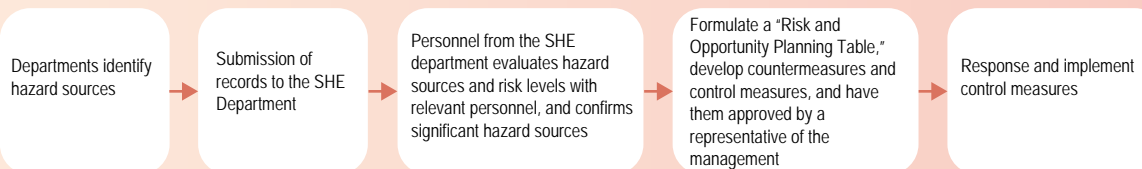
Hazard source identification and evaluation process

The process for hazard identification and risk assessment varies depending on the actual operations in each factory, and each factory has established management systems for hazard identification, risk assessment, and accident investigation. Training and awareness programs are provided to employees, and these processes are implemented.

When the company experiences certain changes, the SHE Department should conduct a reevaluation of identified hazards, assessment results, and control measures according to the local operational conditions. The reevaluation should be carried out in accordance with this procedure's requirements and must be approved.

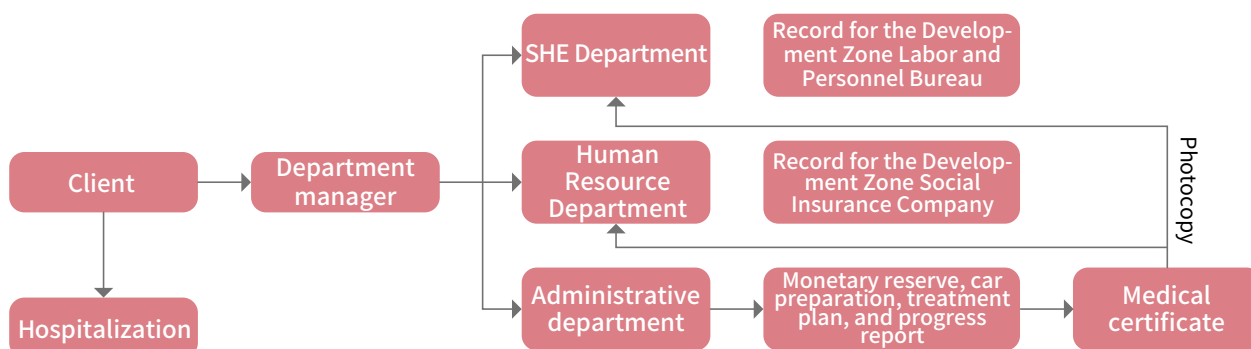
The changes that may trigger a reevaluation include:

1. Changes in occupational health and safety policies.
2. Changes in laws, regulations, and related requirements.
3. Requirements from internal audits, external audits, or management reviews.
4. Evaluation results following accidents or incidents.
5. Significant changes in primary or auxiliary materials.
6. Complaints and requests from relevant parties.
7. Significant changes in equipment or facilities.
8. Other situations that require it.



Accident reporting and handling process

The first person to discover the accident should address it immediately and ensure safety. Simultaneously, they should promptly report the incident to their supervisor or relevant leadership. Following the initial report to leadership, the incident should be reported to the SHE Department and the Human Resources Department through the most expedient means. This reporting process should be completed within 24 hours at the latest. In cases of serious injury, fatality or major fatality, the incident must be reported to the Development Zone's Emergency Management Bureau within 1 hour for timely investigation and handling.



Gastronomy Business Division

To ensure a safe working environment and comply with labor laws and regulations, BLN Restaurants & Caterings's basic employee training includes workplace safety, fire safety inspection, as well as food and personal hygiene. By enhancing employee awareness on health and hygiene as well as ensuring that standard procedures are followed during equipment operation, accidents can be prevented. Safety protection measures for employee workplaces have been strengthened (such as regularly checking whether the non-slip flooring in the dishwashing area is damaged) and observed basic safety protection requirements for kitchen employees (such as requiring employees to wear non-slip shoes). Before a kitchen intern uses edged tools and equipment in the kitchen, the intern must undergo training and pass rigorous testing before they are allowed to operate cutting tools and other equipment.

Statistics on occupational accidents reported by BLN Restaurants & Caterings' full-time employees

Year	Injury rate (IR)		Occupational Disease Rate (ODR)		Absenteeism rate (AR)		Lost Time Injury Frequency Rate		Fatality	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2020	1.91	1.2	0	0	0.01	0.01	0	0	0	0
2021	0	2.17	0	0	0.04	0.02	0	0	0	0
2022	1.59	1.33	0	0	0.03	0.03	0	0	0	0

Explanation 1: Injury Rate (IR) = (Number of Workplace Injuries / Total Hours Worked) x 200,000* (200,000 is a constant representing the equivalent of 100 employees working 40 hours a week for 50 weeks per year. In addition, workplace injuries do not include accidents during commuting to and from work.)

Explanation 2: Occupational disease rate (ODR) = (number of occupational disease incidents/total hours worked) x 200,000*

Explanation 3: Absentee rate (AR) = (absentee days/total workdays) x 100% (the number of absentee days is based on all absenteeism caused by employees' inability to work, such as sick leave and injury leave, but does not include leave that was approved in advance, such as pregnancy leave)

Explanation 4: Lost Time Injury Frequency Rate (LTIFR) = (Number of Lost Time Injuries during Reporting Period / Total Employee Hours Worked during Reporting Period) x 1,000,000

Lost Time Injury Frequency Rate (LTIFR): refers to the number of lost time injuries occurring per one million person-hours worked.

Definition of lost time injury: Fatalities, permanent disabilities, or lost time from work (must be at least 24 hours, 1 day or 1 shift of work time)

Thailand region

New recruits are required to undergo basic safety training within 30 days of their arrival. At least 2 fire and evacuation exercises must also be conducted every year. The Safety Committee (with 15 members) is also convened every year to discuss and develop recommendations for solving problems. The outcomes are then communicated via e-mail and to employees to ensure the safety and health of employees at work. General suppliers are provided with a written copy of our key regulations so that it can be used for training their employees. For on-site service providers (e.g. security), we provide at least 2 training sessions on factory rules, fire safety exercises, and evacuation drills every year.

Occupational Health and Safety Training Seminars

Namchow Group organizes various occupational safety education and training programs every year in different regions to eliminate and reduce health and safety risks for employees while working, enhancing employee awareness of risks. The performance statistics related to workplace safety training in 2022 are as follows:

Location	Taiwan	Mainland China	Thailand	Total
Persons Trained	363	2,437	1,472	4,272
Training Hours	1,417	9,154	8,163	18,733

Measures Taken in Response to COVID-19

In 2022, the COVID-19 pandemic continued to affect the world. In mainland China, the epidemic prevention team continued to gather information about the health status and location of all employees through various means such as online questionnaires, emails, WeChat, and phone calls. Before the holidays, we published the “Epidemic Prevention Manual” and the “Notice of Epidemic Prevention Measures”. In an effort to ensure the health of migrant workers and safety of our work environments, both the Taoyuan Factory and the Chungli Factory in Taiwan arranged for migrant workers to take PCR tests.

To ensure the safety of production and office areas, the Company has strengthened the disinfection work for the environment, provided and required employees to wear a mask during work, and measured their body temperature every day. We strictly forbid employees to travel to high-risk areas during the pandemic period, and control the number of business trips to low-risk areas. Visitors and employees who return to work after a long vacation must show their health code and itinerary code before entering the factories or the office area. We use the questionnaire function of our Cloud Academy, an online learning platform, to keep track of employees’ schedules and plans during holidays and outbreaks so that prevention efforts can be made. In 2022, all operating locations in various regions adhered to the company’s epidemic prevention policies to safeguard the health of all employees.



4.3 Social Inclusion and Action

GRI: 413-1

Namchow’s operating locations have a long and positive relationship with local residents. In addition to active engagement and volunteering of resources for community organizations, the Group also makes donations to help disadvantaged groups. The venues of our core business are also made available for government, school, and group activities.

Taiwan region

Public Donations and Sponsorships

Since 2012, we have been donating goods as a way to collaborate with joint fundraising organizations. Through quality control and service coordination, we ensure that these resources are utilized most effectively. This not only relieves the long-term service pressures on placement institutions but also redirects the cost savings from operations towards service purposes. In doing so, we enable more people to benefit indirectly, and together, we contribute to society with a shared sense of compassion. Namchow Oils & Fats has sponsored various charitable events, including the “2022 Sending Warmth and Love Winter Charity Event,” “2022 Children’s Cooperation - Chinese New Year Gathering for Economically Disadvantaged New Immigrant Families,” “Shuli Charity Desk Calendar - Fundraising to Help Developmentally-Delayed Children in Taitung,” and participated in the “Tainan City’s Trip of Love” event organized by the Chinese National Federation to donate sugar snacks and supplies.

Namchow Recreational Factory

Since its establishment in 2012, Namchow Recreational Factory has served to pass on the legacy of the industry and inspire through education, providing DIY interactive experiences, academic exchanges, and knowledge of environmental protection, culinary culture, historical heritage, and plant life (408 plants within the grounds, including plants such as *Juniperus chinensis var. kaizuka*, tea trees, weeping paperbark, and golden shower). It is a place that is both fun and educational, and after it was evaluated by the Industrial Development Bureau, MOEA, it became the first tourist factory in Guishan District of Taoyuan City. Every year, various themed activities are planned, and visit itineraries and experience contents are customized based on the needs and characteristics of different groups. By sharing corporate philosophies and discussions on industry-academia collaboration, visitors gain insights into practical knowledge of market strategies and operational models. Through understanding the value of products and hands-on experiences, visitors are encouraged to take practical actions in response to the concept of green living and sustainable development. Together with the local community and the positive influence on local government and public-private associations, the park contributes to the creation of a positive impact. Since its opening, the park has welcomed over 1.53 million visitors as of 2022.



Visits to the Namchow Recreational Factory by government agencies

On January 5, 2022, Deputy Director Chen Hui-Chi led a delegation from the National Taxation Bureau of the Ministry of Finance for a visit to our premises. The purpose of this visit was to participate in the “Taxation of Love through Taxation Law Advocacy” corporate visit event organized by the National Taxation Bureau. On that day, President Kan-Wen Lee of our group warmly welcomed the delegation and delivered a welcoming speech, followed by introductions and interactions between both parties. Subsequently, the tour was led by personnel from our Tourism Factory. It began with an overview of our group, followed by a visit to the exhibition hall, where our products were introduced in detail, allowing the guests to better understand the product features and philosophy of the Namchow Group. After the tour, Director Lin Wen-Ying from the Datong Office of the National Taxation Bureau conducted a tax law advocacy session, followed by a period of mutual exchange between both parties. The delegation then proceeded to the Crystal Soap Experience Lab, where they received an explanation of the crystal soap-making process and engaged in soap printing activities. It was their first time seeing mini versions of crystal soaps, and they were delighted to discover that they could imprint their designs on the soap through their own efforts. They found it to be a fun and meaningful hands-on experience.



Love Your Neighbors and Care for the Elderly

On January 18, 2022, the Hsinchu City Yuanyuan Community Care Association visited our premises. The purpose of this visit was to participate in a community exchange event organized to promote “community care, elderly care, and enhance neighborly mutual assistance spirit.” The visit was led by Village Chief Wu Hu-Sheng and participated by the local residents. The hope was that through the process of visiting the park and familiarizing themselves with crystal soap, it would evoke shared memories among the elderly and strengthen interaction and care among the residents.

The visiting group that day consisted mainly of senior citizens. The itinerary included having lunch at the BLN Restaurants & Caterings, an introduction to the corporate culture, a guided tour of the park’s facilities, and participation in the crystal soap printing activity. During the tour, although many of the elderly visitors expressed that it was their first time visiting the park, they were familiar with the well-established Namchow brand, which has been around for more than seventy years. This familiarity and sense of recognition were evident during the corporate culture presentation and the introduction to the crystal soap-making process, making the visit a meaningful experience for all involved.



Mainland China region

Namchow seeks to reciprocate the society by actively participating in public platforms in China and taking leading positions at either social societies or industrial associations, including Taiwanese investment enterprise associations of All-China, Shanghai, Tianjin, Guangzhou, and other cities where our factories and main offices are located, as well as industrial associations such as the China Bakery Association, Shanghai Food Association, etc. Meanwhile, we integrate government policies to our core values by organizing or participating in events for such prominent causes as poverty alleviation, rural prosperity, etc. By joining forces with our partners in the society and the industry, we have achieved social reciprocation as part of our corporate culture.



Launch of the “Thank You, City Guardians” Initiative

In early 2022, as the COVID-19 pandemic resurged in Shanghai, Namchow launched the “Thank You, City Guardians” initiative after the lockdown was announced. By implementing a contingency plan, Namchow factories in Shanghai utilized raw materials available to make pre-baked products, totaling over 20,000 items, during the 65-day lockdown from March to May 2022. Despite transportation restrictions, the company carried out five rounds of donations, delivering these freshly-baked food to frontline quarantine workers. In a similar scenario in Tianjin 2022, Chairman Clement Chen of the Namchow Food Group (Shanghai) Co., Ltd., who concurrently serves as Chairman of the Tianjin Taiwanese Investment Association, launched a combat action against Omicron by an initial donation of RMB200,000. His gesture received wide attention from association members, collecting over RMB 1 million-worth of contributions of money and goods.



Alliance with “Sunshine Home”

Namchow seeks to coin our own definition of “public welfare”. In the Xuhui District of Shanghai, where Namchow’s headquarters is located, the company is forming a bond of altruism the neighborhood. To render help to the disadvantaged, Namchow signed an agreement of collaboration with the “Sunshine Home,” a government-sponsored institution of rehabilitation for the disabled. It aims to help the physically and mentally disabled people to build self-confidence and better integrate into the society.

- **Crafting for Charity:** Namchow organized classes of craftsmanship for the disabled to lift their self-confidence and play a part at functions such as charity sales etc. These classes are tailor-made for Home members according to their individual levels. Our instructors provided hands-on lessons of making such beautiful items as wool felt pictures, Christmas bookmarks and others, all popular at charity events.
- **Moon Festival and others:** In addition to regular visits to the “Sunshine Home”, we celebrate Chinese traditional festivals together, at the Moon Festival, for instance, when Namchow Service Quality Center (SQC) prepared freshly baked mooncakes as part of a holiday gesture of comfort and care.
- **Social Life Experience:** Namchow organized events such as a banquet at the Paulaner restaurant, to give a scarce experience of social life. With the assistance of volunteers from both the local Disabled Persons’ Federation and the Home, participants learned table manners and to use knives and folks engaging in a scarce social luncheon. A guided tour of the restaurant followed.



♥ Seed Project of Traditional Chinese Pastry

Namchow headquarters pronounced “Renaissance of Han Bing (traditional Chinese pastry) Initiative” in 2016. In Shanghai the first museum bearing the theme was inaugurated 2018 and started a “Han Bing Seed” project afterwards. We have completed preparation including classroom and hardware renovation, as well as teaching materials and software.

Aimed at sowing seeds of the heritage of traditional Chinese pastry in young generations, the project primarily targets students from elementary schools to junior highs in the Jinshan District, neighborhood of the museum. It offers extracurricular activities featuring the main theme. A half-day program usually includes a guided tour of the museum, and mini-workshops designed with lively teaching methods and DIY baking. Owing to COVID-19 restrictions, off-campus extracurricular activities were limited. Still we received students (and teachers) from the Zhuhang Elementary School, and a relatively small number of registered visitors from local government agencies. Since its foundation, the museum has received more than 20,000 visitors.



♥ Sponsorship of Charity Activities by BLN Restaurants & Caterings - Spreading Love

During the Christmas market event, Namchow invited charitable organizations to participate, turning it into a platform for charity activities to showcase the spirit of philanthropy. BLN Restaurants & Caterings Shanghai sponsored the Heart to Heart Shanghai funding to take part in Christmas Market and the fund raising will be use to helping a child from China to undergo a heart surgery.



Thailand region

Thailand is a predominantly Buddhist country, and monks hold a revered position in society. Since 2009, the Ban Pong Factory has been paying attention to the spiritual well-being of its employees. Regularly, every month, they invite monks to the factory to offer blessings for the employees. Donations made by employees are then directed towards nearby temples, schools, and hospitals. As of 2022, approximately 1,445,000 Thai Baht has been donated to these institutions, benefiting a larger community.



Promotion of Charitable Donations to Nearby Communities:

- In January 2022, a donation of approximately 10,000 Thai Baht worth of instant noodles were made to a nearby elementary school. In September, equipment and products totaling approximately 12,000 Thai Baht were donated to a local hospital.
- In 2022, both employees and the company jointly donated 33,000 Thai Baht to a nearby temple.



Appendix

International Certification by Independent Third Parties

Factory	Production line	Certification	Certification ratio	Certificate expiration date	Certification body
Taoyuan Factory	Edible fat	ISO 22000	100%	2025.01.07	SGS
		FSSC 22000	100%	2025.01.07	
		HACCP	100%	2025.01.07	
		ISO 9001	100%	2023.02.22	
	Frozen Dough	FSSC 22000	100%	2025.01.07	SGS
		HACCP	100%	2025.01.07	
		ISO 22000	100%	2025.01.07	
	Ice cream line and pastry dough line	ISO 9001	100%	2023.01.03	SGS
		HACCP	100%	2023.03.16	
		ISO 22000	100%	2023.03.16	
FSSC 22000		100%	2023.03.16		
ChungLi Factory	Frozen Dough	ISO 22000	100%	2023.09.30	SGS
		FSSC 22000	100%	2023.09.30	
	Aseptic cooked rice	ISO 22000	100%	2023.09.29	SGS
		FSSC 22000	100%	2023.09.29	
		SQF	100%	2023.05.27	
	Frozen Noodles	ISO 22000	100%	2023.09.29	SGS
		FSSC 22000	100%	2023.09.29	
		SQF	100%	2023.05.27	
Tainan Factory	Ice Cream	ISO 9001	100%	2023.01.03	SGS
		HACCP	100%	2023.03.09	
		ISO 22000	100%	2023.03.09	
		FSSC 22000	100%	2023.03.09	
Shanghai Factory (Shanghai Namchow)	Edible oil & fat products	ISO 22000	100%	2023.11.03	China Quality Mark Certification Group
		HACCP	100%	2023.11.03	
		ISO 9001	100%	2023.10.30	
		FSSC 22000	100%	2023.11.26	Intertek Testing Services Shanghai Ltd.
		Food Industry Enterprise Credit Management System	100%	2024.11.7	Shanghai Food Association
		COVID-19 Prevention and Control Safe Operation Regulations	81.3%	2023.11.28	NSF Shanghai Co., Ltd.

Factory	Production line	Certification	Certification ratio	Certificate expiration date	Certification body
Shanghai Factory (Shanghai Namchow)	Frozen Dough	ISO 22000	100%	2023.11.03	China Quality Mark Certification Group
		HACCP	100%	2023.11.03	
		ISO 9001	100%	2023.10.30	
	Frozen Noodles and Rice Products, Cakes (Shanghai Namchow Jinshan Branch Office)	ISO 9001	100%	2024.02.29	China Quality Mark Certification Group
		HACCP	100%	2024.03.01	
		ISO 22000	100%	2024.03.01	Shanghai Food Association
		Food Industry Enterprise Credit Management System	100%	2024.11.07	
COVID-19 Prevention and Control Safe Operation Regulations	71.9%	2023.11.30	NSF Shanghai Co., Ltd.		
Shanghai Factory (Shanghai Qiaohao)	Quick-frozen Noodles (Raw Products and Cooked Products) (Shanghai Namchow Jinshan Branch Office)	ISO 22000	100%	2024.01.25	China Quality Mark Certification Group
		HACCP	100%	2024.01.25	
		ISO 9001	100%	2024.01.28	
		FSSC 22000	100%	2023.03.20	NSF Shanghai Co., Ltd.
		SQF	100%	2023.03.24	
		Food Industry Enterprise Credit Management System	100%	2024.11.07	Shanghai Food Association
	COVID-19 Prevention and Control Safe Operation Regulations	90.5%	2023.11.28	NSF Shanghai Co., Ltd.	
	Quick-frozen prepared food and dry meat products	ISO 22000	100%	2025.07.23	China Quality Mark Certification Group
	Fresh beer, quick-frozen prepared food, and dry meat products	HACCP	100%	2025.07.23	China Quality Mark Certification Group
		ISO 9001	100%	2025.07.04	
		Food Industry Enterprise Credit Management System	100%	2024.11.07	Shanghai Food Association
		COVID-19 Prevention and Control Safe Operation Regulations	90.2%	2023.11.30	NSF Shanghai Co., Ltd.
	Quick-frozen prepared food	SQF	100%	2023.03.29	NSF Shanghai Co., Ltd.
		FSSC 22000	100%	2023.05.01	
	Pastries (Contract Manufacturing)	Food Industry Enterprise Credit Management System	100%	2024.11.07	Shanghai Food Association
COVID-19 Prevention and Control Safe Operation Regulations		12.2%	2023.11.30	NSF Shanghai Co., Ltd.	
Tianjin factory (Tianjin Namchow)	Edible oil & fat products Other quick-frozen noodles and rice products	ISO 9001	100%	2024.02.12	Intertek Testing Services Shanghai Ltd.
		HACCP	100%	2024.02.12	
		ISO 22000	100%	2023.12.07	
		FSSC 22000	100%	2023.12.07	

Factory	Production line	Certification	Certification ratio	Certificate expiration date	Certification body
Tianjin factory (Tianjin Namchow)	Edible oil & fat products / quick-frozen wheat and rice products	Food Industry Enterprise Credit Management System	100%	2024.11.07	Shanghai Food Association
		COVID-19 Prevention and Control Safe Operation Regulations	90.7%	2023.12.07	NSF Shanghai Co., Ltd.
Tianjin factory (Tianjin Yoshi Food Co., Ltd.)	Margarine, Milk Beverage, Roast Food Stuffing, Flour Paste Fillings, Quick-frozen Wheat and Rice Products	ISO 9001	100%	2024.11.11	Intertek Testing Services Shanghai Ltd.
		ISO 22000	100%	2024.11.11	
		HACCP	100%	2024.11.07	
		FSSC 22000	100%	2023.12.16	Shanghai Food Association
		Food Industry Enterprise Credit Management System	100%	2024.11.07	
		COVID-19 Prevention and Control Safe Operation Regulations	90.3%	2023.12.07	
Guangzhou Factory (Guangzhou Namchow)	Edible oil & fat products [edible hydrogenated oil, margarine (oleomargarine), shortening] *The production of edible hydrogenated oil was discontinued by the end of 2020; however, the ISO 9001 certificate was not removed because it is still within the deadline.	ISO 9001	100%	2023.07.12	SGS
		ISO 22000	100%	2023.07.12	
		HACCP	100%	2023.07.12	
		FSSC 22000	100%	2023.07.12	
		Food Industry Enterprise Credit Management System	100%	2024.11.7	Shanghai Food Association
		COVID-19 Prevention and Control Safe Operation Regulations	84.9%	2023.12.1	NSF Shanghai Co., Ltd.
Guangzhou Factory (Guangzhou Yoshi Yoshi)	Edible oil & fat products (non-dairy creams), milk beverage (passed the certification review in 2021 and received the certification in 2022)	ISO 9001	99.9%	2024.01.22	SGS
		ISO 22000	100%	2024.01.22	
		HACCP	100%	2024.01.22	
		FSSC 22000	100%	2024.01.20	
		Food Industry Enterprise Credit Management System	100%	2024.11.07	Shanghai Food Association
		COVID-19 Prevention and Control Safe Operation Regulations	83.7%	2023.12.1	NSF Shanghai Co., Ltd.
Ban Pong Factory	Rice cracker, Instant noodles, Cooked rice and Porridge	GHPs	100%	2024.08.05	SGS
		HACCP	100%	2024.08.05	
		BRC	100%	2023.03.06 (general rice crackers, instant noodles, and cooked rice and porridge) 2023.8.1 (baby rice crackers, aseptic cooked rice)	
		IFS	100%	2023.4.28	
		ISO 9001	100%	2024.1.5	

Note: The certification ratio is the output of the certificated products/total output of the products of the production line

Product Inspection

Mainland China region

Outsourced inspection

Division	Pass rate	Product	Inspection category and condition-outsourced (standards)
Oils & Fats (Shanghai Factory)	100.00%	Raw material	<ul style="list-style-type: none"> ◆ GB 5749 “Standards for Drinking Water Quality” ◆ GB/T 13277.1-2008 “Oil Content, Granularity, and Humidity” ◆ GB 29202-2012 “National Food Safety Standard—Food Additives—Nitrogen”
		Finished product	<ul style="list-style-type: none"> ◆ GB 15196 “National Standard for Food Safety—Edible Oil and Fat Products” ◆ GB 5009.257 “National Food Safety Standard - Foodstuffs - Determination of trans-fat in Foodstuffs” ◆ GB/T 5009.6 “Determination of Fat in Foods” ◆ GB 2762-2017 “National Food Safety Standard—Contaminant Limits in Foods” ◆ GB 2760-2014 “National Food Safety Standard—Food Additive Usage Standard” ◆ GB 5009.251-2016 “National Food Safety Standard—Determination of 1, 2-Propanediol in Foods; Method 1: Gas Chromatography” ◆ GB 5009.271-2016 “Phthalates” (plasticizer)
Oils & Fats (Tianjin Factory)	100.00%	Raw material	<ul style="list-style-type: none"> ◆ GB 7718-2011 “National Standard on Food Safety—General Standard for Pre-packaged Food Labels” ◆ Polymerase chain reaction ◆ GB 5749-2006 “Standards for drinking water quality” ◆ GB29202-2012 “Food Additives - Nitrogen Quality Index Requirements.”
		Finished product	<ul style="list-style-type: none"> ◆ GB 15196-2015 “National Standard for Food Safety - Edible Fat and Oil Products” ◆ GB2716-2018 “National Food Safety Standard - Vegetable Oils.” ◆ GB5009.138-2017 “National Food Safety Standard - Determination of nickel in food” ◆ GB5009.236-2016 “National Food Safety Standard - Determination of Moisture and Volatile Matter in Animal and Vegetable Oils.” ◆ GB 5009.257-2016 “National Food Safety Standard - Determination of trans-fat in foodstuffs” ◆ GB2761-2017 “National Food Safety Standard - Maximum Levels of Mycotoxins in Food.” ◆ GB 5009. 83-2016 “National Food Safety Standard Determination of Carotene in Foods” ◆ LS/T 3218-1992 “Shortening” ◆ SN/T 1202-2010 “Protocol of Qualitative Polymerase Chain Reaction for Detecting Genetically Modified Plant Components in Foods” ◆ GB4789.10-2016 “National Food Safety Standard - Food Microbiological Inspection - Inspection of Staphylococcus aureus.” ◆ GB 2760-2014 “National Food Safety Standard - Standards for Uses of Food Additives” ◆ GB2762-2017 “National Food Safety Standard - Maximum Levels of Contaminants in Food.” ◆ GB 5009.271-2016 “National Food Safety Standard - Determination of phthalate esters in foods” ◆ GB 28050-2011 “National Standard on Food Safety - Nutrition Label Standards of Pre-packaged Food” ◆ GB5009.8-2016 “National Food Safety Standard - Determination of Fructose, Glucose, Sucrose, Maltose, and Lactose in Food” ◆ GB5009.91-2017 “National Food Safety Standard - Determination of Potassium and Sodium in Food” ◆ GB4789.4-2016 “National Food Safety Standard - Food Microbiological Inspection - Inspection of Salmonella” ◆ GB4789.5-2016 “National Food Safety Standard - Food Microbiological Inspection - Inspection of Shigella” ◆ GB5009.32-2016 “National Food Safety Standard - Determination of Nine Antioxidants in Food” ◆ GB5009.5-2016 “National Food Safety Standard - Determination of Protein in Food” ◆ GB5009.6-2016 “National Food Safety Standard - Determination of Fat in Foods” ◆ GB 7718-2011 “National Standard on Food Safety—General Standard for Pre-packaged Food Labels” ◆ Polymerase chain reaction
Oils & Fats (Guangzhou Factory)	100.00%	Raw material	<ul style="list-style-type: none"> ◆ GB 1886.174-2016 “National Food Safety Standard - Food Additives - Enzyme Preparation for the Food Industry” ◆ GB 19646 “National Food Safety Standard—Cream, Butter, and Clarified Butter” ◆ GB 30616 “National Food Safety Standard—Food Flavorings” ◆ NY/T 230 “Coconut Oil” ◆ Novel Coronavirus (2019-nCoV) Nucleic Acid

Division	Pass rate	Product	Inspection category and condition-outsourced (standards)
Oils & Fats (Guangzhou Factory)	100.00%	Finished product	<ul style="list-style-type: none"> ◆ GB 15196-2015 "National Standard for Food Safety Edible Fat and Oil Products" ◆ GB 2760-2014 "National Food Safety Standard—Food Additive Usage Standard" ◆ GB 28050-2011 "National Standard on Food Safety—Nutrition Labeling Standards for Pre-Packaged Foods" ◆ GB 4789.4-2016 "National Food Safety Standard - Microbiological Inspection of Food - Inspection of Salmonella" ◆ GB5009.138-2017 "National Food Safety Standard—Determination of Nickel in Foods" ◆ GB 5009.22-2016 "National Food Safety Standard - Determination of B-group and G-group Aflatoxins in Foods" ◆ GB 5009.251-2016 "National Food Safety Standard—Determination of 1, 2-Propylene Glycol in Foods" ◆ GB/T 22388-2008 "Determination of Melamine in Raw Milk and Dairy Products" ◆ GB 5009.257-2016 "National Food Safety Standard Determination of Trans-Fat in Foods" ◆ Food and Fat Products Production License Review Rules
Frozen dough (Tianjin Factory)	100.00%	Raw material	<ul style="list-style-type: none"> ◆ GB 2763-2021 "National Food Safety Standard—Maximum Pesticide Residue in Foods" ◆ Real-time PCR
	100.00%	Finished product	<ul style="list-style-type: none"> ◆ GB 19295-2011 "National Food Safety Standard Quick-frozen Noodle and Rice Products" ◆ GB 19295-2021 "National Food Safety Standard - Quick-frozen Noodles, Rice, and Prepared Food Products" ◆ GB 4789.38-2012 "National Food Safety Standard - Food Microbiology Inspection - Enumeration of Escherichia coli" ◆ GB 5009.257-2016 "National Food Safety Standard—Determination of Trans-Fat in Foods" ◆ Real-time PCR
Animal/plant fats Blended cream (Guangzhou Yoshi Yoshi)	100.00%	Raw material	<ul style="list-style-type: none"> ◆ GB 11674-2010 "National Food Safety Standard - Whey powder and whey protein powder" ◆ GB 1886.103-2015 "National Food Safety Standard—Food Additives—Microcrystalline Cellulose" ◆ GB 1886.169-2016 "National Food Safety Standard—Food Additives—Carrageenan" ◆ GB 1886.178-2018 "National Food Safety Standard—Food Additives—Polyglyceryl Fatty Ester" ◆ GB 1886.212-2016 "National Food Safety Standard - Food Additives - Sodium Caseinate (also known as Sodium Casein)" ◆ GB 1886.27-2015 "National Food Safety Standard—Food Additives—Sugar Esters" ◆ GB 1886.92-2016 "National Food Safety Standard - Food Additives - Sodium Stearoyl Lactylate" ◆ GB 19644-2010 "National Food Safety Standard - Milk Powder" ◆ GB/T 22388-2008 "Determination of Melamine in Raw Milk and Dairy Products" ◆ GB 25553-2010 "National Food Safety Standard—Food Additives—Polyoxyethylene (20) Sorbitan Monooleate (Polysorbate 60)" ◆ GB 28401-2021 "National Food Safety Standard—Food Additives—Phospholipid" ◆ GB 5749-2006 "Standards for Drinking Water Quality"
	100.00%	Finished product	<ul style="list-style-type: none"> ◆ GB 5009.257-2016 "National Food Safety Standard—Determination of Trans-Fat in Foods" ◆ GB 5009.271-2016 "National Food Safety Standard—Determination of Phthalates in Foods" ◆ GB/T 21732-2008 "National Food Safety Standard—Dairy Beverages" ◆ GB 7101 "National Food Safety Standard—Beverages" ◆ GB 2762-2017 "National Food Safety Standard—Contaminant Limits in Foods" ◆ GB 29921-2021 "National Food Safety Standard - Maximum Levels of Pathogenic Bacteria in Foods" ◆ GB/T 22388-2008 "Determination of Melamine in Raw Milk and Dairy Products" ◆ JJF 1070-2005 "Rules for Inspection of Net Contents of Quantitative Packaged Goods" ◆ Q/02A0501S-2022 "Animal and Vegetable Fat-Blended Light Cream" ◆ GB 2760-2014 "National Food Safety Standard—Standards for the Use of Food Additives" ◆ GB 7718-2011 "National Standard on Food Safety—General Standard for the Labeling of Prepackaged Foods" ◆ GB 28050-2011 "National Standard on Food Safety—General Standard for the Labeling of Prepackaged Foods" ◆ JJF 1070-2005 "Rules for Inspection of Net Contents of Quantitative Packaged Goods" ◆ GB 5009.271-2016 "National Food Safety Standard—Determination of Phthalates in Foods" ◆ Q/JHSP 0001S-2021 "Animal and Vegetable Fat-Blended Cream" ◆ Q/JHSP 0001S-2022 "Animal and Vegetable Fat-Blended Cream" ◆ Q/TJYY0001-2022 "Plant Protein Beverage" ◆ GB 2760-2014 "National Food Safety Standard—Standards for the Use of Food Additives" ◆ GB 7718-2011 "National Standard on Food Safety—General Standard for the Labeling of Prepackaged Foods" ◆ GB 28050-2011 "National Standard on Food Safety—General Standard for the Labeling of Prepackaged Foods" ◆ JJF 1070-2005 "Rules for Inspection of Net Contents of Quantitative Packaged Goods"

Division	Pass rate	Product	Inspection category and condition-outsourced (standards)
Dessert use whipping cream (Tianjin Yoshi Yoshi Food Co., Ltd.)	100.00%	Raw material	<ul style="list-style-type: none"> ◆ GB 5749-2006 "Standards for Drinking Water Quality" ◆ Real-time PCR
	100.00%	Finished product	<ul style="list-style-type: none"> ◆ GB 7718-2011 "National Standard on Food Safety - National Label Standards for Pre-packaged Food" ◆ Q/02A0501S-2022 "Animal and Vegetable Fat Blended Cream" ◆ Q/TJYY0001-2022 "Plant Protein Beverage" ◆ Q/TJYY0002-2022 "Plant-Based Protein Cream" ◆ GB/T 21732 "Dairy-Containing Beverages" ◆ Real-time PCR
Fillings for baked goods (Tianjin Yoshi Yoshi Food Co., Ltd.)	100.00%	Finished product	<ul style="list-style-type: none"> ◆ Q/07A2065S-2022 "Flour Paste Fillings" ◆ GB/T 21270-2007 "Food Fillings" ◆ Real-time PCR
Flour Paste Fillings (Tianjin Yoshi Yoshi Food Co., Ltd.)	100.00%	Raw material	<ul style="list-style-type: none"> ◆ GB/T 22427.7-2008 "Starch Viscosity Determination"
	100.00%	Finished product	<ul style="list-style-type: none"> ◆ GB/T 21270-2007 "Food Fillings" ◆ Q/07A2662S-2021 "Flour Paste Fillings" ◆ Q/07A2662S-2022 "Flour Paste Fillings" ◆ Real-time PCR
Pre-fried, Pre-baked, Sauce (Tianjin Yoshi Yoshi Food Co., Ltd.)	100.00%	Finished product	<ul style="list-style-type: none"> ◆ GB 19295-2021 "National Food Safety Standard - Quick-frozen Noodles, Rice, and Prepared Food Products"
Beer (Shanghai Qiaohao)	100.00%	Finished product	<ul style="list-style-type: none"> ◆ GB/T 4927-2008 "Beer" ◆ GB 12456-2021 "Determination of Total Acidity - Method 1" ◆ GB 5009.225-2016 "Determination of Ethanol Content in Liquor - Method 1"
Meat products, ready-to-eat meals (Shanghai Qiaohao)	100.00%	Raw material	<ul style="list-style-type: none"> ◆ GB 5749 "Standards for Drinking Water Quality"
	100.00%	Finished product	<ul style="list-style-type: none"> ◆ GB 7718-2011 "National Standard on Food Safety—National Labeling Standards for Pre-Packaged Food" ◆ GB 28050-2011 "National Standard on Food Safety—Nutrition Labeling Standards for Pre-Packaged Foods" ◆ SB/T 10379-2012 "Quick-frozen Prepared Food" ◆ GB 19295-2021 "National Food Safety Standard - Quick-frozen Noodles, Rice, and Prepared Food Products" ◆ GB 2730 "National Food Safety Standard-Cured Meat Products" ◆ SB/T 10648-2012 "Quick-Frozen Prepared Foods"
Frozen drinks (Shanghai Qiaohao)	100.00%	Finished product	<ul style="list-style-type: none"> ◆ GB 2759-2015 "National Food Safety Standard—Frozen Beverages and Production Materials"
Bakery products (Shanghai Qiaohao)	100.00%	Finished product	<ul style="list-style-type: none"> ◆ GB 7099-2015 "National Food Safety Standard—Cake and Bread" ◆ GB/T 20977-2007 "General Rules for Cakes"
Frozen noodles and rice products (Shanghai Namchow)	100.00%	Finished product	<ul style="list-style-type: none"> ◆ GB 7099-2015 "National Food Safety Standard—Cake and Bread" ◆ GB 5009.227-2016 Method 1 "National Food Safety Standard - Determination of Peroxide Value in Food" ◆ GB 19295-2021 "National Food Safety Standard - Quick-frozen Noodles, Rice, and Prepared Food Products" ◆ GB 5009.12-2017 Method 1 "National Food Safety Standard - Determination of Lead in Foods" ◆ GB 2762-2017 "National Food Safety Standard—Contaminant Limits in Foods" ◆ GB 28050-2011 "National Standard on Food Safety—Nutrition Labeling Standards for Pre-Packaged Foods" ◆ GB 4789.10-2016 "National Food Safety Standard—Microbiological Inspection of Foods—Testing for Staphylococcus Aureus" ◆ GB 4789.4-2016 "National Food Safety Standard - Microbiological Inspection of Food - Inspection of Salmonella" ◆ GB 5009.11-2014 "National Food Safety Standard - Determination of Total Arsenic and Abio-arsenic in Food" ◆ GB 5009.22-2016 "National Food Safety Standard - Determination of B-group and G-group Aflatoxins in Foods" ◆ GB 5009.3-2016 "National Food Safety Standard—Determination of Water Content in Foods" ◆ GB 5009.229-2016 Method 2 "National Food Safety Standard - Determination of Acid Value in Foods"
Frozen dough (Shanghai Namchow Jinshan Branch Office)	100.00%	Finished product	<ul style="list-style-type: none"> ◆ GB 7099-2015 "National Food Safety Standard—Cake and Bread" ◆ GB/T 20977-2007 "General Rules for Cakes" ◆ GB 19295-2021 "National Food Safety Standard - Quick-frozen Noodles, Rice, and Prepared Food Products" ◆ GB 5009.257-2016 "National Food Safety Standard—Determination of Trans-Fat in Foods" ◆ "Melamine and Cyanuric Acid" US FDA method-LIB No. 4421 Determination of Melamine and Cyanuric Acid Residues in Infant Formula using LC-MS/MS

Division	Pass rate	Product	Inspection category and condition-outsourced (standards)
Frozen noodles (Shanghai Namchow Jinshan Branch Office)	100.00%	Raw material	<ul style="list-style-type: none"> ◆ GB 5749-2006 "Standards for Drinking Water Quality" ◆ GB/T 13277.1-2008 "Compressed Air—Part 1: Contaminants and Purity Classes" ◆ GB/T 5508-2011 "Grain and Oil Inspection - Determination of Sand Content in Flour"
	100.00%	Finished product	<ul style="list-style-type: none"> ◆ GB 19295 "National Food Safety Standard - Quick-frozen Wheat and Rice Products" ◆ GB 4789.14-2014 "National Food Safety Standard—Microbiological Inspection of Foods—Testing for Bacillus Cereus" ◆ GB 4789.38-2012 "National Food Safety Standard—Microbiological Inspection of Foods—Counting of Escherichia Coli" ◆ GB 4789.30-2016 "National Food Safety Standard—Microbiological Inspection of Foods—Testing for Listeria Monocytogenes" ◆ GB 4789.7-2013 "National Food Safety Standard—Microbiological Inspection of Foods—Testing for Vibrio Parahaemolyticus" ◆ GB 4789.10-2016 "National Food Safety Standard—Microbiological Inspection of Foods—Testing for Staphylococcus Aureus" ◆ GB 4789.4-2016 "National Food Safety Standard - Microbiological Inspection of Food - Inspection of Salmonella" ◆ SC/T 3025-2006 "Determination of Formaldehyde in Aquatic Products—High Performance Liquid Chromatography" ◆ COVID-19 Nucleic Acid Testing Surface Swab ◆ GB 7718-2011 "National Standard on Food Safety—National Labeling Standards for Pre-Packaged Food" ◆ GB 28050-2011 "National Standard on Food Safety—Nutrition Labeling Standards for Pre-Packaged Foods" ◆ Additive Limit Testing

Internal inspection

Division	Pass rate	Product	Inspection Category
Oils & Fats (Shanghai Factory)	100.00%	Raw material	Acid value, peroxide value, water content, zero degree test, melting point, iodine value, aerobic plate count, coliforms
	100.00%	Semi-finished product	Peroxide value, acid value, water content, iodine value, zero degree test, melting point
	100.00%	Finished product	Melting point, water content, acid value, peroxide value, coliforms, mold and yeast
Oils & Fats (Tianjin Factory)	99.88%	Raw material	Acid value, iodine value
	98.61%		Aerobic plate count
	100.00%	Finished product	Water content, peroxide value, melting point, zero degree test, mold, coliforms
	100.00%	Semi-finished product	Acid value, peroxide value, melting point, iodine value, zero degree test
Oils & Fats (Guangzhou Factory)	100.00%	Finished product	Water content, acid value, peroxide value, melting point, iodine value, coliforms, mold
	99.33%	Raw material	Acid value
	97.47%		Aerobic plate count
	100.00%		Water content, peroxide value, melting point, SFC, saponification value, iodine value, zero degree test, colorimetry, coliforms, mold and yeast
	98.68%	Semi-finished product	SFC
	99.98%		Melting point
	100.00%		Water content, acid value, peroxide value, melting point, saponification value, iodine value, colorimetry, zero degree test
100.00%	Water content, acid value, peroxide value, color, zero degree test, coliforms, mold, and yeast		
Frozen dough (Tianjin Factory)	100.00%	Raw material	Water content, inhibition ratio, aerobic plate count, acid value
Blended cream with animal and vegetable fats (Guangzhou Yoshi Yoshi)	100.00%	Raw material	Acid value, iodine value, peroxide value, melting point, pH, water content, microorganisms
	100.00%	Semi-finished product	Water content, microbes
	100.00%	Finished product	Acid value, peroxide value, pH level, moisture, microorganism

Division	Pass rate	Product	Inspection Category
Dessert use whipping cream (Tianjin Yoshi Yoshi Food Co., Ltd.)	100.00%	Raw material	Acid value, peroxide value, coliforms, mold and yeast, aerobic plate count
	100.00%	Semi-finished product	Moisture
	100.00%	Finished product	Moisture, protein, acid value, peroxide value, fat
	99.93%		pH
	99.59%		Aerobic plate count
	99.67%		Coliforms
Fillings for baked goods (Tianjin Yoshi Yoshi Food Co., Ltd.)	100.00%	Raw material	Mold, coliforms, Aerobic plate count
	100.00%	Semi-finished product	Loss in mass on drying, brix
	100.00%	Finished product	Loss in mass on drying, acid value, peroxide value, fat, total sugar, sugar content, water activity, mold, aerobic plate count, coliforms
Flour Paste Fillings (Tianjin Yoshi Yoshi Food Co., Ltd.)	100.00%	Raw material	Mold, coliforms, Aerobic plate count
		Semi-finished product	Loss in mass on drying, brix, viscosity
	100.00%	Finished product	Loss in mass on drying, acid value, peroxide value, fat, total sugar, brix, water activity, mold, Aerobic plate count
			Viscosity
Meat products, ready-to-eat meals (Shanghai Qiaohao)	100.00%	Raw material	Sensory
		Semi-finished product	Aerobic plate count, coliform bacteria
		Finished product	Sensory, peroxide value, aerobic plate count, coliforms, net quantity
Frozen drinks (Shanghai Qiaohao)	100.00%	Raw material	Sensory
	100.00%	Semi-finished product	Aerobic plate count, coliform bacteria
Beer (Shanghai Qiaohao)	100.00%	Raw material	Sensory
		Finished product	Sensory, total acidity, alcohol content, wort concentration, sucrose conversion enzyme activity, color
Bakery products (Shanghai Qiaohao)	100.00%	Raw material	Sensory
		Finished product	Sensory, aerobic plate count, coliform
Frozen noodles and rice products (Shanghai Namchow)	100.00%	Raw material	Sensory, water content
	100.00%	Finished product	Sensory
Frozen dough (Shanghai Namchow Jinshan Branch Office)	100.00%	Raw material	Sensory, water content
	100.00%	Finished product	Sensory, net content, coliforms, aerobic plate count
Frozen noodles (Shanghai Namchow Jinshan Branch Office)	99.37%	Raw material	Moisture
	100.00%		Thickness
	100.00%	Semi-finished product	Aerobic plate count, coliform bacteria
	100.00%	Finished product	Net content, packaging, taste test, mold

Thailand region

Outsourced inspection

Items	Product types	Coverage (% of qualified product) 2021	Coverage (% of qualified product) 2022	Parameter Testing
1	Rice Cracker (Finished product)	100%	100%	Physical: - Chemical: Pesticides, Allergen, Heavy metal, GMOs, Nitrate&Nitrite, Mycotoxin, Nutrition testing, Chlorate, Pesticides 4 gr
		100%	100%	Microbiological: TPC, Yeast & Mold, <i>E.Coli</i> , <i>S.aureus</i> , <i>B.cereus</i> , <i>Salmonella sp</i> , <i>Cl.perfingens</i> , <i>Enterobacteriaceae</i>
2	Rice Snack (Finished product)	100%	100%	Physical: - Chemical: Pesticides, Heavy metal, Nutrition testing, DON, Mycotoxin, TBHQ, Acrylamide
		100%	100%	Microbiological: TPC, Yeast & Mold, <i>E.Coli</i> , <i>S.aureus</i> , <i>B.cereus</i> , <i>Salmonella sp</i> , <i>Cl.perfingens</i> , <i>Cl.botulinum</i>
3	Instant Noodle (Finished product)	100%	100%	Physical: - Chemical: Pesticides, Heavy metal, Nutrition testing, DON, Mycotoxin, TBHQ, Acrylamide
		100%	100%	Microbiological: TPC, Yeast & Mold, <i>E.Coli</i> , <i>S.aureus</i> , <i>B.cereus</i> , <i>Salmonella sp</i> , <i>Cl.perfingens</i> , <i>Cl.botulinum</i>
4	Cooked Rice and Retort Pouch (Finished product)	100%	100%	Physical: - Chemical: Gluten Allergen, Benzoic acid, Heavy metal, Potassium sorbate
		100%	100%	Microbiological: TPC, Yeast & Mold, <i>E.Coli</i> , <i>S.aureus</i> , <i>B.cereus</i> , <i>Salmonella sp</i> , <i>Cl.perfingens</i> , <i>Cl.botulinum</i> , Anaerobic plate count
5	Instant Rice Porridge (Finished product)	100%	100%	Physical: - Chemical: Sulfur dioxide
		100%	100%	Microbiological: TPC, Yeast & Mold, <i>E.Coli</i> , <i>S.aureus</i> , <i>B.cereus</i> , <i>Salmonella sp</i> , <i>Cl.perfingens</i>
6	Mix Seasoning and Flake (Semi-Product)	100%	100%	Physical: - Chemical: Pesticides, Heavy metal
		100%	100%	Microbiological: TPC, Yeast & Mold, <i>E.Coli</i> , <i>S.aureus</i> , <i>B.cereus</i> , <i>Salmonella sp</i> , <i>Cl.perfingens</i>
7	Paste and oil (Semi-Product)	100%	100%	Physical: - Chemical: - Microbiological: TPC, Yeast & Mold, <i>E.Coli</i> , <i>S.aureus</i> , <i>B.cereus</i> , <i>Salmonella sp</i> , <i>Cl.perfingens</i>
		100%	100%	Physical: - Chemical: Heavy metal, Preservative Mycotoxin, Sudan Red, Chlorate, Pesticides, GMOs, Allergen, Sodium, Ethylene oxide
8	Raw materials	100%	100%	Microbiological: <i>Cl.perfingens</i>
		100%	100%	Physical: - Chemical: Migration testing, Heavy metal
9	Packaging	100%	100%	Microbiological: <i>E.Coli</i> , <i>S.aureus</i> , <i>B.cereus</i> , <i>Salmonella sp</i> , <i>Cl.perfingens</i>
		100%	100%	Physical: - Chemical: - Sodium, Chlorate, Acrylamide, Heavy metals, Nitrate & Nitrite, Pesticides, Chloride, pH
10	Water	100%	100%	Microbiological: TPC, Coliform, <i>E.Coli</i> , <i>S.aureus</i> , <i>Enterococci</i>
		100%	100%	<i>B.cereus</i> , <i>Salmonella sp</i> , <i>Cl.perfingens</i>

Internal inspection

Items	Product types	Coverage (% of qualified product) 2021	Coverage (% of qualified product) 2022	Parameter Testing
1	Rice Cracker (Finished product)	99.95%	100.00%	Physical: Appearance, Weight, Size, Color, Sensory test
		99.93%	99.85%	Chemical: Moisture, %NaCl, % Fat, Allergen
		100.00%	100.00%	Microbiological: TPC, Yeast & Mold, <i>E.Coli</i> , <i>S.aureus</i> , <i>B.cereus</i> , <i>Salmonella sp</i> , <i>Cl.perfringens</i>
2	Rice Snack (Finished product)	99.96%	99.98%	Physical: Appearance, Weight, Size, Color, Sensory test
		100.00%	100.00%	Chemical: Moisture, %NaCl, % Fat, Peroxide value
		100.00%	100.00%	Microbiological: TPC, Yeast & Mold, <i>E.Coli</i> , <i>S.aureus</i> , <i>B.cereus</i> , <i>Salmonella sp</i> , <i>Cl.perfringens</i>
3	Instant Noodle (Finished product)	99.87%	99.97%	Physical: Appearance, Weight, Size, Color, Sensory test
		100.00%	100.00%	Chemical: Moisture, % Fat, Free Fatty acid
		100.00%	100.00%	Microbiological: TPC, Yeast & Mold, <i>E.Coli</i> , <i>S.aureus</i> , <i>B.cereus</i> , <i>Salmonella sp</i> , <i>Cl.perfringens</i>
4	Cooked Rice and Retort Pouch (Finished product)	99.94%	99.97%	Physical: Appearance, Weight, Size, Color, Sensory test
		100.00%	100.00%	Chemical: Moisture, pH
		100.00%	100.00%	Microbiological: TPC, Yeast & Mold, <i>E.Coli</i> , <i>S.aureus</i> , <i>B.cereus</i> , <i>Salmonella sp</i> , <i>Cl.perfringens</i>
5	Instant Rice Porridge (Finished product)	99.96%	100.00%	Physical: Appearance, Weight, Color, Sensory test
		100.00%	100.00%	Chemical: Moisture
		100.00%	100.00%	Microbiological: TPC, Yeast & Mold, <i>E.Coli</i> , <i>S.aureus</i> , <i>B.cereus</i> , <i>Salmonella sp</i> , <i>Cl.perfringens</i>
6	Mix Seasoning powder and Flake (Semi-Product)	100.00%	99.99%	Physical: Appearance, Weight, Color, Sensory test
		100.00%	100.00%	Chemical: Moisture
		100.00%	100.00%	Microbiological: TPC, Yeast & Mold, <i>E.Coli</i> , <i>S.aureus</i> , <i>B.cereus</i> , <i>Salmonella sp</i> , <i>Cl.perfringens</i>
7	Paste and oil (Semi-Product)	99.98%	99.99%	Physical: Appearance, Weight, Color, Sensory test
		100.00%	100.00%	Chemical: Water Activity
		100.00%	100.00%	Microbiological: TPC, Yeast & Mold, <i>E.Coli</i> , <i>S.aureus</i> , <i>B.cereus</i> , <i>Salmonella sp</i> , <i>Cl.perfringens</i>
8	Raw materials	98.88%	99.17%	Physical: Appearance, Weight, Size, Color, Sensory test, Viscosity, Foreign body,
		99.88%	99.90%	Chemical: Peroxide value, Free Fatty Acid, %Salt, pH, Water Activity, % Moisture
		99.76%	99.74%	Microbiological: TPC, Yeast & Mold, <i>E.Coli</i> , <i>S.aureus</i> , <i>B.cereus</i> , <i>Salmonella sp</i>
9	Water	100.00%	100.00%	Microbiological: <i>E.Coli</i> , <i>Coliform</i> , <i>Enterococci spp.</i> , <i>Cl.perfringens</i>

Taiwan Stock Exchange “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”

Serial No.	Operation Method Content	Corresponding section	Page number
(I)	For the improvement of food sanitation, safety, and quality, an assessment and improvement of aspects such as employees, operational premises, facility sanitation management, and quality assurance systems and their impact on major product and service categories, as well as the percentage thereof.	2.2 Customer Health and Safety	47-51
(II)	Categories and frequencies of violations of health and safety regulations related to products and services and non-compliance with information and labeling regulations for products and services, including the number of product recalls and the total weight of recalled products.	1.6 Integrity Management and Information Security	38-39
		2.4 Product Traceability Management	62-66
(III)	The percentage of products procured in accordance with internationally recognized product responsibility standards, categorized by standards.	2.3 Sustainable Supply Chain Management	52-61
		3.5 Promotion of Circular Economy	82-83
		3.6 Response to Climate Change	83-84
(IV)	The percentage of products manufactured in facilities certified by independent third parties to comply with international accreditation standards for food safety management systems.	2.2 Customer Health and Safety	47-51
(V)	The number and percentage of supplier audits conducted, along with audit items and results.	2.3 Sustainable Supply Chain Management	52-61
(VI)	The extent to which product traceability and tracking management are conducted in accordance with legal requirements or voluntarily, and the percentage of related products out of all products.	2.4 Product traceability management	62-66
(VII)	Compliance with legal requirements or voluntary establishment of food safety laboratories, including test items, test results, related expenditures, and the percentage of such expenditures in net revenue.	2.2 Customer Health and Safety	47-51
(VIII)	Total energy consumption, percentage of externally purchased electricity, and the utilization rate of renewable energy.	3.1 Energy Management	75-76
(IX)	Total water withdrawal and total water consumption	3.3 Water Resource Management	78-80
(X)	The weight of products sold and the number of production facility locations.	1.1 Company Overview	22
		1.2 Business Performance and Strategy	23-25

Note: In Taiwan’s gastronomy business, there are 9 branches of restaurants, including Dian Shui Lou, Chowho Demonstration Store, Le vol du petit prince, and Guandu Paulaner, with a total of 244 employees. In Shanghai, there are 5 branches of BLN Restaurants & Caterings restaurants with 93 employees.

GRI Guidelines Index

Use Statement	Namchow Group has published its 2022 Sustainability Report in accordance with the GRI guidelines. The data and information cover the period from January 1, 2022 to December 31, 2022.
GRI 1 Version in Use	GRI 1: Foundation 2021
Application of GRI Industry Standards	G4 version with supplemental disclosures for the food processing industry and SASB (Sustainability Accounting Standards Board).

Indicator	Disclosure Items	Corresponding section	Page number	Omission Explanation/ Notes
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2-2	Entities included in the organization's sustainability reporting	About the Report	4-6	
2-3	Reporting Period, Frequency, and Contact Point	About the Report	4-6	
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Activities and Workers				
2-6	Activities, Value Chain, and Other Business Relationships	1.1 Company Overview	22	
2-7	Employees	4.1.1 Workforce Structure	88-90	
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Governance				
2-9	Governance Structure and Composition	1.3 Sustainable Governance	26-29	
2-10	Nomination and Selection of the Highest Governance Body	1.3 Sustainable Governance	26-29	
2-11	Chair of the Highest Governance Body	1.3 Sustainable Governance	26-29	
2-12	Role of the highest governance body in overseeing the management of impacts	1.3 Sustainable Governance	26-29	
		1.4 Risk Management and Crisis Management	29-30	
		1.5 TCFD Climate-Related Financial Disclosures	31-37	
2-13	Delegation of responsibility for managing impacts	Namchow Sustainability Policy	7-10	
		1.3 Sustainable Governance	26-29	
		1.5 TCFD Climate-Related Financial Disclosures	31-37	
2-14	Role of the Highest Governance Body in Sustainability Reporting	Namchow Sustainability Policy	7-10	
2-15	Conflict of Interests	1.3 Sustainable Governance	26-29	
2-16	Communication of critical concerns	Namchow Sustainability Policy 1.3 Sustainable Governance	7-10 26-29	
2-17	Collective Knowledge of the Highest Governance Body	1.3 Sustainable Governance	26-29	
2-18	Evaluation of the performance of the highest governance body	1.3 Sustainable Governance	26-29	
2-19	Remuneration Policies	1.3 Sustainable Governance	26-29	
2-20	Process to Determine Remuneration	1.3 Sustainable Governance	26-29	
2-21	Annual Total Compensation Ratio	Omission	Confidential information	
Strategy, Policies and Practices				
2-22	Statement on Sustainable Development Strategy	Message From the Chairman	2	

Indicator	Disclosure Items	Corresponding section	Page number	Omission Explanation/ Notes
2-23	Policy Commitments	Namchow Sustainability Policy	7-10	
		Analysis of Material Topics	10-17	
		1.4 Risk Management and Crisis Management	29-30	
		1.6 Integrity Management and Information Security	38-40	
2-24	Embedding policy commitments	Namchow Sustainability Policy	7-10	
		Analysis of Material Topics	10-17	
		1.5 TCFD Climate-Related Financial Disclosures	31-37	
2-25	Processes to Remediate Negative Impacts	1.2 Business Performance and Strategy	23-25	
		1.6 Integrity Management and Information Security	38-40	
		2.2 Customer Health and Safety	47-51	
		2.3 Sustainable Supply Chain Management	52-61	
		2.4 Product traceability management	62-66	
		3.1 Energy Management	75-76	
		3.2 Greenhouse Gas Management	76-77	
		4.1 Human Resource Policy	87-88	
		4.2 Healthy Workplace	98-104	
2-26	Mechanisms for Seeking Advice and Raising Concerns	1.6 Integrity Management and Information Security	38-40	
2-27	Compliance with laws and regulations	1.6 Integrity Management and Information Security	38-40	
2-28	Membership associations	1.7 External Initiatives	40	
Stakeholder Engagement				
2-29	Approach to Stakeholder Engagement	Stakeholder Engagement and Results	18-20	
2-30	Collective bargaining agreements	Namchow Group has not signed a group agreement with employees		
GRI 3 Disclosure of Material Topics				
3-1	Process for Determining Material Topics	Analysis of Material Topics	10-17	
3-2	List of Material Topics	Analysis of Material Topics	10-17	
3-3	Management Material Topics	Analysis of Material Topics	10-17	
GRI 200: Economic Series				
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	1.2 Business Performance and Strategy	23-25	
201-2	Financial implications and other risks and opportunities due to climate change	1.5 TCFD Climate-Related Financial Disclosures	31-37	
		3.6 Response to Climate Change	83-84	
201-3	Defined benefit plan obligations and other retirement plans	4.1.3 Employee Compensation and Benefits	94-97	
GRI 202: Market Presence 2016				
202-1	Ratio of standard entry-level wage by gender compared to local minimum wage	4.1.3 Employee Compensation and Benefits	94-97	
202-2	Proportion of senior management hired from the local community	4.1.1 Workforce Structure	88-90	
GRI 203: Indirect Economic Impacts 2016				
203-1	Infrastructure Investments and Services Supported	1.2 Business Performance and Strategy	23-25	
203-2	Significant indirect economic impacts	1.2 Business Performance and Strategy	23-25	
GRI 204: Procurement Practices 2016				

Indicator	Disclosure Items	Corresponding section	Page number	Omission Explanation/ Notes
204-1	Proportion of spending on local suppliers	2.3 Sustainable Supply Chain Management	52-61	
GRI 205: Anti-Corruption 2016				
205-1	Operations assessed for risks related to corruption	1.6 Integrity Management and Information Security		All operational sites were subject to corruption risk assessments
205-2	Communication and training about anti-corruption policies and procedures	1.6 Integrity Management and Information Security	38-40	
205-3	Confirmed incidents of corruption and actions taken	1.6 Integrity Management and Information Security	38-40	
GRI 206: Anti-Competitive Behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.6 Integrity Management and Information Security	38-40	
GRI 300: Environmental Series				
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	3.1 Energy Management	75-76	
302-4	Reduction of energy consumption	3.1 Energy Management	75-76	
302-5	Reductions in energy requirements of products and services	3.1 Energy Management	75-76	
		3.6 Response to Climate Change	83-84	
GRI 303: Water and Effluents 2018				
303-1	Interactions with water as a shared resource	3.3 Water Resource Management	78-80	
303-2	Management of water discharge-related impacts	3.3 Water Resource Management	78-80	
303-3	Water withdrawal	3.3 Water Resource Management	78-80	
303-4	Wastewater discharge	3.3 Water Resource Management	78-80	
303-5	Water consumption	3.3 Water Resource Management	78-80	
GRI 304: Biodiversity 2016				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3.7 Protection of Biodiversity	85	
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	3.2 Greenhouse Gas Management	76-77	
305-2	Energy indirect (Scope 2) GHG emissions	3.2 Greenhouse Gas Management	76-77	
305-4	GHG emissions intensity	3.2 Greenhouse Gas Management	76-77	
305-5	Reduction of GHG emissions	3.2 Greenhouse Gas Management	76-77	
GRI 306: Waste 2020				
306-1	Waste generation and significant waste-related impacts	3.4 Waste Management	81-82	
306-2	Management of significant wasterelated impacts	3.4 Waste Management	81-82	
306-3	Waste generated	3.4 Waste Management	81-82	
306-4	Waste diverted from disposal	3.4 Waste Management	81-82	
306-5	Waste directed to disposal	3.4 Waste Management	81-82	
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	2.3 Sustainable Supply Chain Management	52-61	
308-2	Negative environmental impacts in the supply chain and actions taken	2.3 Sustainable Supply Chain Management	52-61	
GRI 400: Social Series				
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	4.1.1 Workforce Structure	88-90	

Indicator	Disclosure Items	Corresponding section	Page number	Omission Explanation/ Notes
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1.3 Employee Compensation and Benefits	94-97	
401-3	Parental Leave	4.1.3 Employee Compensation and Benefits	94-97	
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	4.2 Healthy Workplace	98-104	
403-2	Hazard identification, risk assessment, and incident investigation	4.2 Healthy Workplace	98-104	
403-3	Occupational health services	4.2 Healthy Workplace	98-104	
403-4	Worker participation, consultation, and communication on occupational health and safety	4.2 Healthy Workplace	98-104	
403-5	Worker training on occupational health and safety	4.2 Healthy Workplace	98-104	
403-6	Promotion of worker health	4.2 Healthy Workplace	98-104	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.2 Healthy Workplace	98-104	
403-8	Workers covered by an occupational health and safety management system	4.2 Healthy Workplace	98-104	
403-9	Work-related injuries	4.2 Healthy Workplace	98-104	
403-10	Work-related ill health	4.2 Healthy Workplace	98-104	
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	4.1.2 Talent Cultivation and Development	90-93	
404-2	Programs for skills management and assist them in managing career transitions	4.1.2 Talent Cultivation and Development	90-93	
404-3	Percentage of employees receiving regular performance and career development reviews	4.1.3 Employee Compensation and Benefits	94-97	
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	4.1 Human Resource Policy	87-88	
405-2	Ratio of basic salary and remuneration of women to men	4.1.1 Workforce Structure	88-90	
GRI 406: Non-Discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	4.1 Human Resource Policy	87-88	
GRI 408: Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	4.1.1 Workforce Structure	88-90	
GRI 409: Forced or Compulsory Labor 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.1.1 Workforce Structure	88-90	
GRI 411: Rights of Indigenous Peoples 2016				
411-1	Incidents of violations involving rights of indigenous peoples	-	-	No such situation
GRI 413: Local Communities 2016				
413-1	Operations with local community engagement, impact assessments, and development programs	4.3 Social Inclusion and Action	104-108	
GRI 416: Customer Health and Safety 2016				

Indicator	Disclosure Items	Corresponding section	Page number	Omission Explanation/ Notes
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	1.6 Integrity Management and Information Security	38-40	
		2.2 Customer Health and Safety	47-51	
GRI 417: Marketing and Labeling 2016				
417-1	Requirements for product and service information and labeling	2.4 Product traceability management	62-66	
417-2	Incidents of non-compliance concerning product and service information and labeling	No violations due to product labeling or descriptions in 2022		
417-3	Incidents of non-compliance concerning marketing communications	No violations due to marketing communications in 2022.		
GRI 418: Customer Privacy				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.6 Integrity Management and Information Security	38-40	
GRI G4 Food processing industry supplemental disclosure				
G4-FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	2.2 Customer Health and Safety	47-51	
G4-FP6	Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium, and added sugars	2.1 Product Service and Innovation	42-46	
G4-FP7	Percentage of total sales volume of consumer products, by product category, that contain increased nutritious ingredients like fiber, vitamins, minerals, phytochemicals, or functional food additives	2.1 Product Service and Innovation	42-46	

Sustainability Accounting Standards Index

Agricultural Products Industry

Topic	Indicator	Indicator Unit	Indicator No.	Corresponding section
Greenhouse Gas Management	Corporate scope that should be disclosed—Total emissions	Carbon dioxide equivalent per metric tonne (tCO ₂ e)	FB-AG-110a.1	
	Scope of discussion—Long-term/short-term strategies or plans for emissions, emission reduction targets, and performance analysis for these targets	NA	FB-AG-110a.2	3.2 Greenhouse Gas Management
	Corporate Fleet (1) Total Fuel Consumption (2) Proportion of Renewable Fuel to Total Fuel Consumption	Gigajoules (GJ), percentage (%)	FB-AG-110a.3	
Energy Management	(1) Total fuel consumption (2) Proportion of electricity from the power grid in total energy consumption (3) Proportion of renewable energy in total energy consumption	Gigajoules (GJ), percentage (%)	AG-130a.1	3.1 Energy Management
Water Resource Management	(1) Total Water Withdrawal (2) Total Water Consumption (3) Percentage of Water Consumption in Areas with High or Extremely High Water Stress	Units: Cubic meters (m ³), Percentage (%)	FB-AG-140a.1	
	Describe the risks that may arise in the water resources management process, and describe strategies and practices for adapting to these risks	NA	FB-AG-140a.2	3.3 Water Resource Management
	Number of violations related to discharge water quality and/or quantity (e.g., violations of regulations, policies, or discharge standards)	Quantity	FB-AG-140a.3	
Food Safety	The rate of non-conforming products verified by the Global Food Safety Initiative (GFSI), and the rate of corrective actions for (a) major non-conformances and (b) minor non-conformances	Rate	FB-AG-250a.1	2.2 Customer Health and Safety
	Percentage of the cost of agricultural products purchased from Tier 1 suppliers that are certified by GFSI-accredited food safety accreditation programs	Rate	FB-AG-250a.2	2.3 Sustainable Supply Chain Management
	(1) Number of food recalls (2) Total weight of recalled food	Quantity, ton	FB-AG-250a.3	2.4 Product Traceability Management
Workforce Health & Safety	(1) Total recordable incidence rate (TRIR) (2) Workplace fatal incident rate (3) Near-miss frequency rate (NMFR)	‰ (per mille)	FB-AG-320a.1	4.2 Healthy Workplace

01

Forward-Looking
Governance and
Sustainable Operation

02

Product Innovation and
Smart Production

03

Energy Efficiency and
Carbon Reduction,
Environmental Sustainability

04

Happy Workplace and
Social Inclusion

Appendix

Topic	Indicator	Indicator Unit	Indicator No.	Corresponding section
The impacts of the raw material supply chain to the environment and society	Percentage of agricultural products purchased that are certified by third-party environmental or social standards, and the percentage of those that meet those standards	Percentage (%)	FB-AG-430a.1	2.3 Sustainable Supply Chain Management
	Supplier social and environmental responsibility audited by external standards or codes of conduct (1) Failure rate and (2) Implementation rate of improvement plans for major and minor non-conformances	Percentage (%)	FB-AG-430a.2	
	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	NA	FB-AG-430a.3	
GMO management	Discussion of strategies to manage the use of genetically modified organisms (GMOs)	NA	FB-AG-430b.1	2.2 Customer Health and Safety
Raw materials traceability management	Identification of principal crops and description of risks and opportunities presented by climate change	NA	FB-AG-440a.1	3.6 Response to Climate Change
	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	Percentage (%)	FB-AG-440a.2	
Activity METRIC	Production by principal crop	Metric tons (t)	FB-AG-000.A	2.3 Sustainable Supply Chain Management
	Number of production facilities	Quantity	FB-AG-000.B	1.1 Company Overview
	Land area put into production	Square meter	FB-AG-000.C	1.1 Company Overview
	Cost of agricultural products sourced externally	NTD	FB-AG-000.D	2.3 Sustainable Supply Chain Management

Climate-Related Information for Listed Companies

Climate change risks and opportunities for the company and related response measures.

No.	Item	Corresponding section
1	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	1.5 TCFD Climate-Related Financial Disclosures
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	1.5 TCFD Climate-Related Financial Disclosures
3	Describe the financial impact of extreme weather events and transformative actions.	1.5 TCFD Climate-Related Financial Disclosures
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	1.5 TCFD Climate-Related Financial Disclosures
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	1.5 TCFD Climate-Related Financial Disclosures
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	-
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	-
8	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	-
9	Greenhouse gas inventory and assurance status.	3.2 Greenhouse Gas Management



安侯建業聯合會計師事務所

KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel +886 2 8101 6666

傳真 Fax +886 2 8101 6667

網址 Web kpmg.com/tw

Independent Limited Assurance Report

To Namchow Holdings Co., Ltd.:

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

Reporting Criteria of the Subject Matter Information

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

Management’s Responsibility for the Report

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

Our Responsibilities

We performed our work in accordance with the Standard on Assurance Engagements TWSAE3000 – “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued by the Accounting Research and Development Foundation and to issue a limited assurance conclusion on whether the Subject Matter Information is free from material misstatement. The work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Independence and Standards on Quality Management

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



Summary of Work Performed

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

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

The work described above based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Subject Matter Information, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion.

Inherent limitations

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

Conclusion

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

Other Matters

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

KPMG

Taipei, Taiwan (Republic of China)
September 14, 2023


Notes to reader

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



Appendix I: Summary of the Subject Matter Information

No	Corresponding Section	Subject Matter Information	Reporting Criteria
Taiwan Stock Exchange Corporation Rules Table 1-1 No.1			
1	P.47 2.2 Customer Health and Safety	<p>Food Safety Office</p> <p>The Food Safety Office continued to comply with epidemic prevention requirements in 2022, conducting a total of 25 audits in Taiwan. These cover manufacturing factories, business locations, and warehouses, focusing on Good Hygiene Practices (GHP), food traceability, and food safety monitoring programs. Additionally, 22 audits were conducted for restaurants in Taiwan to ensure GHP compliance. Apart from internal company audits, third-party verification organizations, and client audits, our ChungLi, Taoyuan, Royal Tainan, and Royal Taoyuan Factory No. 2 factories underwent one inspection by the health authorities in 2022. This further confirmed our strict adherence to food sanitation and safety management.</p>	<p>Based on the “Regulation of Food Safety and Sanitation” set by Namchow</p>
	P.47~48 2.2 Customer Health and Safety	<p>Quality Headquarters and Food Safety Commission- Food Safety Office</p> <p>Namchow Group’s headquarters in China is committed to the core principle that food safety and quality are the lifeblood of the company. A Food Safety Committee and a Food Safety Office were therefore established.</p> <ul style="list-style-type: none"> • <u>Compliance Assurance</u> <ul style="list-style-type: none"> • In 2022, a total of 51 weekly food safety reports and 2 food safety topic presentations were completed. • As the preliminary compliance inspection and consultation point contact for imported foods and cosmetics, it collaborated with the supply chain and the marketing department to successfully complete the importation of products. In 2022, assisted in pre-market consultations for 24 items and successfully imported 10 items. • Provided each department with the initial identification of food regulations, standards, and related professional food safety issues. Risk assessments and in-depth study were conducted to prevent any violations. In 2022, a total of 3 training sessions were conducted for relevant departments in Namchow China. • The legal and regulatory compliance of packaging and labeling content has become a major focus and source of professional anti-counterfeiting efforts in mainland China. Ensuring that all packaging and label markings of the company comply with the requirements of mainland China regulations has become a key issue. Quality Headquarters, in collaboration with the Food Safety Office, Market Department, Research and Development Department, Legal Affairs Department, and Supply Chain, implemented the “Packaging Design Approval and Change Management Procedure” to improve and ensure the legal and regulatory compliance of packaging materials and labeling. • We coordinated the relevant departments of Namchow China to complete the amendments to “Raw Material Risk Assessment and Supply Risk Management 5.0” and the revision of relevant forms. • Coordinated various departments, including Customer Service Centers, Service Quality Centers, and Product Application Departments, to complete the “Technical Service Food Safety Management Procedure” and review 25 formula sheets. • A total of 10 Knowledge Management (KM) evaluations were conducted at various factories, collecting 27 pieces of KM data (complaints, anomalies, supplier management, project reports, etc.). • <u>Factory quality work coordination</u> <ul style="list-style-type: none"> • In 2022, the centralized management of suppliers for various factories under the Group completed a total of 491 new or modified raw material screenings. The results of supplier audits for the year 2021 were summarized to establish the audit plan for 2022. Simultaneously, a review and revision of the “Raw Material Risk Assessment and Supplier Risk Management” procedure manual were carried out. In 2022, a total of 9 new and existing supplier audits were completed. • Provided guidance on factory accreditation planning and direction for each factory. Factories also received assistance with ISO, Halal, integrity, and anti-epidemic system accreditations. In 2022, we obtained 2 Indonesian MUI Halal accreditation certificates, 2 Jiangsu Islamic Association Halal accreditation certificates, and 1 Measurement Management System accreditation certificate. We underwent a total of 50 third-party system audits. • Since the new food safety law was implemented in Mainland China in 2015, the government regulator “State Administration for Market Regulation” has placed increasing emphasis on routine supervision of food safety. Customers have become increasingly strict with the quality control of their upstream raw materials. In 2022, the factories in Tianjin, Shanghai, and Guangzhou underwent a total of 44 government inspections and 9 customer audits. • <u>Government and Association Relationship Management</u> 	

			
No	Corresponding Section	Subject Matter Information	Reporting Criteria
		<ul style="list-style-type: none"> In 2022, the Quality Headquarters and the Food Safety Office actively participated in government and public association activities and made efforts to cooperate in related work. We participated in a total of 5 public association organization activities and actively participated in drafting standards and submitting opinions on the revision of standard drafts 3 times. 	
	P.51 2.2 Customer Health and Safety	<p>The statistics related to food safety training and education in various regions, which have a 100% impact on product quality and safety, are as follows:</p> <ul style="list-style-type: none"> Taiwan: 1,346 participants; 4,437 hours Mainland China: 1,872 participants; 13,001 hours Thailand: 1,196 participants; 7,260 hours 	<ul style="list-style-type: none"> Based on the “Regulation of Food Safety and Sanitation” and “Education training management program for Gastronomy Business of Namchow Group” set by Namchow
Taiwan Stock Exchange Corporation Rules Table 1-1 No.2			
	P.38~39 1.6 Integrity Management and Information Security	<p>Namchow Group has production and business operations spread around the world so we must comply with local government regulations as well. Multiple management mechanisms have been introduced by the Group based on each regulatory sector to strengthen compliance and reduce risk.</p> <p>Key areas of compliance:</p> <ul style="list-style-type: none"> Act Governing Food Safety and Sanitation, Regulations Governing the Registration of Food Businesses, Regulations Governing Traceability of Foods and Relevant Products, Commodity Labeling Act, Food Safety Law of the People's Republic of China and its implementing regulations, Regulations on the Supervision and Administration of Food Safety in Catering Services of the People's Republic of China, Advertising Law of the People's Republic of China, National Standards for Food Safety - General Principles for Prepackaged Food Labels, and Thai government-established food regulations under "พระราชบัญญัติอาหาร พ.ศ.2522 หรือกฎกระทรวงและ ประกาศกระทรวงสาธารณสุข (ฉบับปรับปรุง ปี พ.ศ. 2562)," and various laws and regulations which are used to conduct lawful inspections of the sources of raw materials and establish records and labeling for raw materials. Regulatory compliance is examined by the appropriate purchasing, product R&D, or QC unit in conjunction with the food safety unit or Legal Affairs. In 2022, Namchow Group did not experience any incidents or violations related to food safety and sanitation management regulations. 	<ul style="list-style-type: none"> Relevant laws and regulations on food safety and hygiene management that are complied with Types and number of incidents of violation against the above laws Times of product recalls and weight of products recalled
	P.62 2.4 Product Traceability Management	In 2022, there were no recalls or product withdrawals due to food safety issues in any region.	
	P.66 2.4 Product Traceability Management	To enable consumers in understanding basic information about the product, efforts are being made to enhance the disclosure of relevant information. The containers or outer packaging of all products, foods, and ingredients produced by each region are clearly and fully labeled in accordance with local regulations. In 2022, Namchow Group did not experience any legal violations related to food labeling and descriptions.	
Taiwan Stock Exchange Corporation Rules Table 1-1 No.3			
3	P.83 3.5 Promotion of Circular Economy	<ul style="list-style-type: none"> Namchow's mainland China operations prioritize the use of paper packaging materials that comply with FSC (Forest Stewardship Council) forest accreditation. In 2022, 100% of the purchased paper boxes were FSC forest certified. 	<ul style="list-style-type: none"> Percentage of the purchased volume in accordance with internationally recognized responsible production standards to total procurement volume
	P.84 3.6 Response to Climate Change	<ul style="list-style-type: none"> Ratio of RSPO-Certified Palm Oil Purchased in Taiwan and Thailand to the Total Procurement Volume of the Product <ul style="list-style-type: none"> Taiwan: 3.2% Thailand: 62% In mainland China, in 2022, the percentage of palm oil sourced from RSPO member suppliers accounted for 32% of the total procurement volume of that product. 	
Taiwan Stock Exchange Corporation Rules Table 1-1 No.4			
4	P.109~111 Appendix: International Certification by Independent Third Parties	<p>Ratio of ISO9001 certification obtained by production units</p> <ol style="list-style-type: none"> Taoyuan Factory: Edible fat, Ice cream line and pastry dough line: 100% Tainan Factory: Ice Cream: 100% Shanghai Factory: Edible oil & fat products, Frozen Dough, Frozen Noodles and Rice Products, Cakes, Quick-frozen Noodles (Raw Products and Cooked Products), Fresh beer, quick-frozen prepared food, and dry meat products: 100% Tianjin factory: Edible oil & fat products/ Other quick-frozen noodles and rice products, Margarine, Milk Beverage, Roast Food Stuffing, Flour Paste Fillings, Quick-frozen Wheat 	<ul style="list-style-type: none"> The percentage of the output of each product category that has obtained ISO9001 certification to the total output of the product line



No	Corresponding Section	Subject Matter Information	Reporting Criteria
		and Rice Products: 100%	
		5. Guangzhou Factory: Edible oil & fat products [edible hydrogenated oil, margarine (oleomargarine), shortening]: 100%; Edible oil & fat products (non-dairy creams), milk beverage: 99.9%	
		6. Ban Pong Factory: Rice cracker, Instant noodles, Cooked rice and Porridge 100%	
		Ratio of HACCP certification obtained by production units	
		1. Taoyuan Factory: Edible fat, Frozen Dough, Ice cream line and pastry dough line: 100%	
		2. Tainan Factory: Ice Cream: 100%	
		3. Shanghai Factory: Edible oil & fat products, Frozen Dough, Frozen Noodles and Rice Products, Cakes, Quick-frozen Noodles (Raw Products and Cooked Products), Fresh beer, quick-frozen prepared food, and dry meat products: 100%	
		4. Tianjin factory: Edible oil & fat products/ Other quick-frozen noodles and rice products, Margarine, Milk Beverage, Roast Food Stuffing, Flour Paste Fillings, Quick-frozen Wheat and Rice Products: 100%	
		5. Guangzhou Factory: Edible oil & fat products [edible hydrogenated oil, margarine (oleomargarine), shortening], Edible oil & fat products (non-dairy creams), milk beverage: 100%	
		6. Ban Pong Factory: Rice cracker, Instant noodles, Cooked rice and Porridge 100%	
		Ratio of ISO22000 certification obtained by production units	
		1. Taoyuan Factory: Edible fat, Frozen Dough, Ice cream line and pastry dough line: 100%	
		2. ChungLi Factory: Frozen Dough, Aseptic cooked rice, Frozen Noodles: 100%	
		3. Tainan Factory: Ice Cream: 100%	
		4. Shanghai Factory: Edible oil & fat products, Frozen Dough, Frozen Noodles and Rice Products, Cakes, Quick-frozen Noodles (Raw Products and Cooked Products), Quick-frozen prepared food and dry meat products: 100%	
		5. Tianjin factory: Edible oil & fat products/ Other quick-frozen noodles and rice products, Margarine, Milk Beverage, Roast Food Stuffing, Flour Paste Fillings, Quick-frozen Wheat and Rice Products: 100%	
		6. Guangzhou Factory: Edible oil & fat products [edible hydrogenated oil, margarine (oleomargarine), shortening], Edible oil & fat products (non-dairy creams), milk beverage: 100%	
		Ratio of FSSC22000 certification obtained by production units	
		1. Taoyuan Factory: Edible fat, Frozen Dough, Ice cream line and pastry dough line: 100%	
		2. ChungLi Factory: Frozen Dough, Aseptic cooked rice, Frozen Noodles: 100%	
		3. Tainan Factory: Ice Cream: 100%	
		4. Shanghai Factory: Edible oil & fat products, Quick-frozen Noodles (Raw Products and Cooked Products), Quick-frozen prepared food: 100%	
		5. Tianjin factory: Edible oil & fat products/ Other quick-frozen noodles and rice products, Margarine, Milk Beverage, Roast Food Stuffing, Flour Paste Fillings, Quick-frozen Wheat and Rice Products: 100%	
		6. Guangzhou Factory: Edible oil & fat products [edible hydrogenated oil, margarine (oleomargarine), shortening], Edible oil & fat products (non-dairy creams), milk beverage: 100%	
		Ratio of GHPs, BRC, IFS certification obtained by production units	
		1. Ban Pong Factory: Rice cracker, Instant noodles, Cooked rice and Porridge 100%	
		Ratio of SQF certification obtained by production units	
		1. ChungLi Factory: Aseptic cooked rice, Frozen Noodles: 100%	
		2. Shanghai Factory: Quick-frozen Noodles (Raw Products and Cooked Products), Quick-frozen prepared food: 100%	
		Ratio of Food Industry Enterprise Credit Management System certification obtained by production units	
		1. Shanghai Factory: Edible oil & fat products, Frozen Noodles and Rice Products, Cakes, Quick-frozen Noodles (Raw Products and Cooked Products), Fresh beer, quick-frozen prepared food, and dry meat products, Pastries (Contract Manufacturing): 100%	
		2. Tianjin factory: Edible oil & fat products/ quick-frozen noodles and rice products, Margarine, Milk Beverage, Roast Food Stuffing, Flour Paste Fillings, Quick-frozen Wheat and Rice Products: 100%	
		3. Guangzhou Factory: Edible oil & fat products [edible hydrogenated oil, margarine (oleomargarine), shortening], Edible oil & fat products (non-dairy creams), milk beverage: 100%	
		Ratio of COVID-19 Prevention and Control Safe Operation Regulations certification obtained	

▪ The percentage of the output of each product category that has obtained HACCP certification to the total output of the product line

▪ The percentage of the output of each product category that has obtained ISO22000 certification to the total output of the product line


▪ The percentage of the output of each product category that has obtained FSSC22000 certification to the total output of the product line

▪ The percentage of the output of each product category that has obtained GHPs, BRC, IFS certification to the total output of the product line

▪ The percentage of the output of each product category that has obtained SQF certification to the total output of the product line


▪ The percentage of the output of each product category that has obtained "Food Industry Enterprise Credit Management System" certification to the total output of the product line

▪ The percentage of the output

			
No	Corresponding Section	Subject Matter Information	Reporting Criteria
		by production units 1. Shanghai Factory: Edible oil & fat products: 81.3%, Frozen Noodles and Rice Products, Cakes: 71.9%, Quick-frozen Noodles (Raw Products and Cooked Products): 90.5%, Fresh beer, quick-frozen prepared food, and dry meat products: 90.2%, Pastries (Contract Manufacturing): 12.2% 2. Tianjin factory: Edible oil & fat products/ quick-frozen noodles and rice products: 90.7%, Margarine, Milk Beverage, Roast Food Stuffing, Flour Paste Fillings, Quick-frozen Wheat and Rice Products: 90.3% 3. Guangzhou Factory: Edible oil & fat products [edible hydrogenated oil, margarine (oleomargarine), shortening]: 84.9%, Edible oil & fat products (non-dairy creams), milk beverage: 83.7%	of each product category that has obtained “COVID-19 Prevention and Control Safe Operation Regulations” certification to the total output of the product line
Taiwan Stock Exchange Corporation Rules Table 1-1 No.5			
5	P.54~57 2.3 Sustainable Supply Chain Management	The procurement, food safety, quality, and R&D units are responsible for supplier assessments. These are divided into raw material risk assessment and supplier operation management (including environmental protection, food safety, delivery, price, supply, and quality assessment). On-site audits and document audits are conducted on a regular or ad hoc basis each year based on self-management and risk assessments. 1. Taiwan region: Suppliers in Taiwan are expected to deliver goods in the appropriate quality, quantity, and timing. In the event of any quality anomalies, delivery delays, or change in pricing, the “exceptions management” protocol is triggered by the relevant units. The supplier is then required to undertake corrective action and undergo an assessment. (1) Total supplier count: 339; (2) No. of assessments: 339; (3) Percentage assessed: 100%; (4) In 2022, a total of 131 suppliers were subjected to exception management, and the assessment results are as follows: Grade A: 14, Grade B: 117, Grade C: 0, Grade D: 0 2. Mainland China region: Annual supplier performance assessments look at components: raw material quality, delivery time, and service/cooperation. The Quality, Storage, and Procurement Departments jointly assess the supplier’s capabilities. If no purchase occurs in the current year, no performance evaluation is needed for the supplier. (1) Total supplier count: 254; (2) No. of assessments: 230; (3) Percentage assessed: 91%; (4) Supplier assessment ratings: Grade A: 223, Grade B: 6, Grade C: 0, Grade D: 1 3. Thailand region: Every year, a comprehensive SOP is established for suppliers who have transactions in that year. Supplier basic risk assessments are conducted based on the assessment process, which covers product quality analysis and obtaining supplier verification certificates. (1) Total supplier count: 296; (2) No. of assessments: 296; (3) Percentage assessed: 100%; (4) Supplier assessment ratings: Grade A: 285, Grade B: 11, Grade C: 0	Based on “Supplier Management Procedure”, “Supplier Review Control Procedure”, and “S.O.P. for Audit supplier and outsource service” set by Namchow
	P.58 2.3 Sustainable Supply Chain Management	In addition to supplier risk assessment and written reviews, field audits cover dimensions such as food safety, traceability, self-management, product quality, availability, service quality, process/product control, pollution prevention, waste removal and disposal, environmental hygiene, industrial safety, and corporate social responsibility. The audit ensures that the supplier’s product meets our requirements. The audit findings are also taken into account by the annual supplier evaluation. Suppliers that experience problems such as a major quality defect, persistent quality issues, food traceability, or other issues (sourcing, pricing, delivery, and other) may also undergo a field audit if necessary. On-site audit of suppliers in various regions: 1. Taiwan (1) No. of assessment: 12; (2) Assessment qualification rate: 100% 2. Mainland China (1) No. of assessment: 9; (2) Assessment qualification rate: 100% 3. Thailand (1) No. of assessment: 10; (2) Assessment qualification rate: 100%	Based on “Supplier Management Procedure”, “Raw material risk assessment and supplier risk management”, “S.O.P. for Audit supplier and outsource service” set by Namchow
	P.59~60 2.3 Sustainable Supply Chain Management	Gastronomy Business Division: Taiwan region • In 2022, we sourced 100% of our purchases from domestic suppliers and conducted assessments of 79 suppliers, accounting for 72.5% of all suppliers. To ensure that the quality, quantity, and delivery of raw materials provided by our suppliers meet our standards, we conduct regular assessments of our suppliers, mainly in writing, supplemented by on-site factory visits. The assessment includes certification data or regular inspection reports of relevant products, product quality standards, factory operating environment, product delivery, and the ability to accommodate demands in all aspects of supply; it is based on the suppliers’ annual trading performance. • Supplier Assessment Outcomes: (1) Total supplier count: 109; (2) No. of assessments: 79; (3) Percentage assessed: 72.5%; (4) Supplier assessment ratings: Grade A: 20, Grade B: 58, Grade C: 1	Based on “Catering materials and supplier management procedures of Namchow Group”, “Supplier Grading Assessment Operation Procedures” set by Namchow
	P.61 2.3 Sustainable	Gastronomy Business Division: Mainland China region • In 2022, BLN Restaurants & Caterings selected 5 of its main suppliers and commissioned	Based on “Purchasing and Acceptance Operation



No	Corresponding Section	Subject Matter Information	Reporting Criteria
	Supply Chain Management	a third-party auditing organization to conduct on-site inspections. The auditing firm provided an audit summary, and a statement of integrity from the third-party auditing organization was also obtained. • Supplier Assessment Outcomes: (1) Total supplier count: 50; (2) No. of assessment: 5; (3) Percentage assessed: 10%; (4) Supplier assessment ratings: Grade A: 2, Grade B: 3, Grade C: 0, Grade D: 0	Specifications of BLN Restaurants & Caterings” set by Namchow
Taiwan Stock Exchange Corporation Rules Table 1-1 No.6			
6	P.62 2.4 Product Traceability Management	Manufacturing business - Taiwan region • Our food production businesses in Taiwan have registered information designated by the government on the Fadenbook—FDA Registration in accordance with the laws, including basic information on the food business, scope of business, and factory information. Information including the raw material purchase order number, raw material stock-in date, production order number, product expiry date, and shipping order number is used as the concatenated code for product traceability. Purchasing, manufacturing, and sales data are entered into ERP to achieve 100% traceability of products’ raw materials and distribution. We simulate product recall once a year to verify the effectiveness of the product traceability system. The ERP traceability data will be integrated into and uploaded to the public cloud platform of Namchow Group for convenient inquiry on the platform. Before the 10th of each month, we upload the product traceability data of the previous month to the government’s “food cloud” (Food traceability system - Ftracebook), and use e-invoice to help fulfill the purpose of the government’s electronic management of food traceability.	<ul style="list-style-type: none"> ▪ The implementation of traceability is in accordance with the “Regulations Governing Traceability of Foods and Relevant Products”. ▪ The percentage of the products which are uploaded to the “Food traceability system- Ftracebook” to the number of total products ▪ The percentage of each product category to the total items
	P.64 2.4 Product Traceability Management	Gastronomy Business Division - Taiwan region • In consideration of food safety risks associated with various ingredients, and in accordance with the guidelines of the “Raw Material Usage and Supplier Management Procedures,” suppliers are required to fill out a “Material Inquiry Form.” Additionally, they are requested to provide relevant inspection or packaging certification to confirm the source of the materials. In 2022, 78% of the gastronomy procurement amount can be traced back to its source.	<ul style="list-style-type: none"> ▪ The information is based on the internal “Nanchow Group Catering Materials and Supplier Management Procedures” of Namchow. ▪ The percentage of the traceable purchase amount in 2022 to the total purchase amount
	P.64~65 2.4 Product Traceability Management	Manufacturing business - Mainland China region • Products produced at the Tianjin, Shanghai, and Guangzhou factories have adopted the following traceability management and control information in accordance with the Food Safety Law and the production control requirements of customers and the enterprise itself. This ensures the rapid tracing of target history, application of location. In addition, each factory conducts at least one simulated traceability/recall exercise each year to verify the 100% traceability of all products and raw materials. • Shanghai Factory follows the regulations outlined in the “Shanghai Food Safety Information Traceability Management Measures.” These regulations require the implementation of information traceability management for eleven major categories of food and edible agricultural products within the administrative area of Shanghai. This management covers the entire process, including production (including cultivation, breeding, and processing), distribution (including sales, storage, and transportation), and catering services. • To meet the Guangzhou city government’s basic traceability management requirements for food production enterprises, our Guangzhou factory has registered its basic information, raw/auxiliary materials, supplier profile, and product-related information with the “Guangzhou Food Production Process Monitoring Platform”.	<ul style="list-style-type: none"> ▪ The implementation of traceability is in accordance with the internal “Recall Management Procedures” and “Identification and Traceability Management Procedures” in Nanchow ▪ The percentage of each product category to the total items ▪ The implementation of traceability is in accordance with the regulations of the “Shanghai Food Safety Information Traceability Management Measures” and “Guangzhou Food Production Process Monitoring Platform”.
	P.65 2.4 Product Traceability Management	Gastronomy Business Division - Mainland China region • The purchasing department of BLN Restaurants & Caterings strictly follows the regulations of the “Food Safety Regulation of Shanghai”. Each restaurant maintains a ledger on food acceptance based on the template provided by the Shanghai Municipal Administration for Market Regulation. The ledger provides a faithful record of all traceability information from purchased food products. In 2022, 88.54% of raw materials for foods by value could be traced to their origin.	<ul style="list-style-type: none"> ▪ The implementation of traceability is in accordance with the regulations of the “Food Safety Regulation of Shanghai”. ▪ The percentage of the purchase amount of each product to the total purchase amount
	P.65 2.4 Product Traceability Management	Thailand region • 100% traceability is available for products manufactured by Namchow (Thailand) from raw materials to the finished product or from finished products to raw materials. Purchase order number, package label reference code, or the date of manufacture printed on the package can be used to trace products back to their raw materials as well as packaging. By establishing new product coding principles to facilitate document management and data storage within the ERP system, and by developing an annual product traceability testing	<ul style="list-style-type: none"> ▪ The implementation of traceability is in accordance with the internal “Coding and Traceability Procedures” of Namchow. ▪ The percentage of each product category to the total

			
No	Corresponding Section	Subject Matter Information	Reporting Criteria
		plan, in 2022, 10 product traceability tests were conducted, and it was confirmed that 100% of the traced products were successfully completed.	items
Taiwan Stock Exchange Corporation Rules Table 1-1 No.7			
7	P.48 2.2 Customer Health and Safety	Food Safety Research and Inspection Center (Research and Inspection Center for short) <ul style="list-style-type: none"> In 2022, we successfully acquired several accreditations, including TAF accreditations for laboratory testing of E. coli, Coliform Bacteria, Enterobacteriaceae, Listeria monocytogenes, and Salmonella. Additionally, to meet the inspection requirements of business units' food safety monitoring programs, the Research and Inspection Center dedicated efforts to develop new testing parameters in 2022. This includes testing for erucic acid and trans-fatty acids in edible oils, which will assist in monitoring changes in ingredient oils and during processing. We anticipate applying for an expansion of TAF laboratory accreditation in 2023 to cover these new testing parameters. 	<ul style="list-style-type: none"> The information is based on the requirements of "Act Governing Food Safety and Sanitation" and the current status of voluntary-established Food Safety Laboratory
	P.49~50 2.2 Customer Health and Safety	Food Safety/Quality Control Laboratory <ul style="list-style-type: none"> Taiwan region <p>In addition to the Research and Inspection Center at our headquarters in Taiwan, food safety/quality control laboratories as well as the relevant full-time personnel have been set up in each regional factory. The goal is to be able to conduct testing for different product items such as raw materials, semi-product, and final products as required. We also commission an external laboratory to conduct testing of some food safety items according to relevant regulations and risk control needs.</p> Mainland China region <p>To fulfill our commitment to customers in providing food safety and assurance, quality inspection labs were established at each regional factory at the very start. In addition to requiring the re-certification of laboratory testing personnel every year, the laboratories also test raw and auxiliary materials, semi-products, and final products at the factories against the relevant standards.</p> Thailand region <p>Namchow (Thailand) set up an internal laboratory under the QC department when the factory was first built. Raw materials, semi-products and final products are tested on their physical properties, chemical properties, microorganisms, allergens, and other food safety or related quality indicators to ensure that all products conform to regulatory and customer requirements. In order to enhance our self-testing capabilities, we invested nearly 1 million Thai Baht to establish internal laboratory equipment and provided professional training to laboratory staff to ensure compliance with testing standards.</p> 	
	P.49 2.2 Customer Health and Safety	In 2022, the total expenses incurred by the Namchow Group for quality and food safety-related management, as well as equipment, amounted to NTD152,811,000, representing 0.75% of the consolidated operating revenue.	<ul style="list-style-type: none"> The expenditures relevant to inspections of Taiwan, Mainland China and Thailand regions The ratio is calculated by dividing the amount of inspection expenditures to net operating income of the accountant certified consolidated financial statements
	P.49~50 2.2 Customer Health and Safety P.112~118 Appendix Product Inspection	Other regional laboratories were mainly involved in carrying out the following activities and tests: <ol style="list-style-type: none"> Taiwan region <p>(1) Final products undergo different testing based on their respective attributes. Testing covers general quality, fatty acid composition, microorganisms, roasting/baking, and quality assessment. Product anomaly rate was 0.20%.</p> <p>(2) Raw materials undergo different testing based on their respective attributes. Testing covers general quality, fatty acid composition, microorganisms, and quality assessment. Raw material anomaly rate was 0.14%.</p> Mainland China region <p>For detailed laboratory testing results in 2022, please refer to Appendix P112 to P116.</p> Thailand region <p>For detailed laboratory testing results in 2022, please refer to Appendix P117 to P118.</p> 	<ul style="list-style-type: none"> Namchow's self-inspection items and the results The ratio was calculated by dividing the abnormal piece in raw material acceptance to the total piece of raw material acceptance of each factory The ratio was calculated by dividing the abnormal number of finished products to the total number of finished products of each factory
	P.49~50 2.2 Customer Health and Safety P.112~118 Appendix	1. Taiwan region <p>Testing of attributes specific to individual materials and final products; the scope of the test varies depending on the type of material/product involved. Testing encompassed mandatory testing, sanitation standards (e.g. pesticide residue, veterinary drug residue, mycotoxin, heavy metals, micro-organisms), Standards for Specification, Scope, Application & Limitation of Food Additives, labeling of packaged food ingredients, as well as hazard analysis and assessment. The rate of anomalies reported by outsourced testing was 0%.</p>	<ul style="list-style-type: none"> Outsourced inspection items and the results The ratio was calculated by dividing the abnormal piece in raw material acceptance to the total piece of raw material acceptance of each
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No	Corresponding Section	Subject Matter Information	Reporting Criteria
	Product Inspection	2. Mainland China region For detailed laboratory testing results in 2022, please refer to Appendix P112 to P116. 3. Thailand region For detailed laboratory testing results in 2022, please refer to Appendix P117 to P118.	factory ■ The ratio was calculated by dividing the abnormal number of finished products to the total number of finished products of each factory
	P.48~49 2.2 Customer Health and Safety	<ul style="list-style-type: none"> Regarding the Gastronomy Business Division in Taiwan, since the establishment of the voluntary inspection procedure in 2017, we have continued to collect data from post-market surveillance and border inspections. Each year, we update this information and develop inspection plans for the current year's food materials and dishes based on the principles of high detection, high concern, and high risk. In 2022, we conducted sampling and monitoring of restaurant ingredients, drinking water, ice cubes, and meals. We inspected for pesticide residues, heavy metals, sulfur dioxide, preservatives, and microorganisms (hygiene indicator bacteria), among other parameters. The results showed a 92% compliance rate for ingredients, and a 100% compliance rate for drinking water, ice cubes, and meals. Compared to the previous year, the compliance rate for ingredients increased by approximately 10%. The compliance rate for drinking water, ice cubes, and meals remained at 100%, demonstrating our continuous commitment to food safety for our customers. To maximize testing efficiency, we continue to follow the principles of high detection, high concern, and high risk when conducting sampling. When there is an item that does not pass tests, the supplier will be asked to change their source. The Food Safety Office, in conjunction with the procurement department, conducts on-site audits of suppliers with a frequency aimed at reducing risks and achieving table-to-farm source management. 	■ Follows the company's internal "self-management inspection procedures"
Taiwan Stock Exchange Corporation Rules Table 1-1 No.8			
8	P.76 3.1 Energy Management	<ul style="list-style-type: none"> In 2022, the total energy consumption for the Namchow Group was 1,744,224.87 gigajoules (GJ), with purchased electricity accounting for 403,298.16 GJ, making up 23.12% of the total energy consumption. Renewable energy accounted for 0.45% of the total energy consumption. Other energy sources included natural gas (188,393.23 GJ), purchased steam (307,879.56 GJ), liquid petroleum gas (LPG) (116,199.89 GJ), coal (711,758.47 GJ), diesel (14,951.95 GJ), and gasoline (1,743.61 GJ). In Taiwan, which includes Taoyuan Factory, ChungLi Factory, Tainan Factory, and various restaurants, the total energy consumption in 2022 was 303,053.44 GJ. Purchased electricity accounted for 125,528.18 GJ, representing 41.4% of the total energy consumption. Currently, there is no use of renewable energy, but the company plans to continuously evaluate the purchase of green electricity and increase the proportion of renewable energy usage each year. Other energy sources in this region included natural gas (163,378.15 GJ), diesel (13,958.64 GJ), and gasoline (188.47 GJ). In mainland China, which includes Tianjin Factory, Guangzhou Factory, Shanghai Factory, and various restaurants, the total energy consumption in 2022 was 533,257.19 GJ. Purchased electricity accounted for 198,873.47 GJ, making up 37.29% of the total energy consumption. Renewable energy accounted for 1.013% of the total energy consumption. Other energy sources in this region included liquid natural gas (25,015.08 GJ), purchased steam (307,879.56 GJ), diesel (265.08 GJ), and gasoline (1,224.00 GJ). In Thailand, at the Ban Pong Factory, the total energy consumption in 2022 was 907,914.25 GJ, with purchased electricity accounting for 78,896.52 GJ, representing 8.69% of the total energy consumption. Renewable energy accounted for 0.26% of the total energy consumption. Other energy sources in this region included liquid petroleum gas (LPG) (116,199.89 GJ), coal (711,758.47 GJ), diesel (728.23 GJ), and gasoline (331.14 GJ). 	■ 各廠能源耗用統計數據
Taiwan Stock Exchange Corporation Rules Table 1-1 No.9			
9	P.79 3.3 Water Resource Management	<ul style="list-style-type: none"> Water withdrawal and water consumption by Namchow Group—by the production site <ul style="list-style-type: none"> - Taiwan: Total water withdrawal 424,502 cubic meters ; Total water consumption 123,966 cubic meters - Mainland China: Total water withdrawal 547,952 cubic meters ; Total water consumption 142,071 cubic meters - Thailand: Total water withdrawal 494,682 cubic meters ; Total water consumption 65,095 cubic meters The total water withdrawal of various regions was approximately 1,467.14 cubic meters, total water consumption was approximately 331.13 cubic meters. 	■ Details on water withdrawal and consumption of each factory
	P.80 3.3 Water Resource Management	<ul style="list-style-type: none"> Water withdrawal by the Gastronomy Business Division of Namchow Group <ul style="list-style-type: none"> - Taiwan: Total water withdrawal 78,163 cubic meters - Mainland China: Total water withdrawal 8,940 cubic meters 	



No	Corresponding Section	Subject Matter Information	Reporting Criteria
Taiwan Stock Exchange Corporation Rules Table 1-1 No.10			
10	P.22 1.1 Company Overview:	Namchow production sites <ul style="list-style-type: none"> • 4 production factories in Taoyuan Factory, 2 production factories in ChungLi Factory, 1 production factory in Tainan factory. • 1 production factory in Shanghai Namchow Factory, 1 production factory in Shanghai Qiaohao Factory, 2 production factories in Tianjin Factories and 2 production factories in Guangzhou Factory. • 1 production factory in Thailand Plant. 	▪ Details on the number of production sites by factory
	P.24 1.2 Business Performance and Strategy	<ul style="list-style-type: none"> • Baking: Total weight sold 154,120 (tons) • Ice Cream: Total weight sold 10,526 (tons) • Rice: Total weight sold 16,896 (tons) • Flour: Total weight sold 20,114 (tons) • Catering: Total weight sold 74 (tons) • Detergents & Everyday Supplies: Total weight sold 4,362 (tons) 	▪ Sales weight details of each category of products
	P.119 Appendix_Tai wan Stock Exchange “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”	In Taiwan’s gastronomy business, there are 9 branches of restaurants, including Dian Shui Lou, Chowho Demonstration Store, Le vol du petit prince, and Guandu Paulaner, with a total of 244 employees. In Shanghai, there are 5 branches of BLN Restaurants & Caterings restaurants with 93 employees.	▪ Details on the number of branches and employees of each restaurant



No. 100, Section 4, Yanping North Road, Taipei City
www.namchow.com.tw