

TAIYEN BIOTECH CO., LTD.



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About the Report

Taiyen Biotech Co., Ltd. (the “Taiyen Company,” “Taiyen,” “Company,” and “we”) has long been dedicated to a comprehensive food safety regime, care for the environment, workplace safety and health and taking the lead in industrial responsibility, fulfilling corporate social responsibility in its economic, environmental, and social aspects. In recent years, there have been multiple cases of unsafe food at home and abroad, making Taiyen further adhere to its core philosophy of “Eat Healthily, and Use with Confidence.” We continued to develop salt and packaged water with a high cost performance ratio and security in response to the government’s policy to provide traceable premium products to the consumer market. Apart from having our own custom-built TAF-certified laboratory to secure the quality of our products, we also employ a professional testing department to carry out verification and provide a service hotline to answer consumers’ enquiries.

As the products of enterprises have an extensive impact on society and on industry, Taiyen is determined that corporate operations be sustainable. It commenced publishing the “CSR Report” in 2015 to actively communicate material topics in their environmental, economic, and social aspects and improvement measures to extensive stakeholders and the public. In keeping with international trends and Taiyen’s sustainable blueprint penetration strategy, it published the “Sustainability Report” in 2021, dedicated to exhibiting practical results in the field of corporate sustainability.

Cover Story

Combining the concept of hands with Taiyen’s complementary colors to surround and protect the Earth, we show Taiyen’s determination to promote sustainability. The five hands are also the fans of a pinwheel, and each of them represents a different operating aspect and product of Taiyen; they rotate through their joint cooperation and generate clean and sustainable energy.

Pinwheel: Sustainability, pure kinetic energy, beautiful future, protecting citizens.

Color matching: Adopt the complementary colors of Taiyen, including warm grey, blue, green, yellow, and hot pink.

Curve in the background: Refers to the “ocean” and, together with the text on the back cover, represents the deep connection between Taiyen and the ocean and its dedication to love and care for the ocean.



Disclosure Period, Boundary, and Scope of the Report:

The disclosure period of the Report adopts 2023 (January 1, 2023, to December 31, 2023) as the scope, and the disclosure boundary and scope of the Report cover the information and data on the economic, social, and environmental aspects of the Taiwan Plants (including Tainan Headquarters, Tung-Hsiao Electrodialysis Refined Salt Factory (Tung-Hsiao Factory), Biotech Health Products Factory (Health Factory), Biotech Cosmetics Factory (Cosmetics Factory), Cigu Salt Plant (Salt Plant), Import Salt Storage and Transportation Office (Storage and Transportation Office) of Taiyen and affiliates (Taiyen Green Energy Co., Ltd., Taiyen Biotech (Samoa) Co., Ltd., Taiyen Biotech (Hong Kong) Co., Ltd., and Taiyen (Xiamen) Import and Export Co., Ltd.) during the year, and the Report shows the responses to material topics valued by stakeholders

and the practices adopted. The boundary for the affiliates' report information is limited to the disclosure of consolidated financial statements. For the financial statements of relevant affiliates, please refer to the 2023 consolidated financial statements for the parent company and subsidiaries audited and certified by CPAs. The statistics disclosed in the Report are the results of statistics and investigations performed by Taiyen. Regarding the source of financial data, partial information published after being certified by CPAs was adopted, and partial data quotes data published on the websites of government agencies. Values commonly used for description are adopted for presentation, and the currency used is NTD.

Basis for the Preparation Standards:

The Report refers to GRI Standards published by the Global Sustainability Standards Board (GSSB) as the main disclosure structure and provides disclosure in compliance with the Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD)

External Guarantee and Assurance:

To improve the information quality and credibility of the Report, Ernst & Young verify that the Report comes with items 1 to 10, subparagraph 1, paragraph 1, Article 4 of the "Regulations Governing the Preparation and Reporting of ESG Reports of Listed Companies," GRI Standards, and the limited assurance level under Standards on Assurance Engagements 1 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" published by Accounting Research and Development Foundation.

Publication Cycle:

Taiyen Company has been publishing its CSR Report once every year since 2015, and the Report was renamed the Sustainability Report in 2021. This is the 10th Report published by Taiyen Company (2023).

Publication time of year: August 2024

Publication time for the next Report: August 2025

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Page Information



Taiyen
International
Website



Taiyen
Sustainability
Section

Promises of the Management

Chairman

In 2024, the world welcomes the era of AI. In addition, society in Taiwan will become a super aged society where there is one senior citizen in every five people, showing that the domestic food industry and biotech industry are facing material transformation opportunities. As an enterprise with less than 50% shares held by the government and over half of the Directors appointed by the government, Taiyen Company is responsible for complying with national policies and establishing an industrial model. It adheres to the earnest, dependable, and efficient spirit to improve its operations based on the three major aspects of E, S, and G, and it is committed to improve its brand competitiveness to accompany nationals in improving their health and beauty at the time of transformation so as to confidently welcome the new era.

The global sustainability trend and the advances in technologies bring reformation opportunities for corporate governance. Taiyen Company's operation is supervised by the Board and is based on the guidance of the Audit Committee, Remuneration Committee, and other functional committees. This year, the Board supervised the effects of sustainable operation strategies and the ESG Committee of the Company through SDGs, GRI Standards, TCFD, and SASB. For GHG inventory and energy conservation and carbon reduction planning covered therein, we introduced organizational GHG inventory three years earlier than the regulations based on the national 2050 net zero emission target and regularly reported to the Board regarding various carbon reduction targets and performance to improve management performance, realize sustainable operation, and lay a foundation as a sustainable enterprise from the top down.

Under the effect of extreme weather, Taiyen focused on the environmental aspect, made good use of digital technologies to control its risk management in terms of economy and climate change, focused on improving food and biotech products, energy conservation and carbon reduction of production procedures, and developing clean energy, and concurrently developed a green sustainable supply chain to join hands with upstream suppliers to jointly achieve carbon reduction targets. It further allied with distributors and channels to launch low-carbon products to deeply root the sustainable concept in citizens' daily lives, shaping a 24-hour sustainable living circle.

Established for 72 years, Taiyen Company witnessed Taiwan's development in the liberation era after Japanese colonization, agricultural and industrial society, and information service era. Its stable operating model and decent necessities for living accompanied nationals to go through each transformation, exploring the booming economy of each stage. The same for the era of AI, Taiyen Company will connect international and national policies and adopt a brand-new operating model to become the most reliable partner of citizens with advanced thinking and innovative philosophies, and jointly embrace the changes to join hands in establishing a new world of co-prosperity and co-wellness.

Acting Chairman *Liu, Ya-Juan*



President

Established for 72 years, Taiyen Company continued to focus on sustainable development. Under the guidance and support of the Board, Chairman, and different stakeholders, Taiyen achieved material milestones in 2024. In particular, we published the 10th annual ESG Report, complied with international standards and domestic regulations ahead of the government's regulations, and disclosed transparent corporate sustainability information. We continued to win the honor of six golden awards and one silver award from the Taiwan Corporate Sustainability Awards (TCSA) and implemented sustainability indicators in the corporate governance aspect to improve the score in the corporate governance evaluation, moving toward to the mid-to-long-term target of the top 20% ranking for performance.

Material indicators of the corporate governance evaluation are subject to the substantial sustainable practices of enterprises. Taiyen Company adheres to ethical governance, focuses on establishing a healthy corporate culture and value chain to create operating income to protect stakeholders' rights and interest while seeking the improvement in the Company's constitution through the internal/external control and risk management systems so as to grow sustainably upon the changes of era.

In terms of the environment, Taiyen Company takes from the ocean and uses in the ocean. Holding the concepts of respecting and protecting the environment and ecology, it actively promotes carbon reduction production, the application of environmental packaging materials and raw materials that are eco-friendly, and the policy of the recycling and reuse of resources while continuing to develop self-owned solar power plant by focusing on green energy, realizing the commitment to sustainability. Taiyen Company has long been caring for social development, it invested over NT\$3 million funds and human resources in 2023 to fully support domestic cultural and artistic activities and sports races. The Taiyen volunteer team established not long ago actively participated in beach cleaning, blood donation for public welfare, the employment program for people with disabilities by the Eden Social Welfare Foundation, and other actions in the hope of setting a model to bring about the circulation of kindness in society.

The success of an enterprise is subject to its responsibilities and sense of mission in the future instead of past achievements. 72 years of history is the bedrock for Taiyen to move forward. Through the spirit of ethical governance and innovative transformation, Taiyen will continuously improve its own value to create a beautiful future for shareholders, employees, and citizens and make contributions to the sustainable development of Taiwan and the world.

President *Chen, Shi-Hui*



New Principle of All-round Wellness

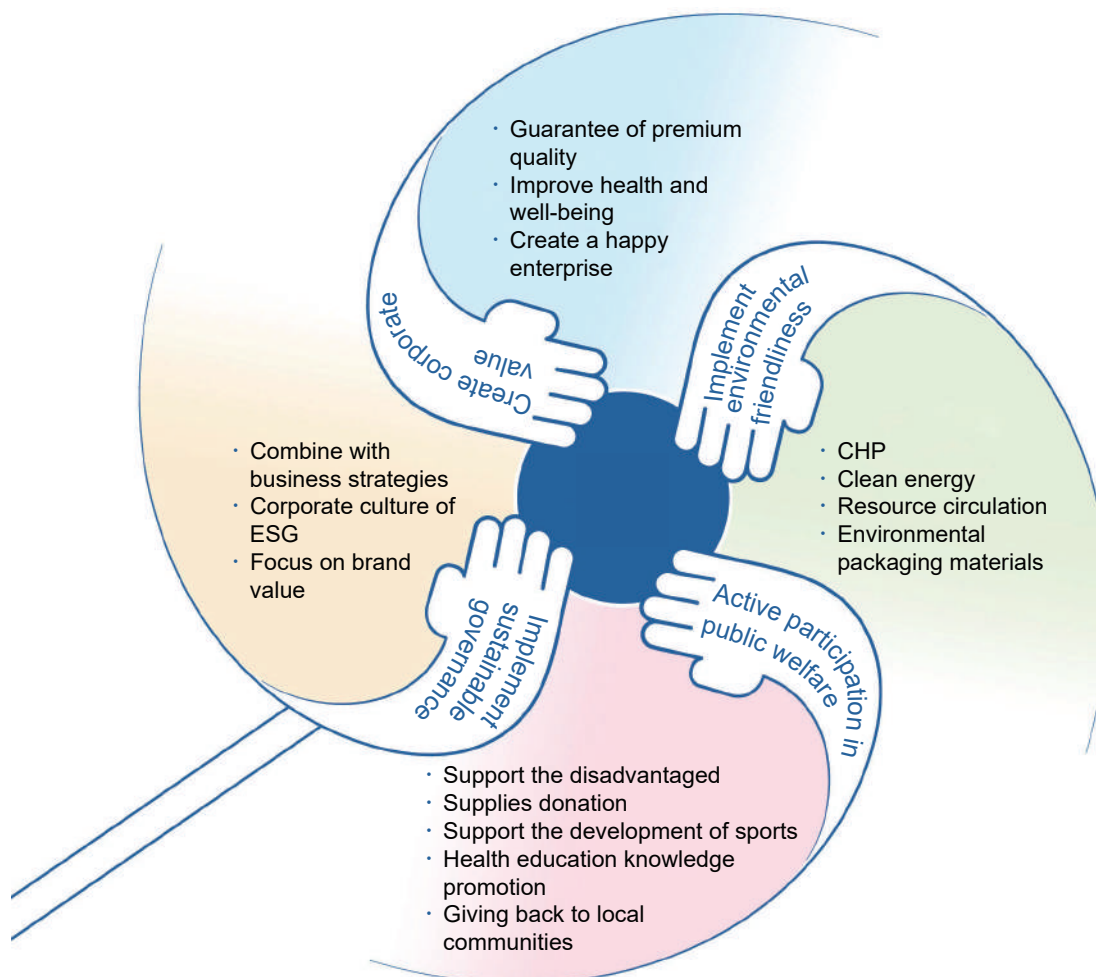
Taiyen has been established for 72 years, and its development history is closely related to the economic growth of Taiwan. The Company adheres to the core values of innovation and excellence. For its main business of salt products, apart from stably supplying salts for domestic use and assuming the heavy responsibility for national economic development, it developed a business map of packaged water, cosmetics and skin care products, cleaning products, healthcare food, and Cigu and Tung-Hsiao Tourism Factories by adopting the healthy energy generated from pure marine energy as its prospective brand. Due to its excellent quality, Taiyen has received countless awards over the years and become a national leading brand that provides security to enterprises, society, and consumers. Taiyen has always adhered to the big picture, followed global trends, and actively cooperated with government policies. It has invested in its self-owned power plant in operation, developed the PV business, actively promoted giving back clean and sustainable solar power to local townships, and promoted the new generation of environmental energy to care for and protect Taiwan.

Taiyen has been through four major stages of “State-owned for Foundation,” “Biotech Innovation,” “International Development,” and at present “Happiness and Sustainability”. Each stage has important missions and transformation targets. Facing markets with rapid changes, Taiyen is dedicated to realizing its prospect of sustainable operation through value creation, sustainable governance, environmental protection, and public participation, leveraging its existing corporate advantages, ready to grow into a centenary enterprise.

Development History of Taiyen



Taiyen's Sustainability Puzzle



Taiyen's Sustainability Blueprint (SDGs)

Sustainable Development Goals (SDGs) cover 17 prospect indicators, calling upon people to co-exist with the environments on Earth and allow each person to obtain protection and resources in terms of economy, society, and environment with the precondition of causing minimum impacts on natural environments. As an international corporate citizen, Taiyen also explores how to transform the demand for global sustainability issues and targets into opportunities for solutions for enterprises.

Extending the contributions made to aspects of Good Health and Well-being (SDG3), Affordable and Clean Energy (SDG7), Decent Work and Economic Growth (SDG8), and Responsible Consumption and Production (SDG12), Taiyen exerted its corporate influence to further extend to targets of Quality Education (SDG4), Partnerships for the Goals (SDG 17), Climate Action (SDG13), and Life below Water (SDG14).



- Taken from the ocean, giving back to the ocean, and reducing impacts on the ocean.
- Respond to the governmental policy and improve air pollution.
- Use clean energy.
- Adopt measures for energy conservation and carbon reduction.
- Reduce the use of packaging materials and create products that are environmentally friendly.
- Promote the organizational GHG inventory.
- Introduce product carbon footprints for major products.

Develop clean energy started from CHP and implement resource circulation and the reduction of packaging materials.



- Improve the operating functions of the Board.
- Implement the internal control system.
- Continue to improve corporate governance evaluation.
- Adopt local procurement and create economical co-prosperity.
- Continue to reinforce information security and privacy protection and improve the information security awareness of all employees.

Combine with business strategies, focus on brand value, implement the corporate culture of ESG, and move toward sustainable operation.



Promote health education knowledge, give back to local communities, provide supplies donations, and actively support the disadvantaged.



- Actively develop tourism practices and improve health education knowledge.
- Support the spirit of local agriculture and promote premium food ingredients in Taiwan.
- Focus on giving back, participate in charitable and public welfare activities, and realize good neighborly relationships and culture inheritance.



- Actively provide the protection of product traceability to consumers.
- Continue to enhance the quality of products to protect consumers' health.
- Engage in diverse product innovation to respond to the ever-changing lifestyles of consumers.
- Join hands with upstream and downstream companies to jointly implement ESG and improve the quality and efficiency of the value chain.

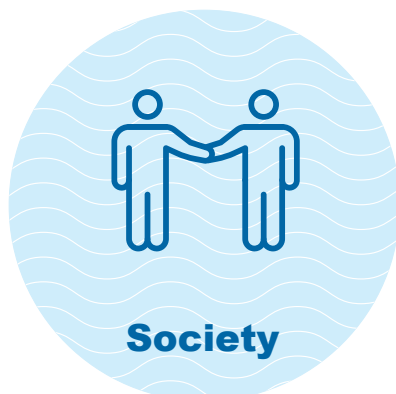
Highlights and Performance in 2023



- The earnings per share (EPS) of the main business is NT\$1.5. A cash dividend of NT\$1.20 was distributed, and the payout ratio was 80%.
- Net profit for 2023 was NT\$217 million.
- The operating income of packaged drinking water increased by over 3% from 2021, representing the increasing sales volume on a yearly basis.
- Invested NT\$625 million in promoting the new CHP construction project to actively develop clean energy. It is estimated to be completed in 2024.
- Invested nearly NT\$100 million to build a new toothpaste plant with GMP to improve product quality.
- Established the “Energy Conservation, Carbon Reduction, and GHG Inventory Taskforce.” The GHG inventory information of the entire Taiyen Company will be disclosed in 2025 (one year earlier than the deadline required by the FSC).
- The audit qualification rate of suppliers reached 100%.
- The ratio of female Directors was 22%.
- The R&D expenses of Taiyen Company in 2023 were NT\$60,495 thousand, accounting for 1.7% of the Company’s operating income.
- There was no violation of information security in 2023.
- Carried out a cross-industry alliance with nine institutions to verify products’ functions and make exchanges about innovative technologies.



- Power consumption in 2023 reduced by 1.8% as compared to the preceding year.
- Diesel consumption in 2023 reduced by 10.6% as compared to the preceding year.
- An organizational GHG inventory was comprehensively carried out in accordance with ISO 14064-1:2018 in 2023.
- An organizational GHG inventory was comprehensively carried out in accordance with ISO 14064-1:2018 in 2023.
- The initial high-pressure feedwater heater in the CHP Plant was replaced with an economizer, saving 176,720 m3 of natural gas annually.
- In 2023, environmental certificates were obtained for “Yes Clean! Eco Dishwashing Liquid” and “Yes Clean! Eco Laundry Detergent” for passing CNS2477, CNS3800, and other national standards.
- Starting in 2023, we voluntarily plan for the product carbon footprint inventory project; the planning for carbon footprint inventory items for three production units, a total of seven products, has been completed.



- In 2023, the education and training hours of all employees of Taiyen increased by 35% as compared to the preceding year.
- Taiyen achieved zero occupational disasters, zero violations, and zero labor-management disputes for 14 consecutive years.
- Tung-Hsiao Tourism Factory and Cigu Salt Plant obtained the certification of environmental education facility and venue from the Ministry of Environment, Executive Yuan.
- Taiyen sponsored “iodized salt with fluoride” to support the student oral health plan in the amount of NT\$113,400, jointly promoting teeth protection and decay prevention with the local government.
- In 2023, Cigu Salt Plant actively cultivated the greening operation of different segments in the field and planted 1,023 plants.
- We have long been cooperating with local governments, public welfare groups, and social welfare institutions. We guided employees of Taiyen to visit Eden Social Welfare Foundation to be volunteers for a day and organized blood donation activities, exhibiting Taiyen’s active investment in local care and support.
- Joined hands with Taiyen Green Energy Co., Ltd. to jointly clean the beach and protect marine environments; the number of participants was approximately 1,071 persons.

Awards in 2023

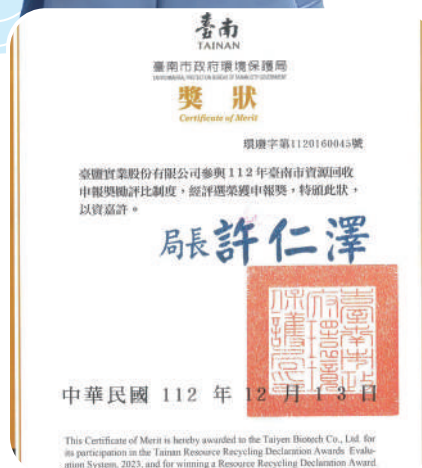
Won the “2023 Taiwan Corporate Sustainability Awards” Sustainability Report – Traditional Manufacturing Industry – Category 2 Silver Grade. Over seven years, we have accumulated six golden awards and one silver award; the Company is rated an ever-triumphant army for sustainable enterprise.



“2023 Happy Enterprise Award” from 1111 Job Bank



“Excellent Green Procurement Enterprise Award” from Tainan City



“2023 Recycling Filing Award” from Environmental Protection Bureau of Tainan City Government



Excellent Department for the Employment of People with Disabilities in 2023 from the Labor Affairs Bureau of Tainan City Government

About the Report

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Appendix



“Taiyen Ocean Alkaline Ion Water” won the Three-star Superior Taste Award from ITI in Belgium



“Taiyen Miniscule Ocean Water” won the Three-star Superior Taste Award from ITI in Belgium



“Taiyen Ocean Alkaline Ion Water” and “Taiyen Miniscule Ocean Water” won the Golden Award from the 2023 Monde Selection



Lumiel's “Pure Gold 10X Super Concentre” won the Silver Award from the 2023 Monde Selection



“Taiyen Himalaya Pink Rose Salt & Gentian Toothpaste” won the Highly Recommended Award for Best Natural Dental Products from the 2023 Global Green Beauty Awards



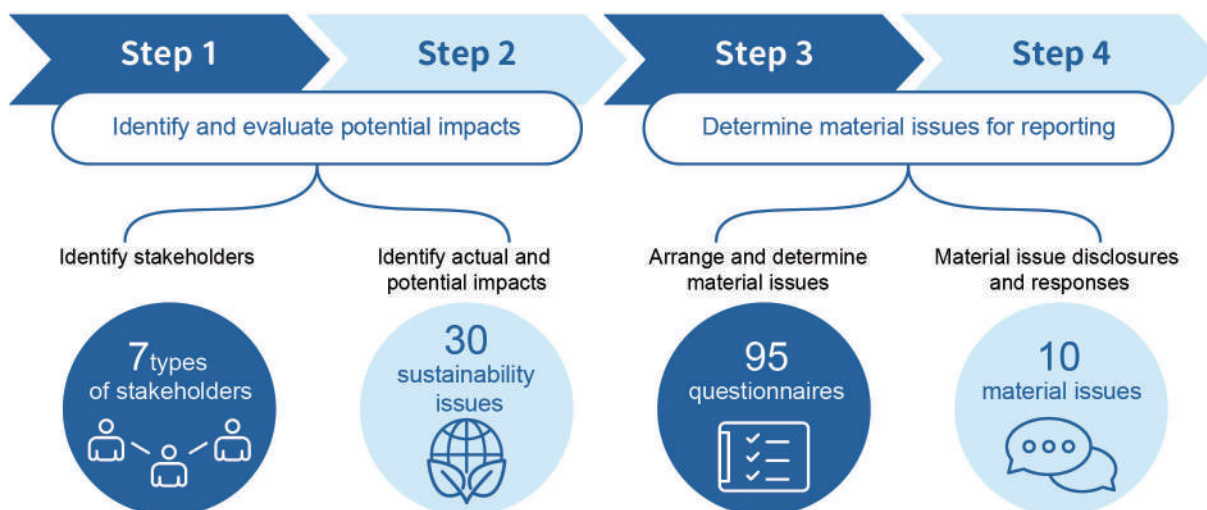
“Bathmagic Sea Salt Facial Scrub” won the Silver Winner for the Best Salt Base Product from the 2023 Global Green Beauty Awards

Taiyen won awards from the Monde Selection for the past decade, and the Crystal Prestige Trophy was awarded.



Material Issues and Stakeholder Engagement

Identification Procedures for Material Issues



Stakeholder Identification

In accordance with the industry features and the dependency, responsibility, influence, diverse perspectives, and tension in AA1000 Stakeholder Engagement Standards (AA1000 SES) published by AccountAbility, Taiyen engages the representatives of different departments to identify relevant stakeholders, including employees, customers, suppliers, investors, government agencies, media, and society/communities, and included them in weighted consideration to grasp the material topics in 2023.

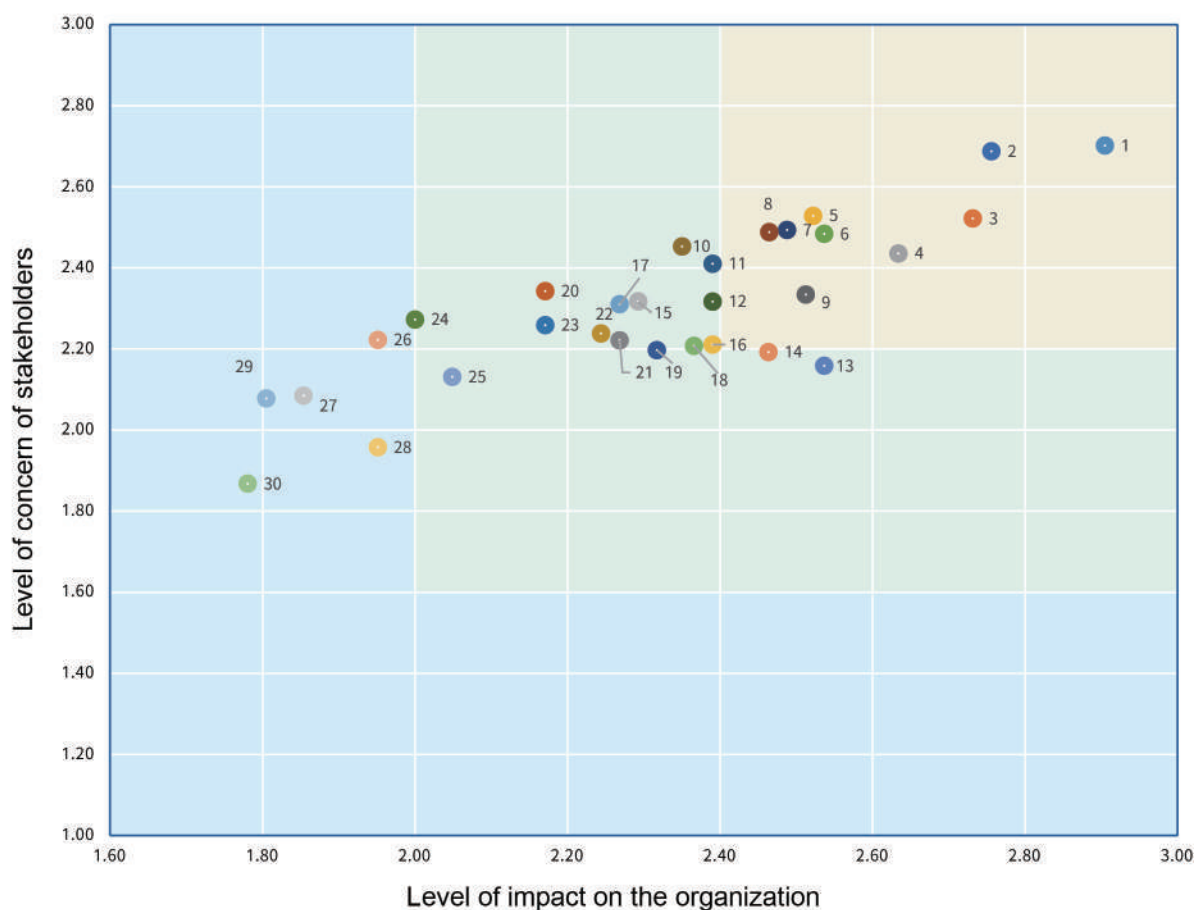


Distribution of Questionnaires for Sustainability Issues

Taiyen collects issues related to sustainability with the attention attached to them at home and abroad. Its content covers various specifications and standards (i.e., The Global Risks Report, SDGs, TCFD, and SASB), industrial specifications, enterprise benchmarks, and organizational targets to identify material issues that are related to sustainable development. Based on environmental, social, economic, and corporate governance aspects, a total of 30 sustainability issues were set out for the year, and the "questionnaires for stakeholders' level of attention" and "questionnaires for the level of impact of material topics" were prepared and distributed.

Matrix of Impacts of Material Issues

Taiyen considered various impact aspects and collected issues with attention attached by seven types of stakeholders. 95 valid questionnaires, internal and external, were recovered, and the sustainable issue matrix for 2023 produced after analysis and sorting is set out in the following figure. Issues that are closer to the upper right side of the matrix have a higher level of impact on the Company's sustainable operations and have a higher level of attention from stakeholders.



No.	Issue aspect	Impact	No.	Issue aspect	Impact
1	Product	Health and safety of consumers/ customers	16	Society	Consumer relation management
2	Product	Quality management	17	Environment	Water resource management
3	Governance	Corporate governance and ethics	18	Product	Product innovation and R&D
4	Governance	Corporate brand image	19	Governance	Supply chain management
5	Society	Employee packages and welfare	20	Environment	Wastewater/sewage and waste management
6	Governance	Operating performance	21	Society	Employee training and development
7	Governance	Anti-corruption	22	Society	Sustainable salt business
8	Society	Occupational health and safety	23	Environment	Raw material use management
9	Governance	Compliance with policies and regulations	24	Environment	Green procurement that is friendly to the environment and respects society
10	Society	Labor-management communication	25	Environment	Energy management
11	Product	Customer services	26	Governance	Procurement policy
12	Product	Product labeling and sales responsibility	27	Governance	Diversified operation
13	Society	Marketing and product communication	28	Society	Promotion of healthcare products and sustainable education
14	Governance	Channel management	29	Environment	Climate change and adaptation
15	Governance	Business continuity management (BCM)	30	Society	Community development and management

Based on the completion results of stakeholder questionnaires, we present the level of positive impact and the level of negative impact of each material sustainability issue in Nos. 1 to 5, and the results are set out in the following table.

Ranking	Material issue	Internal stakeholders		External stakeholders	
		Positive impact	Negative impact	Positive impact	Negative impact
1	Health and safety of consumers/customers *	3.9	3.2	3.8	3.2
2	Quality management *	3.4	3.1	3.4	3.2
3	Corporate governance and ethics	3.3	2.7	3.1	2.9
4	Corporate brand image	2.9	2.9	3.6	3.1
5	Employee packages and welfare	2.8	3.0	3.5	3.1
6	Operating performance	3.3	2.8	3.2	2.5
7	Anti-corruption	3.2	3.0	3.0	2.6
8	Occupational health and safety	3.3	3.1	2.9	2.7
9	Compliance with policies and regulations	3.1	2.7	2.9	2.6
10	Labor-management communication	2.7	3.0	2.5	2.2

Note: * means the material topic has actual risks.

Variance Analysis of Critical Issues

Ranking	2023	Changes
1	Health and safety of consumers/customers *	-
2	Quality management *	-
3	Corporate governance and ethics	▲ 1
4	Corporate brand image	▼ 1
5	Employee packages and welfare	▲ 4
6	Operating performance	-
7	Anti-corruption	
8	Occupational health and safety	
9	Compliance with policies and regulations	▼ 4
10	Labor-management communication	-

Note 1: ▼ 1 - means the ranking of the issue dropped by one place as compared to 2022.

Note 2: ▲ 1 - means the ranking of the issue has risen by one place as compared to 2022.

Results of Material Issue Identification

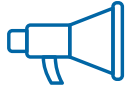
Taiyen carries out an analysis of the substantiality of material topics in accordance with GRI Standards. Based on the results of the stakeholder identification and the questionnaire survey, it carried out an assessment of the level of short-, mid-, and long-term financial and non-financial impacts and risks caused to the Company by engaging supervisors of different departments of Taiyen. The analysis covered economic, social, environmental, product, and corporate governance aspects, and ten material topics were compiled ultimately.



Stakeholder Communication

Taiyen regularly carries out ESG questionnaire surveys among all stakeholders. In addition, it adopts its corporate website and external communication mailbox as channels for instant feedback to grasp issues with attention attached by various stakeholders for making responses. In particular, attention was highly attached to the health and safety of consumers/customers, quality management, corporate brand image, corporate governance and ethics, compliance with policies and regulations, and operating performance, showing that stakeholders have high hopes and trust for products produced by Taiyen and corporate governance. The communication methods with stakeholders and frequency are described in the following table.

Stakeholder	Meaning to Taiyen	Issue of attention	Communication method	Communication frequency
 Shareholders/ investors	Provide transparent information on corporate governance strategies and financial policies to investors to allow investors to accurately understand the Company's future prospects so as to allow the Company to give equivalent considerations to shareholders' rights and interests when actively developing.	- Corporate governance and ethics - Supply chain management - Consumer relation management - Wastewater/ sewage and waste management - Quality management	- Shareholders' meeting - Corporate website - ESG questionnaires	- Convene regularly - From time to time - From time to time
 Employees	Employees are one of the most important assets of the Company. Through unblocked communication channels, we actively listen to employees' opinions so as to further create working environments with high efficiency.	- Quality management - Health and safety of consumers/customers - Corporate governance and ethics - Employee packages and welfare	- Complaint mailbox - Labor-management conference - Employee meeting - ESG questionnaires	- Instantly - Every three months - From time to time - From time to time
 Customers/ consumers	We understand consumers' requirements through continuous communication and implement the philosophy of "customers are partners."	- Health and safety of consumers/customers - Quality management - Labor-management communication	- Customer satisfaction survey - Customer service hotline - Corporate website - ESG questionnaires	- Annually - Instantly - From time to time - From time to time

Stakeholder	Meaning to Taiyen	Issue of attention	Communication method	Communication frequency
 Suppliers/contractors/subcontractors	Suppliers/contractors/subcontractors are important partners for corporate operations. We maintain product quality and services through cooperation with all partners who are important support to us.	• Health and safety of consumers/customers • Anti-corruption • Corporate governance and ethics • Compliance with policies and regulations • Quality management	• Daily calls/e-mails/visits in person • Complaint mailbox • Supplier management system • Have phone calls or written communication with franchise stores at different places through the Taiyen Business Department • Regular audits • ESG questionnaires	• From time to time • Instantly • Instantly • From time to time and weekly • Annually • From time to time
 Government agencies	Taiyen maintains unblocked and effective communication with relevant government departments and grasps the development of policies and regulations of the government immediately to maintain a favorable corporate image.	• Corporate governance and ethics • Health and safety of consumers/customers • Quality management • Anti-corruption • Occupational health and safety	• Annual report of the Company • Calls/e-mails/letters of inquiries • “Fei Deng Bu Ke” section for the food industry • Formal letters/documents • ESG questionnaires	• Annually • From time to time • From time to time • From time to time • From time to time
 Communities/society	To maintain the sustainability of Earth, employees actively invest in community development, long-term support to disadvantaged groups, and the arrangement for the cultivation of people of the next generation so as to give back to society through diversified actions.	• Quality management • Employee packages and welfare • Product labeling and sales responsibility • Water resource management	• Corporate website • External communication mailbox • Illustration sessions/public hearing • ESG questionnaires	• From time to time • From time to time • From time to time • From time to time
 Media	Media is a material communication channel between Taiyen and the public. We maintain effective communication with media departments to effectively convey messages to different stakeholders at first time.	• Quality management • Corporate governance and ethics • Compliance with policies and regulations	• Product launch • Corporate website • Convene meetings • Calls and e-mails • ESG questionnaires	• From time to time • From time to time • From time to time • From time to time • From time to time

Unblocked Stakeholder Communication



Questionnaires
for issues with
attention attached
by stakeholders



Stakeholders'
opinions/
feedback

Material considering aspect	Sustainable value chain							Corresponding indicators	Corresponding chapters
	Internal	External							
		Shareholders/investors	Employees	Customers/consumers	Suppliers/contractors/ subcontractors	Government agencies	Communities/society		
Health and safety of consumers/ customers	■	■		■	■	■	■	416	3.1 Health and safety of consumers/customers
Quality management	■		■	■	■			-	3.1 Health and safety of consumers/customers
Corporate governance and ethics	■	■	■			■		-	1.1 Corporate governance
Corporate brand image	■		■					417	5.3 Extension of happiness and local care
Employee packages and welfare	■		■					401	4.1 Employee retention and cultivation
Operating performance	■	■	■				■	201	1.1 Corporate governance
Anti-corruption	■	■				■		-	1.1 Corporate governance
Occupational health and safety	■		■		■	■		403	4.2 Comprehensive employee care
Compliance with policies and regulations	■		■	■	■	■		417 419	3.2 Customer services and communication
Labor-management communication	■		■					402	4.1 Employee retention and cultivation

Management of Key Sustainability Topics

According to the results of the analysis of material issues, different issues can be divided into four major aspects. Taiyen has established relevant targets for various key topics, regularly makes examinations and improvements to meet the expectations of stakeholders, and actively realize the sustainable corporate development by setting up management policies, strengthening the implementation of various measures, and carrying forward its corporate value.

Aspect	Policy	Implementation focuses	Examination and improvement	Corresponding material topics of the year
Corporate governance	Formulate multiple internal regulations, establish a fair and just corporate system, enhance corporate governance, and realize the corporate culture of integrity, contribution, and inheritance according to national regulations.	• Improve the transparency of and optimize non-financial information and examine the recording, collection, and statistics of information and the improvement in statement generation. • Improve risk identification and management. • Enhance the functions of the Board. • Improve the communication with shareholders. • Overall legal compliance of the Company. • Deepen the operation of the ESG Committee and the working teams to develop KIP indicators and targets for sustainability.	• Corporate governance evaluation status each year. • Risk management circumstances and management descriptions in the annual report each year. • Circumstances and conditions of violations in different aspects of the Company each year.	• Corporate governance and ethics. • Compliance with policies and regulations • Anti-corruption.
Economy	Through product R&D and innovation, improve economic performance, create a joint win of Taiyen, shareholders, and society, and create a favorable corporate brand image.	• Develop the possibilities of diversified businesses. • Improve operating performance. • Create a brand image that aligns with the corporate culture.	• Regularly organize the annual shareholders meeting to give direct feedback. • Regularly publish the annual report of the Company.	• Operating performance. • Corporate brand image.
Product	Actively invest in product R&D, develop diversified products and services that satisfy market demand, and give equivalent consideration to product quality and consumers' health.	• Value product R&D and innovation. • Require strict quality management. • Comprehensive supplier evaluation and internal and external audit systems.	• There is a product regulation team in place that has quarterly meetings to examine and determine matters related to food safety regulations. • Carry out examinations of customer satisfaction.	• Health and safety of consumers/customers. • Quality management.
Society	Comply with legal specifications and regularly examine the system to improve the overall welfare of employees and protect labor rights and interests.	• Provide favorable remuneration and welfare systems. • Protect the legal rights and interests of employees. • Provide diverse education and training to employees. • Establish product complaint and employee communication channels. • Provide working environments of security. • Value employees' health and organize health improvement activities.	• Regularly organize labor-management communication and the employee representative conference for Taiyen's labor union • Pay attention to the content of employee complaints and turnover.	• Employee packages and welfare. • Labor-management communication. • Occupational health and safety.

CHAPTER

Sincere Governance



- 1.1 Corporate governance
- 1.2 Business policy
- 1.3 Strategic development planning
- 1.4 Risk management

Ethical governance is the first responsibility of Taiyen's operations. Through the operations of the Board, ESG Committee, and committees of different functions, the Company is committed to building a healthy and transparent corporate culture and value chain, focusing on the rights and interests of stakeholders at all times. It focuses on the balance between the Company, society, and the environment to allow Taiyen to continue to accompany employees and the population into the next era.

Priority readers

- ✓ Employees
- ✓ Customers
- ✓ Suppliers/contractors/subcontractors
- ✓ Shareholders/investors
- ✓ Government agencies
- ✓ Media
- ✓ Society/communities

Corresponding SDGs



Summary of chapter highlights

NT\$1.5	The earnings per share (EPS) of the main business is NT\$1.5.
NT\$217 million	Net profit for 2023 was NT\$217 million.
3%	The operating income from packaged drinking water increased by over 3% from 2022, representing an increased sales volume on a yearly basis.
NT\$625 million	Invested NT\$625 million in promoting the new CHP construction project to actively develop clean energy. It is estimated to be completed in 2024.
NT\$100 million	Invested nearly NT\$100 million to build a new toothpaste plant with GMP to improve product quality.
3 years	Established the "Energy Conservation, Carbon Reduction, and GHG Inventory Taskforce." The GHG inventory information of the entire Taiyen Company will be disclosed in 2025 (one year earlier than the deadline required by the FSC).
22%	The ratio of female Directors was 22%.
1.8%	The R&D expenses of Taiyen Company in 2023 were NT\$60,495 thousand, accounting for 1.8% of the Company's operating income.
0 case	There was no violation of information security in 2023.
9	Carried out a cross-industry alliance with nine institutions to verify products' functions and make exchanges about innovative technologies.

Management policy – corporate governance and ethics	
Policy	The Board approved the Company’s “Corporate Governance Best Practice Principles” and “Ethical Corporate Management Best Practice Principles” of the Company for all employees to implement accordingly.
Commitment	Engage in various operating activities based on the ethical corporate management philosophy of integrity, transparency, and responsibility and seek optimal operating performance to achieve sustainable corporate operation.
Target	1. Protect shareholders’ rights and interests and treat shareholders fairly. 2. Enhance the structure and operation of the Board 3. Improve information transparency 4. Implement corporate social responsibility (CSR)
Responsibility	The Board shall duly fulfill its obligation of care as a good administrator, supervise the Company in preventing unethical behaviors, examine the implementation effects and continue to improve at all times so as to ensure the implementation of corporate governance and ethical corporate management policies.
Resource	1. Optimize corporate systems to implement thoroughly in terms of the policy aspect and the implementation aspect. 2. All employees of Taiyen make joint efforts from the top down for implementation.
Complaint system	To protect the benefits of the Company, the “Taiyen Biotech Co., Ltd. Complaint/Whistleblowing Guidelines” were established, and there is a dedicated supervisor in place to accept complaints or whistleblowing.
Action	1. Implement the Company’s “Corporate Governance Best Practice Principles.” 2. Strengthen corporate governance and refer to the “Corporate Governance Evaluation Indicators” of TWSE to serve as the basis for the improvement of corporate governance so as to improve the score in the Corporate Governance Evaluation.
Evaluation system	Participate in the Corporate Governance Evaluation of the Taiwan Stock Exchange (TWSE)

Management policy – compliance with policies and regulations	
Policy	Compliant with regulations, safe and reliable, accurate implementation
Commitment	To grasp the changes in various regulations related to products in a timely manner, Taiyen established the “authority and responsibility requirements for product regulation implementation and follow-up supervision. There are dedicated personnel who regularly examine the newly added or amended laws and regulations to comply with the latest specifications. Meanwhile, the “regulation meeting” is regularly convened to examine the compliance of the Company’s products with legal requirements.
Target	Short-to-mid-term Avoid punishments due to the violation of product labeling with regulations Long-term Products comply with the requirements of the competent authority
Responsibility	Supervisors of different departments
Resource	Establish a “domestic and foreign regulation database for products” and convene the product regulation meeting each quarter.
Complaint system	Competent authority
Action	Compliance with regulations is the basic principle 1. For short-to-mid-term targets, the latest national regulations in the “domestic and foreign regulation database for products” shall be adopted as the review standards for product labeling, and relevant departments shall be invited to jointly carry out the review and amendment. 2. For long-term targets, there are dedicated personnel who regularly examine the newly added and amended laws and regulations. When the competent authority publishes newly amended food regulations or formulates drafts with material impacts, they will immediately notify the relevant departments to prepare for response and upload the content of the updated regulations to the “domestic and foreign regulation database for products.”
Evaluation system	KPI Follow-up List

Management policy – anti-corruption	
Policy	The Company formulated its policy with ethics as a basis based on the ethical corporate management philosophy of integrity, transparency, and responsibility and established favorable corporate governance and risk control systems to create the operating environment of sustainable development.
Commitment	Engage in various operating activities based on the ethical corporate management philosophy of integrity, transparency, and responsibility and seek optimal operating performance to achieve sustainable corporate operation.
Target	Short-term Supervision and audits of procurement cases
	Mid-term Business of commercial dealings
	Long-term An enterprise with ethical corporate management
Responsibility	All employees of the Company
Resource	To implement the abovementioned business philosophy and policy, the “Code of Conduct for Employees” and “Ethical Corporate Management Best Practice Principles” of the Company were established to provide specifications for operating activities that have higher risks of unethical behaviors within the scope of business, and all employees shall implement, accordingly, when executing their businesses.
Complaint system	If any unethical behavior is found within the Company, complaints or whistleblowing may be filed according to the Complaint/Whistleblowing Guidelines of the Company.
Action	1. For a procurement amount of over NT\$0.5 million, invite the Financial Accounting Department to participate in the supervision and organization of the procurement work. 2. For a procurement amount of over NT\$5 million, invite the Audit Office to participate in the supervision and organization of the procurement work.
Evaluation system	Sampling check by the Audit Room each year

Management policy – operating performance	
Policy	Record the healthy growth of operating income, increase profits, and improve operating efficacy.
Commitment	Actively implement corporate social responsibility while engaging in corporate management to align with the international trend of balanced development between environment, society, and corporate governance. As a corporate citizen, improve economic contributions to the nation, improve the living quality of employees, communities, and society, and increase the competitive strength based on corporate social responsibility.
Target	1. Continue to solidify the leading position in the salt and water market. 2. Make arrangements for trending biotech products and actively expand into diverse channels. 3. Brand internationalization – accelerate the exploration of the salt and water market.
Responsibility	Taiyen possesses the corporate culture of integrity, contribution, and inheritance, adheres to the attitude of being responsible for consumers, cares for the beauty and health of citizens, and creates pure and natural environments to create the maximum benefits for shareholders.
Resource	1. The Board provides guidance for the business strategies of the Company. 2. The management team plans for and establishes the overall operating policy, targets, and implementation. 3. All employees of Taiyen make joint efforts from the top down for implementation.
Complaint system	1. Auditors perform audits of the internal control system 2. The Board supervises
Action	1. Continue to adopt marine biotech as the development theme and focus on management to allow Taiyen to become the leader in the field. 2. Continue to innovate and adhere to quality and become the health protector for consumers in terms of salt products, packaged water, and beauty and skincare products. 3. In response to the post-pandemic era, we will actively promote digital transformation to create profits for the Company through e-commerce and smart working procedures. 4. We invested in the establishment of “Taiyen Green Energy Co., Ltd.” to develop the PV business, actively promoted giving back clean and sustainable solar power to local townships, and promoted the new generation of environmental energy to care for and protect Taiwan.
Evaluation system	Annual business report at the shareholders’ meeting

1.1 Corporate governance

The core of Taiyen's corporate governance is constituted by relevant internal regulations accurately specified by a group of professional management personnel and a corporate culture of experience inheritance. We adhere to the spirit of sustainability and ethics to implement business decisions. Meanwhile, the Board reviewed and approved the "Taiyen Biotech Co., Ltd. Corporate Social Responsibility Best Practice Principles." Apart from seeking the development of our main business, we are further committed to corporate governance, maintaining favorable interactions with various stakeholders, fulfilling corporate social responsibility, and seeking the sustainable future of Taiyen.

1.1.1 Governance structure of Taiyen

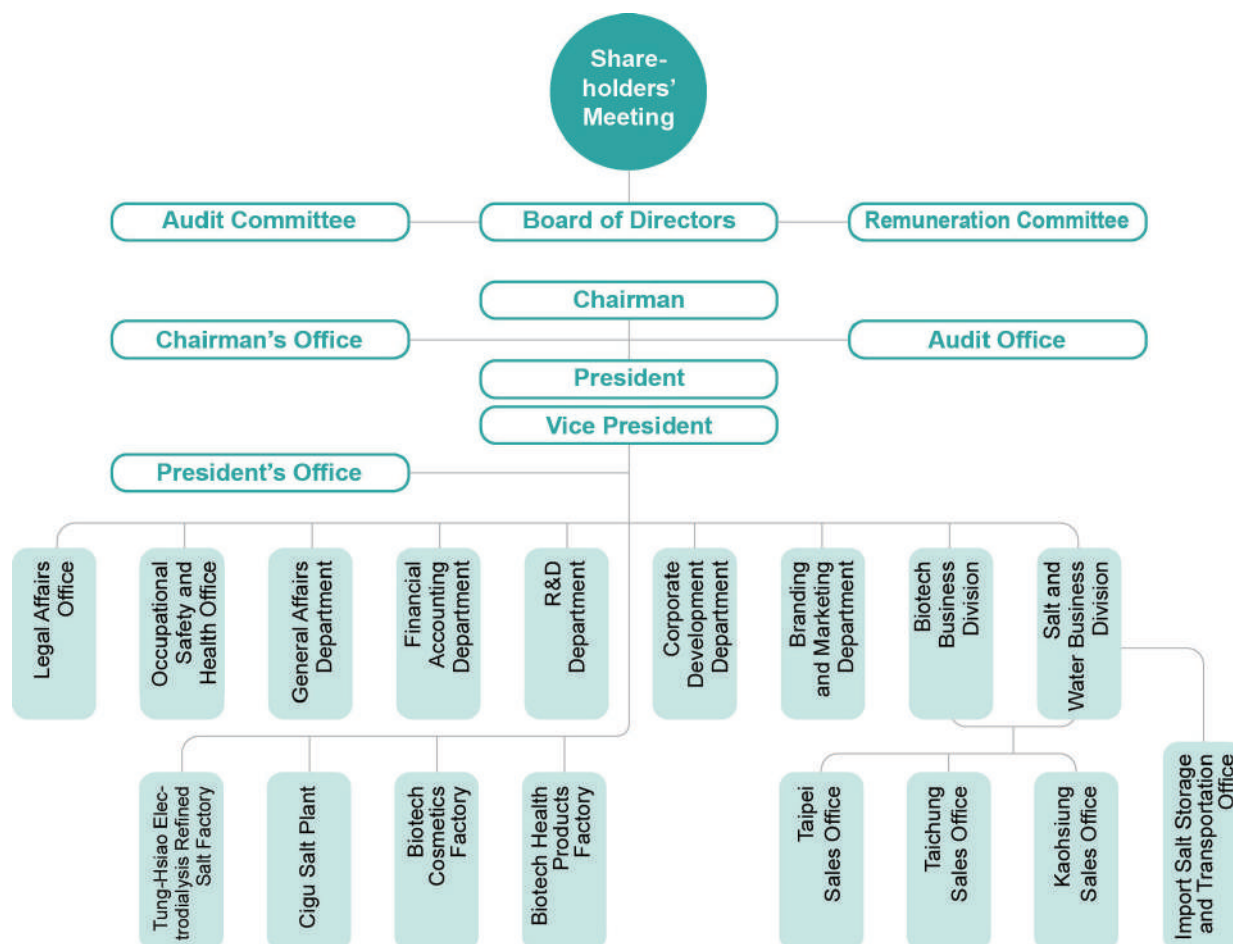
According to "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" of the Taiwan Stock Exchange (TWSE), Taiyen established the "Taiyen Biotech Co., Ltd. Corporate Governance Best Practice Principles" on December 26, 2014. To ensure a favorable corporate governance system, "Rules of Procedure for Shareholders' Meetings," "Rules of Procedure for Board meetings," "Self-Regulatory Rules on Disclosure of Merger and Acquisition Information," "Ethical Corporate Management Best Practice Principles," "Code of Ethics for Directors, Supervisors, and Personnel Above Level 1 Supervisors," "Audit Committee Charter," and "Remuneration Committee Charter" are otherwise established. Taiyen also discloses relevant information and the latest news in the investor section on the corporate website and on the MOPS of TWSE to maintain favorable communication with shareholders and consumers and achieve responsible management.



Inquire on the investor section of
Taiyen's website:

<http://www.tybio.com.tw/webc/html/is/07.aspx?kind=6>

Organizational Chart of Taiyen



Taiyen's shareholders are primarily government institutions, followed by individuals and foreign investors; the details of the shareholder structure are set out in the following table.

Shareholder Structure Chart of Taiyen

Unit: share

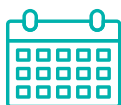
Shareholder structure	Government institutions	Financial institutions	Other corporations	Foreign institutions and foreigners	Individuals	Treasury shares	Total
Quantity							
Number of persons	1	8	225	115	61,871	0	62,220
Number of shares	77,768,272	12,750,865	17,233,747	14,703,502	77,543,614	0	200,000,000
Ratio	38.88%	6.38%	8.62%	7.35%	38.77%	0%	100%

(Base date: June 21, 2024)

1.1.2 Board of Directors

Taiyen's Board has a total of nine Directors, of which there are three Independent Directors and there are two female Directors; the ratio of female Directors is 22%. Board members possess professional backgrounds. To duly fulfill the responsibility to supervise Taiyen's operations, "Rules of Procedure for Board Meetings" were established according to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies," and Board meetings are regularly convened to supervise the operating status of corporate governance, including monthly operating performance examinations, financial statements, audit reports, and other internal control systems.

Operating status of the Board in 2023



Convened Board Meetings



Attendance for the meetings



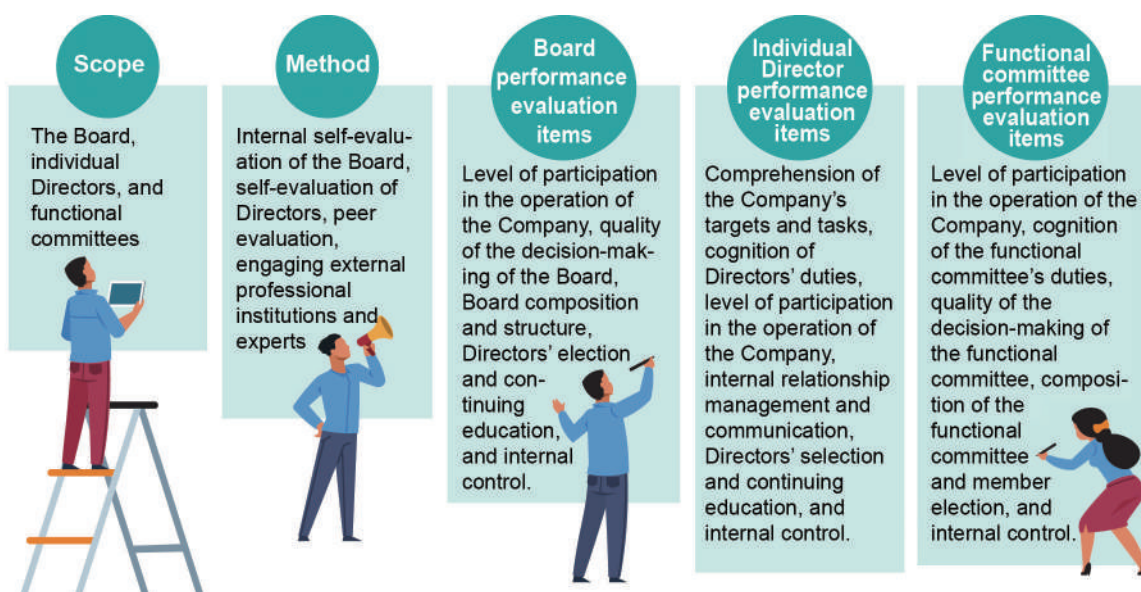
Female Directors on the Board

8 Times

97.7%

2 People

Board performance evaluation



Recusal for conflicts of interest of the Board

The Board makes accurate enforcement according to the principle for the recusal for conflicts of interest for Directors specified in the “Code of Ethics for Directors, Supervisors, and Personnel Above Level 1 Supervisors” and the law and seeks optimization of governance functions. In 2023, there were no recusals for conflict of interest.

Continuing education courses of the Board

To encourage Directors’ continuing education, the Company provides information on courses organized by the Taiwan Stock Exchange, Securities and Futures Institute (SFI), and other institutions and groups to Directors from time to time and arranges appropriate continuing education courses (i.e., 2023 Cathay Sustainable Finance and Climate Change Summit and Carbon Governance and Sustainable Ecosphere Forum). In 2023, Directors participated in a total of 74 hours of education related to sustainability. The average continuing education hours per person was 8.2 hours; the increased education hours reflect Taiyen’s increasing attention to sustainability issues.



For more information on the Board, please refer to the 2023 annual report of Taiyen:

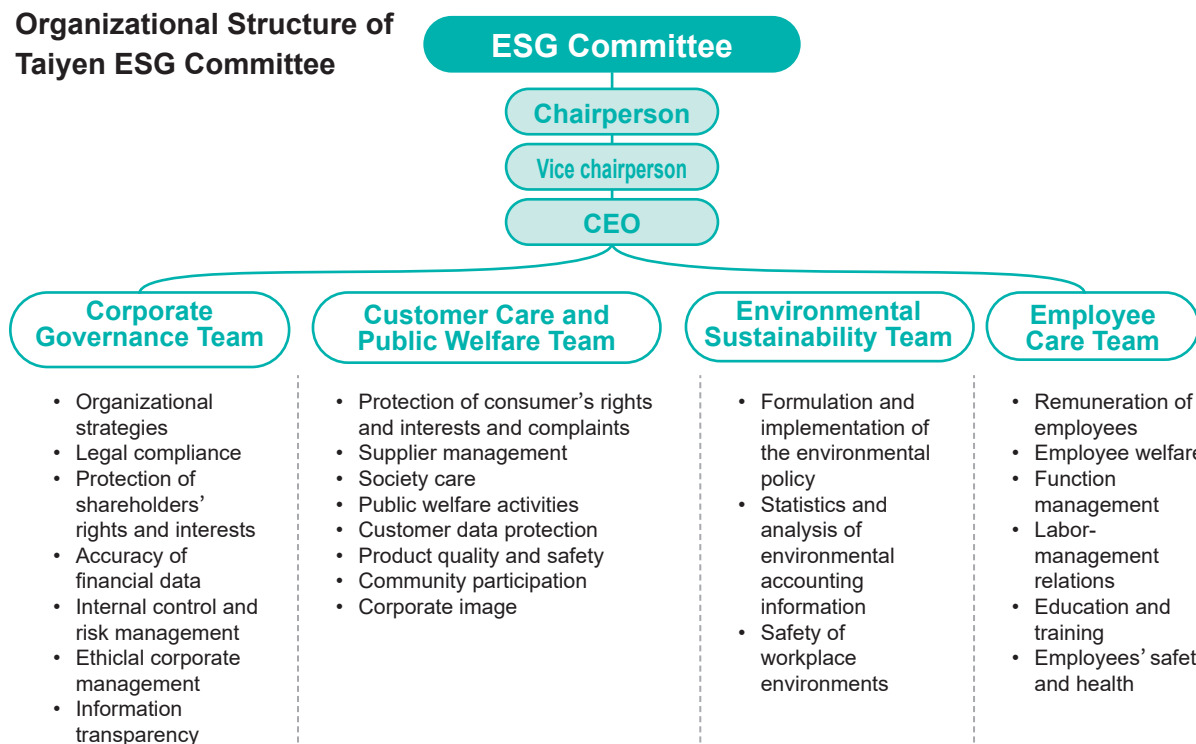
https://www.tybio.com.tw/upload/2024_05_1718/20240517160324df5pw7hMe1.pdf

1.1.3 ESG Committee

To implement matters related to sustainable operation, Taiyen Company established its CSR Committee in 2016, and it is currently known as the ESG Committee, which comprises four major responsible teams, including the “Corporate Governance Team,” “Customer Care and Public Welfare Team,” “Environmental Sustainability Team,” and “Employee Care Team.” Members of each team comprise different departments based on the issue type, and they shall be level 1 supervisors of each department. Taiyen continued to improve its philosophy of sustainable governance and further made each team discuss crucial sustainability issues, action schedules, and targets and regularly report to the ESG Committee so as to improve Taiyen’s sustainable corporate operation and fulfill social responsibilities.

A meeting of Taiyen’s ESG Committee is convened every half-year; external consultants are invited to carry out benchmark learning at the meeting, and the working teams propose sustainable management proposals for the following six months in terms of different aspects to promote the development of the Company’s sustainable operation. Targets intended to be achieved by the respective team for the year shall be set at the beginning of the year. After the targets are approved by the Committee, continue to track, manage, and achieve the targets set, and carry out target examination at the year-end meeting. Taiyen ESG Committee convened meetings on April 17 and December 14, 2023, to discuss matters related to the sustainable operation of the Company.

Organizational Structure of Taiyen ESG Committee



Summary of Annual Targets and Implementation Achievements of Taiyen ESG Committee

Team	2023 sustainability performance	2024 targets
Corporate Governance Team	- Improved the score of the 2023 corporate governance evaluation to the self-evaluated score of 77.98. - The Supplier's Sustainable Operation Commitment is added to Taiyen's "Supplier Management Notice," which includes the protection of basic human rights, labor rights and interests and other items to connect to international human rights covenants.	Improve the score of the corporate governance evaluation and secure the score by achieving the following targets: - Report the Sustainability Report to the Board for approval. - Raise the highest authority and the responsibility of the ESG Committee for the Chairman to be the Chairperson. - Enhance information security disclosures. - Organize external evaluations of the Board performance of the Company.
Employee Care Team	- Promote online training for talent cultivation and development. In 2023, 12 online courses were organized, representing an increase of seven courses as compared to 2022. Online learning makes employees' career development and overall work performance improve concurrently. - To care for the mental side of employees, psychological counseling services for employees were added in 2023: The nursing practitioner screens out high-risk groups based on the self-evaluation forms of employees (overwork scale and work pattern). As evaluated by the visiting physician or as the employee requires, psychological counseling of one hour, with two hours offered for each quarter, is provided. In 2023, a total of eight persons received psychological counseling. As evaluated, 33% of the persons who received psychological counseling considered that psychological counseling was helpful, and 83% of them were satisfied with the professional level of the psychological counselor. - To encourage employees to get married and give birth, a marriage bonus of NT\$10,000 and a childbirth bonus of NT\$30,000 per child was added in 2023. In 2023, a total of five persons applied for the marriage bonus, and a total of seven persons applied for the childbirth bonus. - Expenses for general employee health inspections are added to NT\$3,000/year in 2024 to improve the quality of health inspection and care for employees' health.	- Promote the establishment of indoor healthcare centers in different departments of Taiyen. - Establish "Taiyen Academy" to train excellent employees in different internal fields to become lecturers. - Promote "Taiyen Family Health Improvement Day."
Environmental Sustainability Team	- Tung-Hsiao Electrodialysis Refined Salt Factory planned to complete the introduction of the ISO 50001 energy management system by 2025: - Tung-Hsiao Factory has collected data on the ISO 50001 energy management system, completed the basic energy facilities in 2023, and calculated the estimated energy consumption for future factory expansion. - It is estimated the formal audit and improvement by the external verification department will be completed in May 2024 and obtain the certificate in June. - Introduced carbon footprint inventory and carbon label application for benchmark products: Tung-Hsiao Factory, Biotech Cosmetics Factory, and Biotech Health Products Factory proposed representative products based on product categories and carried out product carbon footprint inventory based on the schedule. - Formulated the annual carbon emission reduction target for 2023: With 2022 as the base year, we set that the annual reduction target for Scope 2 "indirect emissions from energy" shall be reduced by 1%, and it is also implemented by different departments accordingly. - Set the target for weight reduction of packaging materials: Each production department (packaging boxes and logistics boxes) and PM (packaging materials for products) set a weight reduction target with a weight reduction of 10% or above as the basis.	- Track and examine the achievement status of the annual reduction target of Scope 2 "indirect emissions from energy." - Uniformly procure and replace LED lighting and implement the "voluntary reduction project." - The carbon reduction targets set initially focused on packaging materials. Considering the carbon footprint of products, including five major aspects (raw materials, procedures, transportation, use, and recycling), it is recommended to change the target to carbon reduction of products for the benefit of comprehensively examining feasible measures.

Customer Care and Public Welfare Team

- From 2018 to 2023, the Company supported the Agriculture and Food Agency in making enterprises order domestic agricultural products. As of today, the procurement amount exceeds NT\$2.1 million, giving back to society.
 - Certification of environmental education facility and venue:
 - Cigu Salt Mountain passed the certification of environmental education facility and venue on March 1, 2023; as of November 17, 2023, a total of four approved courses (a total of 65 participants) and seven relevant environmental education courses (a total of 170 participants) were organized, with a grand total of 235 participants.
 - To care for local schools, Cigu Salt Mountain implemented a free participation strategy for local elementary schools in Cigu. In 2023, a total of two schools in Cigu participated in the environmental education courses, Cigu Elementary School and Dujia Elementary School.
 - Tung-Hsiao Electrodialysis Refined Salt Factory obtained the certification of environmental education facility and venue in May 2023, and its formal name is "Taiyen Tung-Hsiao Environmental Education Park."
 - We entered into MOUs with elementary schools/junior high schools and community development associations near Tung-Hsiao Electrodialysis Refined Salt Factory to achieve co-prosperity and co-existence with local groups. In 2023, a total of two units participated in the environmental education courses, Miaoli Environmental Protection Bureau (37 persons) and Sinpu Elementary School (11 persons), (a total of 48 persons).
 - Corporate volunteer social welfare team of the Social Bureau of the Tainan City Government:
 - The application we proposed to the Social Bureau in Tainan City in May 2023 was approved, and the filing was completed.
 - The Company possesses the qualification to approve and issue general social welfare and public welfare service hours.
 - Cigu Salt Plant and Tung-Hsiao Factory have just obtained certification as environmental education facilities. If there is a need to recruit external volunteers for activities, service hours can be issued.
 - The number of volunteers recruited in Taiyen increased from 37 persons in 2022 to 157 persons, representing a growth of over 324%.
 - Taiyen's volunteer team has organized "Tainan City Beach Cleaning Activity," "Eden Social Welfare Foundation One Day Volunteer Activity," "Extend Your Love Blood Donation Activity," and "Tung-Hsiao Electrodialysis Refined Salt Factory Health Improvement, Labor Education and Training, and Beach Cleaning Activities," a total of four sessions.
- Apply for the green merchant and introduce selected MIT products to promote net zero green life.
 - For the current condition of salt products in Taiwan, initiate projects to improve consumers' cognition of salt ingestion problems and their recognition of Taiyen's salt products.
 - Use local raw materials for shio koji products and adopt brand collaboration for promotion to improve sustainability value.
 - Encourage employees in participating in public welfare and expand the areas for blood donation activities to implement the philosophy of corporate care.

1.1.4 Functional committees

Taiyen has established functional committees according to laws, including the Audit Committee, Remuneration Committee, Product Quality and Safety Committee, Occupational Safety and Health Committee, and Welfare Committee, to carry out planning and management based on their responsibilities and ensure the stability of corporate operation and employee care and welfare.

Audit Committee

Established in June 2019, it comprises three Independent Directors. The Committee assists the Board in supervising the Company's compliance with relevant laws and regulations and exercises its powers faithfully according to the requirements.



2023 Convened meetings

6 Times



2023 Attendance

100%

Remuneration Committee

Established in 2011, it has three members. The Committee established the performance and remuneration of senior corporate governance personnel and carried out regular examinations.



2023 Convened meetings

4 Times



2023 Attendance

100%

Other committees



Product Quality and Safety Committee

Established in 2014, it integrates R&D, production and manufacturing, legal affairs, marketing, and relevant departments to review, discuss, implement, and supervise businesses related to product quality and safety.



Occupational Safety and Health Committee

Established in 2009, it regularly convenes Occupational Safety and Health Committee meetings to review, discuss, negotiate, and provide recommendations for matters related to safety and health.



Welfare Committee

Established in 1956, it organizes employee welfare matters of the Headquarters, factories, and the Storage and Transportation Office and appropriate welfare funds according to the Employee Welfare Fund Act.

1.2 Business policy

1.2.1 history

Taiyen Company originated from the “Taiwan Salt Manufacturing Factory” established in March 1952. As time passed, it was formally restructured as a limited company in July 1995 and became a private company in 2003. Taiyen was responsible for the salt for domestic use nationwide and ensuring that the salt price was stable and affordable by the public in the initial period. At present, it focuses on the expansion of marine science and biotech, develops packaged drinking water, healthcare food, beauty and cosmetics, cleaning products, and diverse products, and has set up a tourism park to pass down the traditional salt manufacturing knowledge and culture of Taiyen. It is also connected to the national development trend in recent years to explore the green energy field.

To shorten the distance between us and consumers, Taiyen’s major business location is Taiwan. Except for the Health Product Factory, Cosmetics Factory, Tung-Hisao Factory, and other production departments, we established a salt mountain recreational area and tourism park in Cigu Plant and Tung-Hisao Factory, respectively, and such places are venues to provide leisure and intellectual education to citizens. There are “Taiyen Biotech” physical chained outlets nationwide. We also entered momo.com, ETMall, “From Salt to Wellness,” self-operated by Taiyen, and other e-commerce platforms and cooperated with partners to create the online specialty store “Taiyen Biotech Healthcare Food Hall” to integrate physical outlets and e-commerce to provide direct, convenient, and caring services to consumers.

Building on this cooperate rock, Taiyen actively makes arrangements in the Southeast Asia market in accordance with the national policy to expand the channels of packaged water, skincare food, cleaning products, and healthcare food and the foundry business into the ASEAN market. Taiyen continues to solidify its leading position in the salt and water market, make arrangements for trending biotech products and actively expand into diverse channels, and promote brand internationalization to accelerate the exploration of the overseas market to move toward the value of “Genuine Goods, Taiyen Salt Good” and create a centenary enterprise of happiness and sustainability.



Taiyen's brand story

<https://www.tybio.com.tw/taiyen/tw/about/about>



History of Taiyen Company

<https://www.tybio.com.tw/taiyen/tw/about/history>

Basic Data of Taiyen

Brand story and business core

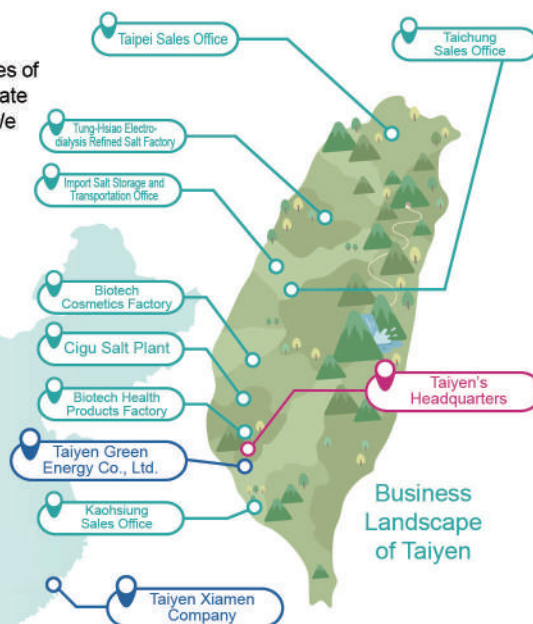
Passing down the recognition and feelings of people in Taiwan toward land, Taiyen accompanies us to sustainably set foot on Formosa surrounded by sea. We keep the nature of sea salt and grow with everyone on the island with the pure and abundant nutritional content and connect memories shared by generations of people.

Starting from traditional sea salt, we have been through over 60 years of development. We adhere to purity, seek advances, explore more possibilities of sea salt, and make good use of the marine biotech R&D advantages to create various premium products in the hope of creating a better life for citizens. We continue to innovate to enrich consumers' lives and actively share to jointly more toward new healthy lives with you!

Company name	Taiyen Biotech Co., Ltd.
Establishment date	March 1952Note
Location of Headquarters	No. 297, Sec. 1, Jiankang Rd., Nan Dist., Tainan City
Capital	NT\$2 billion
Industry	Food industry
Number of employees	479
Operating income in 2023	NT\$3,408,811 thousand

Note: The company name upon its initial establishment was Taiwan Salt Manufacturing Factory, and it was formally renamed Taiyen Biotech Co., Ltd. in July 2005.(Statistics as of December 31, 2023)

台塩生技
TAIYEN



The Core of the Brand



1.2.2 Operating performance and main products

Operating Performance

Facing increasingly stringent limitations for food safety and the increase in competition after allowing imported salt products, Taiyen continues to solidify its leading position in the salt and water market. We adhere to the spirit of innovation and advancing to constantly optimize our products, care for product quality, comply with food safety regulations, and diversely develop functional salt products, packaged drinking water, and other health biotech products to care for nationals' health. We make arrangements for trending biotech products, actively expand into diverse channels, and promote brand internationalization to accelerate the exploration of the overseas market. To satisfy consumers' requirements for health and beauty, we exercise our stringent and forward-looking profession to promote the living quality and taste of citizens, moving toward the value proposition of "Genuine Goods, Taiyen Salt Good."

Performance of Earnings per Share and Net Profit after Tax



Earnings per share

NT\$1.5



Net profit after tax

NT\$2.17 million

Table of Operating Performance

Unit: NT\$ thousand

Item	2021	2022	2023
Operating income	4,095,651	3,613,607	3,408,811
Gross profit	1,373,236	1,276,605	1,257,478
Operating gain or loss	529,177	445,050	313,428
Net profit (net loss) before tax	509,918	530,587	329,116
Net profit	412,162	427,516	217,296
Net profit attributable to the parent company	393,227	426,704	300,386

Taiyen values tax governance and is convinced that paying taxes according to the law can help facilitate economic growth and balanced regional development. Therefore, it is committed to complying with tax laws, calculating accurate taxes, and completing tax filing and tax payments within the statutory period to duly fulfill corporate social responsibility.

Tax Performance

Unit: NT\$ thousand

	2021	2022	2023
Income tax expenses	Current income tax	122,301	93,714
	Deferred income tax	(24,545)	11,300
Income tax paid		89,138	101,572
			111,578

Product category

Taiyen starts out from sea salt and is committed to marine biotech research. It's main products include five major categories: salt product series, packaged drinking water series, healthcare food series, beauty and skincare product series, and cleaning product series. Furthermore, the salt product series and packaged drinking water series are the main sources of income, accounting for approximately 56% of the total operating income in 2023.

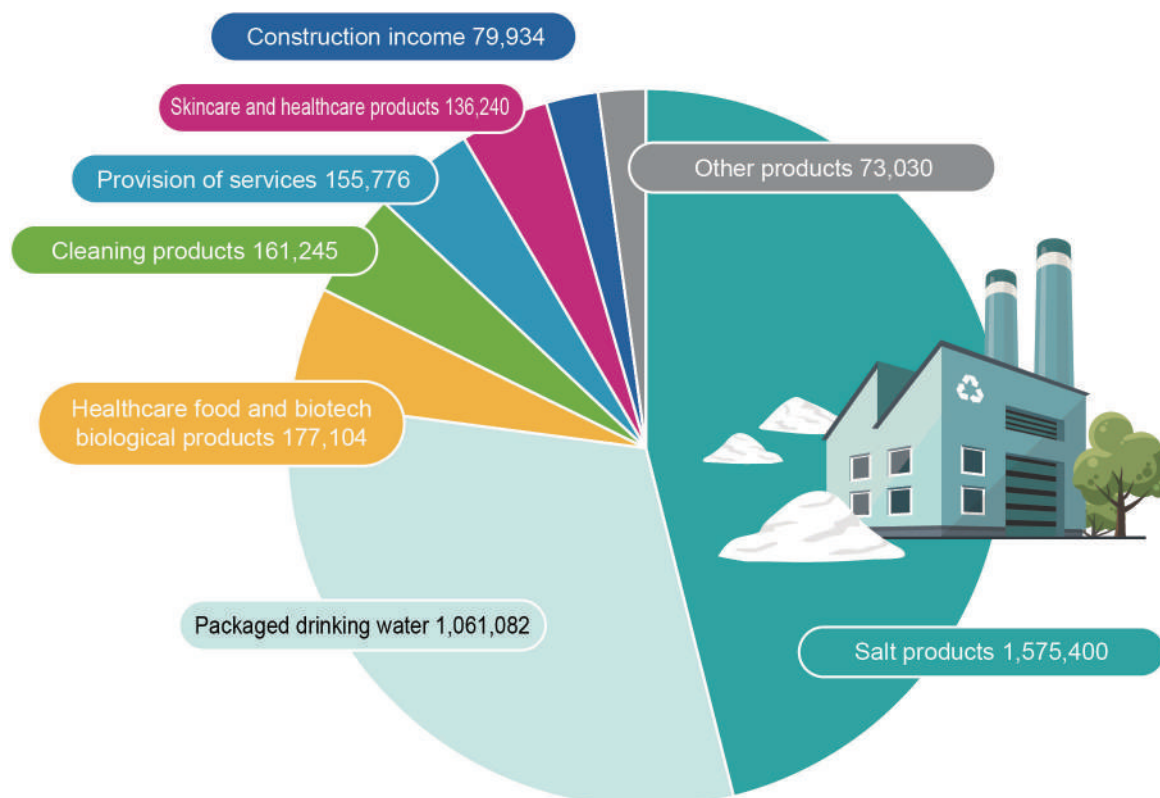


Taiyen product section

<https://www.tybio.com.tw/taiyen/tw/product>



Income Distribution of Main Products



Leading Brand for Salt Products in Taiwan

Salt products are the main business of Taiyen and are the main source of operating income. The market share of salt produced by Taiyen in Taiwan is 80%, accounting for 46% of the total operating income in 2023, with high brand awareness and occupying the leading position. Taiyen exclusively introduced the advanced “electrodialysis” procedures to implement automated operations from collecting pure sea water to finished goods. We adhere to a high level of standard for quality, health, and safety, combine the concepts of brand innovative design, and cooperate with the government and experts/scholars. With reference to international trends, we developed the high-potassium and low-sodium salt, iodine-added, fluorine-added, and a series of professional salt products to provide dining healthcare beneficial for the health of high blood pressure and cardiovascular diseases to consumers and provide teeth protection for students in Taiwan while ensuring that citizens have sufficient iodine intake, protecting the high-quality lives and health of nationals.

Iodized Sea Salt (Iodine Added)	low-sodium Salt (Iodine Added)	low-sodium Salt (30% less sodium) (Iodine Added)	Non-iodized Salt	Fluoridated Iodized Salt (Iodine Added)
 Salt produced by using sea water as raw materials. Seawater concentrate is added to increase in content of trace elements to improve the taste and texture of dishes.	 Reduce approximately 50% of sodium intake and replace partial sodium with potassium for more balance.	 Reduce approximately 30% of sodium intake and replace partial sodium with potassium for more balance.	 The product is free of iodine and is suitable for those who require iodine-free or low-iodine dining. The addition of calcium and magnesium can increase mineral intake and improve the taste and texture of dishes at the same time.	 Add fluorine to form protection on the surface of teeth to health the health of teeth. The healthy iodized salt with fluorine can supplement the insufficient intake of fluorine from food.

Note: Particular groups that require limited potassium intake shall use carefully

Energetic Ocean Packaged Drinking Water

Regarding the trend in the packaged drinking water market, safety, health, and transparent products are the main basis for consumers to purchase, showing that quality and food quality are generally issues that citizens mainly pay attention to.

Taiyen has two major packaged drinking water product series, including “Taiyen Ocean Alkaline Ion Water” and “Taiyen Pure Ocean Water.” The market share of “Taiyen Ocean Alkaline Ion Water” occupies the first place for functional water in Taiwan. Its consumer penetration rate and sales have consistently been recording new highs in recent years. Over the years, it won recognition through various awards, including the Symbol of National Quality (SNQ), Trusted Brand Platinum Award from Reader's Digest, First Prize from the Yahoo Healthy Brand Award, Top Ten Excellent Products of the Year from the Golden Torch Award, Golden Award from Guangzhou International Water Tasting Competition, Quality Award from Monde Selection, and awards from ITI in Belgium. Besides winning multiple awards mentioned above, Pure Ocean Water responded to environmental protection and became the first kind of water of Taiyen without any label, leading the label-free plastic reduction trend. In 2023, we planned to carry out research regarding the mouthfeel of water when using rPET bottles to reduce the effects on the mouthfeel of customers. At present, we start with 420ml products and adopt 25% recycled rPET. In 2024, we started to research and test.

Features of Taiyen's Packaged Drinking Water

Taiyen Ocean Alkaline Ion Water



Use ocean water with electrolytes and carry out electrolysis. Then, collect alkaline water for sanitization, filling, and packaging. The molecular clusters are smaller than those of ocean water. Also, the water contains traces of minerals (calcium, magnesium, potassium, and sodium) with PH values ranging between 8.0 to 9.0; it is quality healthy water that can maintain the acid-base balance.

Taiyen Pure Ocean Water



Quality ocean food with pure, sweet after taste. Won the Golden Award from “Monde Selection” and the Three-star Superior Taste Award from “ITI,” deeply respected internationally. Meanwhile, label-free water is also launched to respond to environment protection through label-free plastic reduction.

Brilliant Confident Beauty and Skincare Products

Taiyen strengthened the competitiveness of its products with its core technologies and launched the new “Collastax Brightening & Revitalizing Face Lotion” of Lumiel and continued to focus on improving the production lines of “MÉDECURA Series” and “Taiyen Beauty Series.” The “MÉDECURA Series” launched three new products using the local plant, Taiwan Yew, “Perfect Luminous Lifting Foundation SPF50 ★★ ★,” “24K Pure Gold Premium Reviving Cream,” and “Premium Anti-aging Eye Cream.” The “Taiyen Beauty Series” utilized fermented type collagen together with ultra-propulsive toner to create two new products, including “Brightening Complex Serum” and “Wrinkle Repairing Eye Cream,” unique on the market.



■ Lumiel Pure Gold Series



■ Lumiel Collastax Brightening & Revitalizing Face Lotion



■ 24K Pure Gold Premium Reviving Cream



■ Perfect Luminous Lifting Foundation SPF50 ★★ ★

Health Vitality Healthcare Food

In terms of product development, Taiyen actively participates in the elderly market. For instance, Premium Protein Nutrition can help elders' protein intake to maintain their muscles. Meanwhile, we improved the old calcium ingot product and changed them into powder packaging for elders to intake easily. Such designs consider the special requirements of elders and their convenient use and provide better protection for their health.

Meanwhile, we combined our unique core competitiveness with market demand, expanded the investments in in-depth research of our self-owned raw materials and products, and launched seven trending products, including “Calcium Citrate,” “Complex Protein Nutrition EX,” “Vitamin B Capsules,” “Premium Collagen,” “Protein Efficiency Nutrition,” and “Perfect Kinetic Pecting.” We improved the competitiveness in terms of the activeness of bones, joints, and muscles, energy maintenance, and young and beauty healthcare, caring for the stamina requirements of consumers when returning to normal lives in a post-pandemic environment.

In addition, Taiyen also developed electrolyte replenishment products that make use of the special ratio between salt and minerals and focus on the reduction of sugar content to provide appropriate electrolyte replenishment when perspiring. As compared to general sports drinks, the volume of the product is smaller, and the convenient oral tablets for replenishment also reduce the use of bottles. The design not only complies with the requirements of modern people for both health and environmental protection but also exhibits an awareness of Taiyen of their responsibility for environmental protection.



■ Complex Protein Nutrition EX



■ Calcium Citrate



■ Vitamin B Capsules



■ Premium Collagen

“**Taiyen uses UC-II in its core procedures. Apart from becoming the first domestic collagen factory with GMP, it is the only leading enterprise that invests in self-produced UC-II and joint prevention healthcare.**”

Clean and Natural Cleaning Products

Under the global trend of nature, environmental protection, and the common good with the Earth, after obtaining three personal cleaning product environmental protection labels in 2022, Taiyen obtained the environmental protection label for two products, including “Yes Clean! Eco Laundry Detergent” and “Yes Clean! Eco Dishwashing Liquid.” Cultivated under the pandemic, consumers improve personal cleaning and value the requirements and changes in home living quality. For oral protection and cleaning products, we launched four products, inclusive of “Oral Care Mouth Rinse” and “Himalayan Pink Salt.”

Products that obtained the environmental protection label

- Yes Clean! Series Eco Home Cleaning: Laundry Detergent and Dishwashing Liquid
- Yes Clean! Series Eco Personal Cleaning: Natural Ocean Shampoo, Natural Forest Body Wash, and Ocean Eco Hand Wash

Taiyen is committed to developing home cleaning and personal cleaning products that comply with environmental protection standards. Recycled bottles are adopted for bottle products to reduce the pollution of plastic materials to the environment.



1.2.3 R&D and innovation

Taiyen has been accumulating its manufacturing capacity and marine biotech competitiveness over the years. It provides salt products and condiments, packaged drinking water, beauty and skincare products, cleaning products, healthcare food, and other items to consumers. In 2023, Taiyen continued to carry out R&D and innovation for various products, elements, and technologies. Meanwhile, it invited experts/scholars to visit Taiyen for lecturing. It adopted the optimal technologies to produce products with optimal quality to provide to consumers; therefore, it spared no effort in improving its production equipment and professional technologies and capacity. Over the years, it has won countless domestic and foreign awards and recognition and obtained multiple patents for the innovation and development of new technologies so as to continue to seek better products and services for the health of citizens. In the future, it will continue to invest in the R&D and innovation of different fields.



The R&D expenses in 2023 were of the Company's operating income

NT\$ **60,495** thousand

1.8 %

Product Innovation, Constantly Seeking Advances

Consumers are the first priority of Taiyen Company. With food safety as our first consideration, we provide the concepts of nature, health, and safety, adhere to premium quality, and keep strict control for citizens. In recent years, the development of Taiyen has been outstanding and diverse, and it has been actively carrying out the R&D and innovation of various products and raw materials. Besides its main business of salt products, Taiyen continues to develop and innovate in terms of healthcare products, beauty and skincare products, cleaning products, and packaged drinking water. Regardless of R&D, modulation, filling, and packaging, it strictly controls each step in the course of manufacturing to develop products that comply with market demand, and it also constantly updates and optimizes existing products.

Statistical Table for R&D Expenses of Taiyen

Year	2021	2022	2023
R&D expenses of the Company (NT\$ thousand)	57,597	60,640	60,495
Operating income of the Company (NT\$ thousand)	4,095,651	3,613,607	3,408,811
R&D expenses of the Company/Operating income of the Company (%)	1.4%	1.7%	1.8%

Product R&D and Technology Improvement Achievements

Taiyen listens to consumers' requirements at all times. The muse of product development and upgrades is the feedback from the sales end and consumers. The R&D and sales teams actively participate in seminars to learn about changes in market trends (i.e., highlights of changes in trends, popularity, novel requirements, and other independent proposals) and actively cooperate with external departments to provide evidence for the appeal of products through flavor tasting, texture evaluation, somatosensory trial by employees, or engaging academic departments to test so as to achieve the promotion of new products. In 2023, product development and product upgrades are summarized as follows:



Beauty and skincare Products

Lumiel's "Collastax Brightening & Revitalizing Face Lotion" makes use of the patented advanced technology, "sub-micron collagen coating technology," to completely cover natural astaxanthin. It won the honor of "Top Innovation" from Victoire de la Beauté in France, which is known as the Oscar in the cosmetics sector.



Cleaning products

- "Yes Clean!" Eco Bathing and House Cleaning Series and "Clean as Plant" Bathing Series
- Developed and launched the "Veggies & Fruits Wash"



Healthcare food

- "Good Night Sesame Capsules"
- "Up Energy Jelly Drink"



Salt products

- "Me First Premium Rose Salt Soy Sauce"
- "Dishwasher Salt"



Description of the R&D Performance of Highlighted Products

Focus on the extension and development of collagen and realize a circular economy

Use the unique and novel sub-micron collagen carrier coating technology to cover natural astaxanthin, which is known as the optimal ingredient to clear single oxygen to generate nano-grade astaxanthin particles coated with collagen that can dissolve in both water phase and oil phase. According to the function test, it has been verified of the excellent spot whitening and anti-wrinkling functions and is far more excellent than the competitive Japanese product known as nano-grade dispersion astaxanthin lotion sold in the market. It won the Top Innovation from Victoire de la Beauté in 2022 and 2023.

We further expanded the functions of collagen in facilitating the generation of collagen. We developed natural collagen raw materials extracted from fish scales that contain a high concentration of peptides that facilitate the generation of collagen. Apart from obtaining collagen from agriculture waste (fish scales), we also obtained a calcium and phosphorus compound (hydroxyapatite), which has been verified in the function of remineralization of tooth enamel. We used natural ingredients to develop oral care products and improve teeth sensitivity issues.



Continue to develop cosmetics ingredients to lay a bedrock for sustainability

To improve the trouble of white hair due to increasing age and satisfy consumers' desire for beauty and confidence, we developed the natural hair-blackening compounded extract. According to the cell test, it is verified to increase the generation rate of melanin, and we obtained the I824248 invention patent.

To mitigate impacts on the marine ecology, we developed a natural sun-blocking agent with high-UV absorption ability and produced multiple sunscreens with over SPF50 together with physical sun-blocking agents. Without using any chemical sun-blocking agents, we produced sunscreens that are safer and more environmentally friendly.

During the year, we completed the raw material replacement safety test for four self-produced natural cosmetics, provided non-animal safety data aligning with the global trend, and completed the safety date for special raw materials so as to provide safety guarantees to consumers.

Patent Application

In 2023, the Company obtained the invention patent of the Republic of China, including "usages of plant extracts used in preparing components that increase the melanin in hair and the MITF expression," and three utility model patterns of the Republic of China, including "container structure with serum that contains permeable coating drips," "drip structure that covers astaxanthin," and "Chinese medicine brewing combo."

In addition, "there are two invention patents of the Republic of China under application, including "hydroxyapatite prepared by using fish scales and its preparation method and usage" and "giant knotweed root extract, its manufacturing method, and the sun-blocking components it contains." We continue to have intellectual property protection for technologies that can effectively improve product competitiveness and brand value. In 2023, Taiyen continued to maintain 19 Taiwanese patents and three foreign patents.

1.3 Strategic development planning

1.3.1 Material investments in recent years

CHP

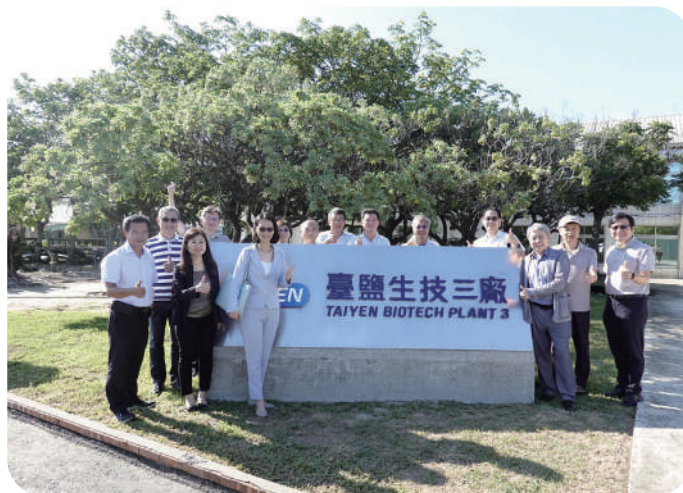


The CHP system of the Tung-Hsiao Factory is an important equipment of the Taiyen Company to produce refined salt and packaged water with special electro dialysis procedures. If the CHP malfunctions and is unable to supply the power and steam for the factory, and results in salt products and packaged water not being able to be produced, it will affect the Company's operating income by up to 50% and cause the risk of shortage of domestic edible salt. The CHP factory project replaces old and obsolete production equipment and improves production efficacy. Taiyen invested a total of NT\$625 million in engineering equipment to promote the CHP construction in the hope of satisfying the requirements of procedures and responding to the policy of the government to use clean energy. During the operating period, we will ensure the qualified operation of the CHP system and fixed pollution sources and obtain the fixed pollution source operation permit and the qualified CHP system registration certificate.

After one year of testing from the initiation of the CHP system, the natural gas consumption for the six months ended June 30, 2023 (natural gas/total production volume) decreased by 9.68% as compared to the same period in 2022, which is more favorable than the air pollutant discharge standards in the regulations.

New toothpaste factory with GMP certification

In response to the increase in the quality requirements of nationals regarding anti-pandemic cleaning products and the pursuit of reliable products, Taiyen Company adhered to the R&D spirit of security, safety, and effectiveness, complied with Cosmetics — Good Manufacturing Practices (GMP) of the Ministry of Health and Welfare, and invested nearly NT\$100 million in designing and building a new toothpaste factory in Budai Township, Chiayi County, in 2022, which is estimated to be completed in 2023 Q4. We will focus on allowing the entire factory to pass the GMP certification and fully upgrade raw materials, factory environments, procedures, testing systems, and other software/hardware to connect to domestically and internationally renowned chained channel procurement specifications so as to care for the health of consumers and their family members.



Green energy

To explore the development potential of clean energy, Taiyen entered the field of green energy and invested in building a self-owned solar power plant in Luzhu, Kaohsiung. The plant was completed in 2023 Q3 and formally put into use. It is estimated that the annual power generation volume can reach 2 million kw. The sales of power can contribute to operating income, realize the clean energy policy, and create a common win for the environment, the Company, and shareholders.





Energy Conservation, Carbon Reduction, and GHG Inventory Taskforce

In recent years, Taiyen has been committed to energy management, carbon reduction, and other sustainability indicators. It formed a cross-department “Energy Conservation, Carbon Reduction, and GHG Inventory Taskforce” that will publish the GHG inventory report in Q3, set the carbon reduction target, and reduce climate change and carbon fee risks. Meanwhile, Taiyen will select products with a high reputation in Q4 to introduce the carbon footprint inventory and carbon labels to realize the commitment to carbon reduction. It further planned to complete the ISO50001 energy management certification by 2025 to connect to the national 2050 net zero transformation and energy conservation strategic plan, improving the brand competitiveness.

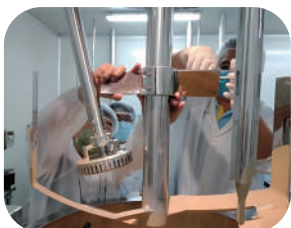
Plans for Investees of Taiyen in 2023

Enterprise name	Main business or production item	Share-holding	Main reason for profit or loss	Improvement plan
Taiyen Biotech (Samoa) Co., Ltd.	Investee	100%	It is an indirect investment in Taiwan, and the Company was established in 2010. In recent years, there have been changes in relevant regulations, product specifications, and market status in Mainland China, resulting in losses. In 2020, it actively explored customers, improved its import/export functions, and effectively reduced expenses, turning losses into earnings.	The company in Mainland China, under indirect investment, will continue to expand its market and improve profits.
Taiyen Green Energy Co., Ltd.	Green energy-related business	66.75%	The losses in 2023 were NT\$247,213 thousand, primarily due to the additional construction payments for the temporary estimated construction project and the expected impairment loss of the appropriation of contract assets and accounts receivable.	1. Added the carbon inventory inspection business. 2. Accelerated the joint development of the solar power plant in Cigu District (80 hectares), Xiashanziliao (102 hectares), and Duzitou in Beimen.

Taiyen focuses on operational innovation. Regardless of the diverse transformation of products or the investment in the green energy industry, it continues to consider the possibility of technology and procedure reformation to make use of technology optimization and improve production capacity. The equipment added and procedures improved in 2023 are set out in the following table:

Biotech Cosmetics Factory

Improve the design of the 360L emulsifier to make the mixing paddle removable so it can produce sun-blocking emulsion products. Before the improvement, the factory could only use the 100L emulsifier to produce Multi-protection Watery Foundation SPF50 100kg. At present, it can use the 360L emulsifier to produce 215kg.

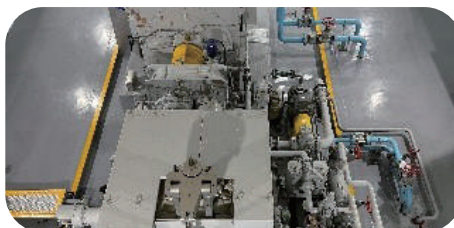


Biotech Health Products Factory

- Improve the phase 1 operation of the production line and establish grain appearance defective digital records and digital governance module associated with equipment adjustment/control parameters.
- To improve the quality monitoring of ingots and assist personnel in adjusting/controlling equipment, we intend to extend the commission of ITRI for the year to add the healthcare product AI identification module and simple AOI film coat procedure AI of the factory and introduce phase 1 adjustment/control data governance module.

Tung-Hsiao Electrodialysis Refined Salt Factory

- The CHP equipment adopted the turbine and power generator from Japan and the boiler from a large-scale domestic boiler company to allow the discharge concentration of NOx to reduce to below 30ppm; a shelter is set up to reduce the damage to and erosion of machinery.
- During the operating period of the CHP factory, we will ensure the qualified operation of the CHP system and fixed pollution sources and obtain the fixed pollution source operation permit and the qualified CHP system registration certificate.



1.3.2 OEM/ODM Services

In response to the diversification of channels in the consumer market, biotech factories under Taiyen developed diverse business lines, explored new channel markets by adopting brands and production lines for segregation, and made use of solid R&D capacity and production experience to provide foundry services.

Foundry Service Item of Taiyen

Biotech Health Products Factory I

It is the first domestic biomedical material manufacturing factory that uses collagen as the main raw material and has passed the GMP certification, and is also has production lines for cosmetics and skincare products and relevant raw materials.

1. Medical device foundry product category:

J.5090 (hydrocolloid dressing) and I.4018 (liquid bandage).

2. Foundry business for medical devices.

3. Entrusted application for the inspection registration of medical device products.

It is a hi-tech microbial fermentation factory and a professional food production factory.

Biotech Health Products Factory II

1. Foundry of fermentation mass production

Produce relevant fermented food raw materials and be able to provide packaging design services for raw materials, semi-finished goods, and finished goods.

2. Foundry of healthcare food

Possess production lines for hard capsules, ingots, granulation, and powder and can provide foundry services of formula development, production, and finished good packaging.

1. Foundry of skincare products

- Foundry of skincare products of different dosage forms
- Masks and aluminum sample products

2. Foundry of cleaning products

- Shampoo, face wash, and body wash products
- Various toothpaste products
- Salt soap, seaweed soap, golden soap, and fragrant soap products
- SPA bathing salt products

Biotech Cosmetics Factory

It is a professional domestic cosmetics and skincare product (GMP cosmetics factory) and cleaning product production factory. It possesses production lines for different dosage forms and can provide foundry services of formula development production procedures, and finished good packaging.

It is a professional domestic automated salt product and packaged water manufacturing factory that obtained the verification qualification of ISO 9001 quality management system and ISO 22000 food safety management system. Its quality complies with the national standards CNS4056 and the edible salt standards of WHO, and the procedures are advanced, safe, and healthy.

1. Foundry of the mass production of packaged water

Tung-Hsiao Electrolysis Refined Salt Factory



“RE Series” Circular Bathing Products

Taiyen collaborated with Carrefour to launch the first sustainable products, “RE Series” Circular Bathing Products. “R” is adopted for the concepts of the bottle design; apart from realizing the plastic reduction spirit of reduce, reuse, and recycle, “Re” as the prefix in English has the meaning of “again,” exerting the power of regeneration of products. The cartons used in the transportation of “Re Series” products are all cartons with FSC certification to allow places not presented to also comply with the sustainability philosophy. The series of circular products reduces the use of new plastics and facilitates the circular economy model of plastic recycling and reuse.

1.3.3 Cross-industry alliance

Taiyen has cross-industry alliances with many different departments for product technology R&D to verify the functions of products through resource cooperation and the exchange of innovative technologies.

Cooperating department	Substantial cooperation performance
National Chung Hsing University	Activity screening for facilitating the growth of hair Verify the hair-growing functions of natural hair-growing and hair-blackening ingredients based on the hair-growing model of mice.
China Medical University College of Medicine	Function test of collagen peptide on human dermal fibroblasts Compare the efficiency to initiate the collagen generation genes between the self-made fish scale collagen peptide raw materials and synthesis collagen generation facilitation peptide.
Hungkuang University	Evaluate the functions of the test of lactobacillus attaching to intestine cells and the test of anti-vibrio parahaemolyticus with mice Verify the function advantage that the self-produced sub-micro coating technology can improve the anti-degradation capacity of lactobacillus in the stomach and allow lactobacillus to land in the intestines.
Southern Taiwan University of Science and Technology	Develop particular raw materials with healthcare functions to improve metabolic syndrome and special nutritional supplement Verify the protective functions of the self-produced natural functional ingredients on islet cells and cardiac muscle cells.
Industrial Development Administration, MOEA (ITRI)	Xiang Ju Beauty Industry Advancement Program The toxicity study required to use self-produced natural extracts as the raw materials of cosmetics.
Agriculture Technology Research Institute	Test to improve the bacterial flora of animals by adding lactobacillus of different formulas into the feed of sucking piglets Verify the advantage of the function of the self-produced coated lactobacillus to change the bacterial flora in intestines.
NCKU Research & Development Foundation	Safety evaluation of cosmetics Skincare products passed the skin stimulus and sensitivity tests.
ITRI	Promote the Decoration of the Cloud Era It can connect to the Internet to carry out backstage data collection
Chia Nan University of Pharmacy and Science	Sun-blocking function evaluation program of the new sun-blocking product Assist in accurately evaluating the sun-blocking functions of the sun-blocking product during the course of development of the sun-blocking product.

1.3.4 Future development strategy and annual plan

Taiyen continues to focus on the healthy growth of its operating income, the increase in profit, and the increase in operating efficacy as the main theme of its business strategy. It also planned for the future operating policy of “diverse and young products, OMO digitalization, brand optimization, market internationalization, and asset activation,” which mainly includes three major aspects of sales, production, and management. We adopt the spirit of innovation and advancement to develop products and overseas and domestic markets, seek future startup businesses and investment niches, and create new operating income and profit sources. Taiyen followed the global trend of sustainable energy and facilitated the development of PV; it contributes to the homeland for the inheritance of generations under the basis of energy sustainability.



Production

- Fully evaluate the efficacy of products, replace the weak products with strong ones, and reduce sluggish goods to improve inventory turnover.
- Discuss the use of online detection equipment, AI, and other information tools to increase the procedure control capacity of factories, improve the efficiency of on-site procedures, improve quality, increase foundry order-taking, and evaluate the cost-effectiveness of different factories to improve quality and competitiveness.
- Implement various quality management policies, enhance the quality control of upstream raw materials, ensure the quality safety of products, and implement the product traceability system.
- Promote power consumption efficiency improvement measures of production departments to reduce emissions of carbon emission hot spots.



Management

- Cooperate with the Company's business strategies and adopt sales and efficiency improvement as the priority to activate and effectively utilize human resources. Continue to promote various management reformation projects through organizational reformation and human resources adjustment to integrate the Company's resources and improve the score of the corporate governance evaluation and operating performance.
- Continue to implement KPI and evaluation systems, combine salary adjustment, bonus, and other incentive systems, and improve the reasonableness of the link between remuneration, individual performance, and the operating performance of the Company.
- In response to the outbreak of Covid-19, fully cooperate with the policies and requirements of the Central Epidemic Command Center, implement the cleaning and sanitization of different departments/venues, prepare operations related to anti-pandemic advance deployment, and ensure that the enterprise can safely and normally operate.
- Taiyen plans to introduce the carbon footprint inventory and carbon label to realize the commitment to carbon emission reduction.
- Form a cross-department "Energy Conservation, Carbon Reduction, and GHG Inventory Taskforce" that will set the carbon reduction target and reduce climate change and carbon fee risks.
- Plan to apply for ISO50001 energy management certification to the national 2050 net zero transformation and energy conservation strategic plan, improving the brand competitiveness.



Sales

1. Salt products

- Due to food safety issues and the increasingly stringent legal requirements imposed by the government, we continued to provide guidance for companies of agriculture and aquaculture product processing, feed, and marinade to select and use the Company's salt for food processing or general refined salt to expand the market share in the food processing market.
- In addition, according to consumers' requirements, we developed the "Taiyen Selected" Import Salt Series and continued to develop new products, explored GT and online shopping channels to improve the sales of edible salt to solidify the leading position of the Company's brand in the market and improve the value of the brand.

2. Packaged water

- "Taiyen Ocean Alkaline Ion Water" currently ranks 1st in the domestic packaged functional water. We will diversify product specifications, improve brand value, expand channel layout, expand market share, focus on hypermarkets and the online shopping market, and commence the full penetration of channels to solidify niches to maintain the growing momentum of operating income.
- In addition, we continued to develop customized and multiple series products, including "Taiyen Pure Ocean Water" and "Taiyen Ocean Water." We expand the channels by leveraging the existing influence of the Company's packaged water to expand the market share map of Taiyen's packaged water so as to improve the overall sales performance.

3. Skincare products

Lumiel made us of the novel sub-micron collagen carrier coating technology on astaxanthin to prepare multiple tests for commercialization. It is estimated to launch a new spot-whitening product this year. It engaged in independent development based on different customer groups for Taiyen Beauty and MÉDECURA. All brands improved the core and uniqueness of their brands and adopted the multi-channel development strategy to integrate online and offline channels to expand the market.

4. Cleaning products

The advertisement for Taiyen's toothpaste product adopts a newly designed IP character and cartoon films, and it is broadcast at dental clinics nationwide. We adopted a common touch to promote different series of toothpaste through advertisements to establish a new indicator for oral cleaning step by step. In addition, to follow the ESG trend, we have obtained the environmental protection label for five products, and we use recycled plastic bottles and environmentally friendly formulas and ingredients to fulfill our corporate social responsibility.

5. Chained franchise channel

Continue to make changes in channel operation with graded management as the basis for rewards and consultation and enhance marketing activities to exert channel inbound effects and brand value so as to improve competitiveness.

6. Export sales

Focus on specialty products and jointly explore overseas markets through strategic cooperation with the distributors and channel distributors.

7. Asset activation

Carry out land activation, reduce idle production capacity, actively organize the recreational area construction program in Cigu, and improve human assets.

8. Green energy development

Continue to focus on the "circular economy," build a self-owned solar power plant, and actively promote a clean and sustainable PV service platform of fishery and electricity symbiosis.

1.4 Risk management

1.4.1 Internal control and management

To effectively control corporate risks and carry out the principle of sustainable action, Taiyen Company established its “internal control” and formulated the “Internal Audit Implementation Rules.” The audit plan covers all operating activities of Taiyen Company, and the eight major transaction circulations and computer information system handling control operation, management and control operation, influence peddling cases, and operating performance management are adopted to assist the Board and management in checking and reviewing the internal control and management status of the Company and providing appropriate improvement recommendations.

Audit purpose	Audit target	Audit department
The efficiency of the Company in effectively controlling corporate risks and sustainable operation and assisting the Board and management in checking and reviewing the shortage of the internal control system and measuring the operations	- All departments of the Taiyen Company - Taiyen (Xiamen) Import and Export Co., Ltd. - Taiyen Green Energy Co., Ltd.	Audit Office (It is subordinated to the Board and assists Directors, supervisors, and the management in supervising various internal systems and procedures.)

The Audit Office assists in implementing the audit plan and organizing the field audit of businesses. The audit report is submitted to Independent Directors and supervisors and reported to the Board via electronic means each month. The office continues to follow up on the deficiencies found during the audit until relevant departments complete the improvements. The “internal control system deficiency examination forum for Directors, supervisors, and internal audit personnel” is organized once a year, and the content includes the report of the audit work in the preceding year, internal control deficiencies and anomaly improvement status, implementing the corporate governance system.

For the risk of product safety, Taiyen started to upload comprehensive traceability information to the “Food Tracking and Traceability Management system (Must Track)” platform of the Taiwan Food and Drug Administration, Ministry of Health and Welfare, Executive Yuan, in 2016 for salt products with over 95% of sodium chloride

We keep abreast of the changes in domestic regulations. Taiyen has established the “Taiyen Biotech Co., Ltd. Product Regulation Implementation, Tracking, and Supervising Authority and Responsibility Requirements” and “Taiyen Biotech Co., Ltd. Product Quality Safety Committee Charter” and established the “regulation team” according to the “Product Quality Safety Committee Charter.” Except for including collecting and updating new regulations as a daily operation, meetings are held once every quarter to ensure that the Company’s products comply with legal specifications.

1.4.2 Risk control and opportunities

Different management departments are responsible for the management of various risks based on relevant business natures, and the Audit Office formulates the audit plan that is risk-oriented and reviews existing or potential risks of different operations. Risks identified by Taiyen are mostly in the economic and social aspects, and the management methods of various risks, risks that Taiyen may face in a short period of time, and countermeasures are as follows:





In response to the ever-changing global trends and changes in domestic population structures and laws and regulations, Taiyen examined the overall environment and focused on three major crises and potential opportunities.

Risks to be Faced by the Overall Environment of Taiyen and Responses



Impact

Aging of product brands and consumers

- The difficulties of securing new customers and expanding franchise outlets and the high substitutability are the challenges.

Changes in regulations of the competent authority

- To comply with the latest amendments to relevant laws, raw material import, supplier selection, and product labeling are required to be adjusted or replaced within a short period of time.

Climate change affecting raw materials

- The increase in the frequency of intense weather results in a decrease in crop harvested and price volatility, increasing material purchase difficulties and costs.



Counter-measures

- Rearrange products, plan for product R&D, and continue to improve brand marketing strategies.

- Actively explain the suspicions to the competent authority through inquiries via official letters to reduce subsequent changes in procurement procedures.
- Establish the "regulation team" to collect and update new regulations on a daily basis and convene quarterly meetings to ensure that the Company's products comply with and follow the laws and regulations in a timely manner.

- Actively explore more source suppliers and maintain long-term favorable interactive relationships.

CH.1

CH.2

CH.3

CH.4

CH.5

Appendix

About the Report

Risks of Taiyen in the Operating Supply Chain and Responses

	Packaged water	Salt product	Export sales and foundry
 Impact	Due to the slowdown of the pandemic, the number of people traveling surged. Foreign travel surpassed domestic travel, resulting in a decrease in the performance of e-commerce and a growth in the sales performance of physical channels.	At the end of August, Japan discharged nuclear wastewater, resulting in a salt rush for consumers in Taiwan. They hoard a lot of salt products, which will affect the subsequent reversal cycle of salt products and operating income.	- Due to poor economic performance in China after the pandemic and political factors, products failed to pass customs, resulting in difficulties in increasing the shipping volume for foundry customers in Mainland China. - The Singapore government made an upward adjustment to consumption tax and adopted price competition, resulting in a decrease in export sales foundry customers.
 Business opportunity generated	The crowd for physical channels returned, and regular customers were not affected. We actively cultivate long-term customers with high loyalty. With the popular carbon reduction trend and ESG issues, business opportunities for green products arise.	Customers hoard salt, and cause an increase in operating income in a short period of time.	- Mainly promote the advantaged product, packaged water, and secure a seat in new overseas markets with the existing product resources in Taiwan. - In accordance with the sales requirements of different major markets, assist in localized packaging and sell product types required to break through the local sales bottleneck.
 Counter-measures	Organized consumer activities in low seasons, improved the performance of physical channels, secured regular online customers, and carried out carbon inventory and packaging material weight reduction plan according to the plan.	Factories increased the inventory of salt products to respond to and monitor the development of the nuclear wastewater event. The Company published press releases to explain that the supply is free of concern and the product inspection is qualified to allow consumers to eat with ease.	- Set up product information on the platforms of the International Trade Administration and Taiwan External Trade Development Council to increase exposure. - Selectively participate in international exhibitions (including online) to secure foreign procurement opportunities and foundry opportunities.

1.4.3 Digitalization and information security

Taiyen recorded great progress in automation and digitalization in 2023. It significantly reduced labor costs through the automated system, which reduced the paper-based operation of employees, accelerated the sign-off procedures, and improved production efficiency and yield. It increases the width of controlled items and improves the level of automation of production and sales cooperation.

	Performance in 2023	Benefit
Automation	- CCD machine vision auxiliary system - The pallet management system of the Storage and Transportation Office - AI analysis for the crucial factors of ingot film coat procedures - Auto-shrinking film machines	- Improve production efficiency - Reduce cost - Employees' health - Complete hardware installation and correlation analysis - An explicit pallet management operating system makes the circulation transparent - Improve production efficiency and yield
Digitalization	- MRP system - AI analysis for the crucial factors of procedures - From Salt to Wellness	- Enhance data analysis capacity - Understand the market demand and improve customer satisfaction - Improve customer experience

Realize Information Security

To protect the personal data of consumers, Taiyen has established the “Guidelines for Personal Data Protection Organization,” “Guidelines for Personal Data Risk Management,” “Guidelines for Personal Data Protection Emergency Response,” “Guidelines for Personal Data Inventory,” and other relevant personal data protection requirements to ensure that the personal data of consumers are not used inappropriately. When consumers apply for membership in Taiyen, we will also fully inform consumers of the membership application form. When filling in the application form, it means the approval of authorizing the use of personal data. Taiyen also strictly requires employees to strictly adhere to providing requirements related to personal data to consumers, strictly protect consumers’ personal data, and duly implement the responsibility of safety protection of personal data.

Taiyen Company cooperates with the project team of C.I.S. of Technology Law Institute to fully introduce the “privacy by design and default” concept that complies with the General Data Protection Regulation (GDPR) into member data operating procedures. Through systematic thinking and practices, we include privacy and personal data protection principles in operating procedures to ensure that the personal data of members are effectively and comprehensively protected so as to realize the spirit of corporate social responsibility and respond to consumers’ high expectations toward Taiyen.

Implementation Items of Maintenance of Information Security and Effects

Information security item	Implementation effects	Future targets
 Security operation center (SOC)	The arrangements are completed	Improve information security protection
 Vulnerability assessment of the website (private cloud of Taiyen)	Cloud document services for the Board, From Salt to Wellness, spam screening system, Taiyen Biotech App backstage	Improve website safety and bug-fixing
 Social engineering	The stage 2 test is completed	Improve employees’ awareness of e-mail safety
 Installation of the SSL certificate for the website	The installation of the certificate is completed	Reinforce the website access safety
 Tape backup system	Newly purchased BACKUPEXEC	Strengthen the backup system
 Managed Detection and Response (MDR)	The arrangements are completed	Reduce terminal invasion
 Purchase additional SSLVPN	The procurement and acceptance are completed	Enhance the safety of employees by connecting to the network from the outside
 Web application firewall (WAF) cloud website services	The arrangements and installation are completed	Improve website safety

In 2023, there was no violation of regulations; that is, there was no damage to customers’ rights and interests resulting from stolen, altered, damaged, destroyed, or leaked customer data. Taiyen constantly improves its operating efficiency, product quality, and service standards through digital transformation and the application of innovative technologies. We will continue to pay attention to information security, improve data management, and continue to promote measures of automation and digitalization to realize sustainable operation.

CHAPTER

Sustainable Climate Response



- 2.1 Environmental management
- 2.2 Energy and GHG
- 2.3 Promotion of renewable energy
- 2.4 Water resource management
- 2.5 Waste management
- 2.6 Climate risk identification

Taiyen adheres to the grand vision, follows global trends, and focuses on green, healthy industries. It prioritizes safety and effectiveness for products, values resource efficiency and the cycle of renewal for manufacturing, and actively gives back to the townships by generating power at its locations and promoting clean and sustainable green solar power for its operations. In the future, Taiyen will continue to attentively protect the land, and it hopes to step onto the world stage by exporting premium products.

Priority readers

- ☐ Employees
- ☐ Customers
- ☐ Suppliers/contractors/subcontractors
- ☒ Shareholders/investors
- ☒ Government agencies
- ☒ Media
- ☒ Society/communities

Corresponding SDGs



Summary of chapter highlights

↓ 1.8%	Power consumption in 2023 reduced by 1.8% as compared to the preceding year.
↓ 10.6%	Diesel consumption in 2023 reduced by 10.6% as compared to the preceding year.
↓ 53%	Diesel consumption of Cigu Salt Plant in 2023 reduced by 53% as compared to the preceding year.
Comprehensively carry out the organizational GHG inventory	An organizational GHG inventory was comprehensively carried out in accordance with ISO 14064-1:2018 in 2023.
↓ 176,720m ³	The initial high-pressure feedwater heater in the CHP Plant was replaced with an economizer, saving 176,720 m3 of natural gas annually.
Obtained environmental protection certificates	In 2023, environmental certificates were obtained for “Yes Clean! Eco Dishwashing Liquid” and “Yes Clean! Eco Laundry Detergent” for passing CNS2477, CNS3800, and other national standards.
Voluntary product carbon footprint inventory project	Starting in 2023, we voluntarily plan for the product carbon footprint inventory project; the planning for carbon footprint inventory items for three production units, a total of seven products, has been completed.

2.1 Environmental management

2.1.1 Environmental responsibility

In terms of environmental management, apart from implementing environmental protection work related to wastewater, air pollution, and waste according to relevant laws and regulations, Taiyen otherwise established its “Environmental Protection Management Requirements” to increase the environmental protection management requirements of all factories (plants and offices). We regularly check and implement management. Waste gas and wastewater comply with the discharge standards and are filed according to the requirements; qualified clearing companies are engaged to dispose of business waste.

Taiyen’s Environmental Policy and Actions



System

- Environmental Protection Management Requirements, environmental accounting system, environmental management system (ISO 14001), and GHG inventory (ISO 14064)



Action

- Pollution control and prevention
- Procure packaging that reduces impacts on the environment
- Landscaping and natural protection
- Pollution control specifications and others
- Environmental education and training, maintenance of the environmental monitoring management system, license, valuations, and other activity management

In 2010, to meet its commitment to green operation and sustainable development, Taiyen started to build and complete a quality environmental accounting system for different departments to adopt comprehensive green management information as the basis for the planning and promotion of environmental protection issues, achieving effective resource use. Taiyen regularly examines its performance through the environmental management system. In 2023, there were no deficiencies or corrective measures related to environmental protection.

Environmental Management Evaluation Structure

Environmental issue	Corresponding indicator	Management strategy	Corresponding chapter
Energy management	✓ Diesel	• Actively develop renewable energy • Replace old power consumption equipment with new ones • Improve energy efficiency	2.2.1 Energy consumption management 2.3 Promotion of renewable energy
	✓ Gasoline		
	✓ Electricity		
	✓ Natural gas		
	✓ Solar power		
GHG emission management	✓ Emission volume	• GHG inventory and voluntary reduction	2.2.2 GHG emissions management
	✓ Emission intensity		
	✓ Emission percentage		

Environmental issue	Corresponding indicator	Management strategy	Corresponding chapter
Water resources management	✓ Consumption volume	- Recycle cooling water - Test the water quality of effluents - Response systems for water rationing measures	2.4 Water resources management
	✓ Consumption intensity		
	✓ Wastewater discharge		
Air pollution management	✓ Nox	- Air pollution control equipment - Voluntary reduction of discharge concentration	2.5.1 Air pollution management
	✓ Sox		
	✓ Volatile organic compounds (VOC)		
Waste management	✓ General business waste	- Carry out online filing according to the requirements - Engage qualified companies for disposal	2.5.2 Waste generation management
	✓ Hazardous business waste		
	✓ Recycling waste		

Historical Environmental Protection Expenditure (Unit: NT\$)

Year	2021	2022	2023
Amount	44,421,521	47,124,837	47,209,458

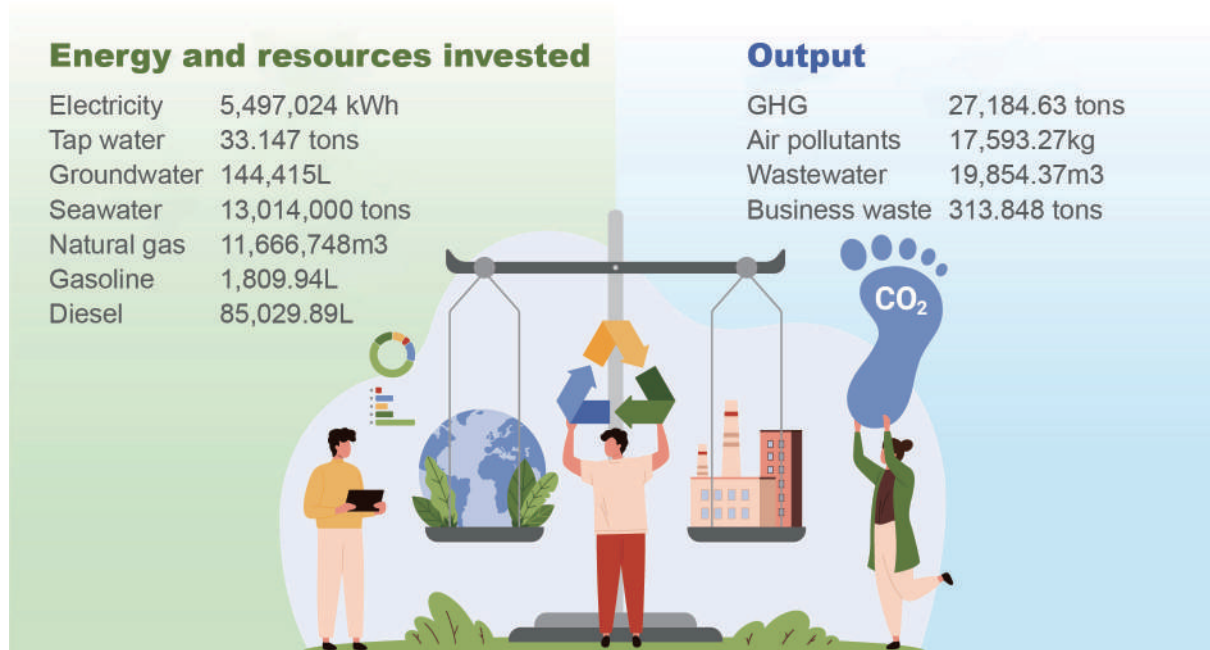
Note: The environmental performance of the Report is the presentation of the overall environmental accounting analysis records of the Company, and the preparation was completed based on the detailed data of different factories.

Environmental Expenditure Costs

Expenditure item	2021		2022		2023	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Pollution control and prevention costs	2,893,695	7%	2,660,220	6%	3,460,225	7%
Packaging procurement costs that reduce impacts on the environment	36,501,832	82%	39,275,556	83%	39,749,886	84%
Landscaping and natural protection costs	1,387,689	3%	1,107,357	2%	399,415	1%
Pollution control fees and derivative costs	1,002,180	2%	1,783,817	4%	951,280	2%
Costs of environmental education and training/maintenance of environmental monitoring management system/licenses/evaluations and other activity management	2,636,125	6%	2,297,887	5%	2,648,652	6%
Total	44,421,521	100%	47,124,837	100%	47,209,458	100%

To duly fulfill the social responsibility for the environment, the environmental expenditure costs in 2023 increased by 0.2% as compared to the preceding year, and pollution control fees and derivative costs accounted for the most, representing a 1.2 times increase as compared to 2022. Taiyen's environmental management complies with the standards, and it also pays attention to the producer's responsibility for products. It selected environmentally friendly packaging materials or designs, adopted HDPE for seawater pipe constructions to reduce impacts on the environment and protect marine ecology, and adopted underground excavation to replace onshore road cutoff construction technologies to ensure the quality of life of residents in neighboring communities.

Environmental Footprint of Taiyen



2.1.2 Resource utilization and circulation

To create sustainable value, Taiyen has adopted the concept of the circular economy to implement the lifecycle management of products. It is dedicated to reducing products' impacts on the environment through green designs and green procurement, adopting materials that can be reused as raw materials of products and reducing waste so as to allow products to be better used.

Taiyen's Packaging Reduction Policy

- ✓ Provide packaging materials with low carbon footprints that can be easily recycled
- ✓ Continue to commit to packaging material reduction and design improvement

PET bottle improvement for Taiyen's packaged water



To move toward zero waste designs, Tung-Hsiao Electrodialysis Refined Salt Factory has been committed to the improvement of the PET bottle of packaged water since 2020 to reduce the use of plastics and reduce costs. So far, the weight of an empty bottle has been reduced from 27g to 22g. Tung-Hsiao Electrodialysis Refined Salt Factory uses 22.2gR-PET bottles to produce Taiyen Prosperity Water. In the future, we will continue to pursue packaging reduction.

While improving PET bottles, Taiyen also paid great attention to customers' feedback. In the past, it developed new bottles to eliminate the overflow of water. The bottles had been too soft. The R&D Department planned to carry out research regarding the effects of rPET bottles on mouthfeel in 2023 so as to reduce the effects of packaging improvement on customers' mouthfeel as far as possible. Feedback was received that there was no significant difference in mouthfeel. R&D will continue to carry out the research in 2024 to gain more comprehensive results.

Highlights of the PET bottle improvement for Taiyen's packaged water in 2023

Test bottle for alkaline ion water (420ml): Reduced from 27g to 22g



Develop products with environmentally-friendly packaging

Besides reduction of plastic in packaging materials of bottled water, Taiyen also spared no effort in developing various environmental products. In 2023, “Yes Clean! Eco Dishwashing Liquid” and “Yes Clean! Eco Laundry Detergent,” Taiyen’s products of home cleaning agents with standard specifications, formally obtained the environmental protection label and certificates. In addition, they also met CNS2477, CNS3800, and other national standards.

In the future, Taiyen will continue to make use of its R&D capacity to develop more diversified environmental products to contribute to the protection of the Earth.



- ✓ 100% of renewable plastic materials are adopted as the materials for the bottles
- ✓ Obtained environmental protection certificates
- ✓ Met CNS2477, CNS3800, and other national standards
- ✓ Complies with standards and specifications for home cleaning agents

In terms of corporate operation, Taiyen implements the electronic official document system for online sign-offs to replace paper-based delivery and promotes saving water and power and the reuse of paper to achieve cost and expense control. For suppliers, Taiyen adopts building materials and products with environmental protection labels or Level 1 performance when replacing equipment, prioritizes suppliers that use electronic invoices for procurement, and enhances the promotion of using the electronic invoice system to suppliers. Through relevant practices, Taiyen reduced the consumption of energy and resources and realized resource circulation to move toward sustainable operation.

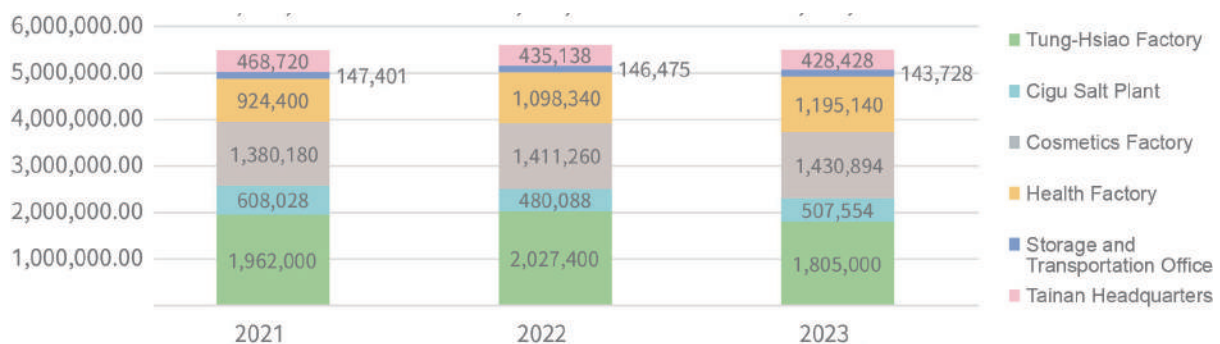
2.2 Energy and GHG

2.2.1 Energy consumption management

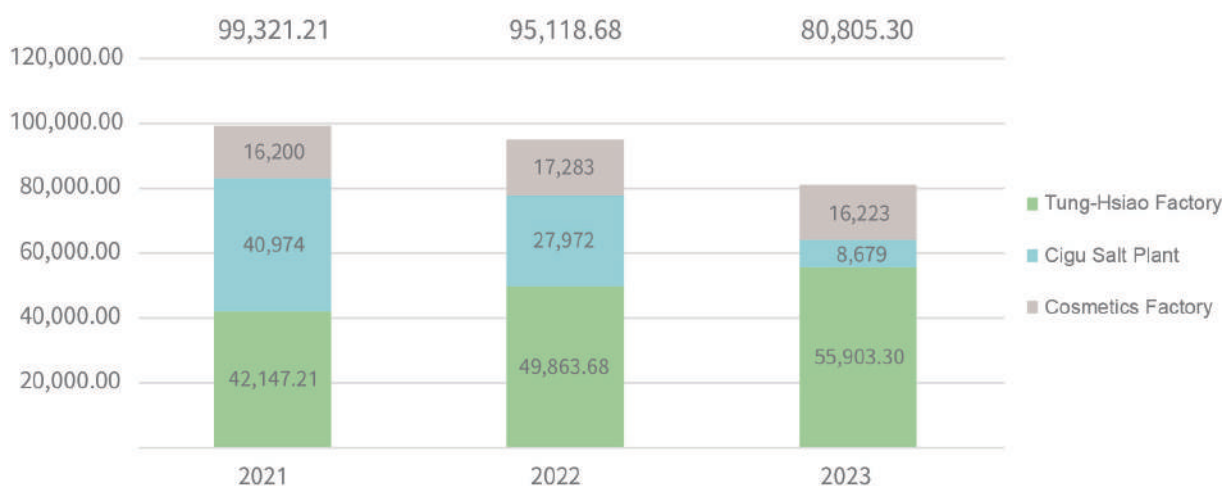
The scope of energy consumption of Taiyen is Tainan Headquarters, Cosmetics Factory, Health Factory, Tung-Hsiao Factory, Storage and Transportation Office, and Cigu Plant. The energy used by the factories is mainly electricity, and the consumption of other categories of energy is slightly different. Electricity is used as the power used by general buildings, A/C systems, and production machines; diesel is used in transportation; and natural gas and low-sulfur fuel oil are the fuel of steam boilers in factories.

Energy Consumption and Energy Intensity

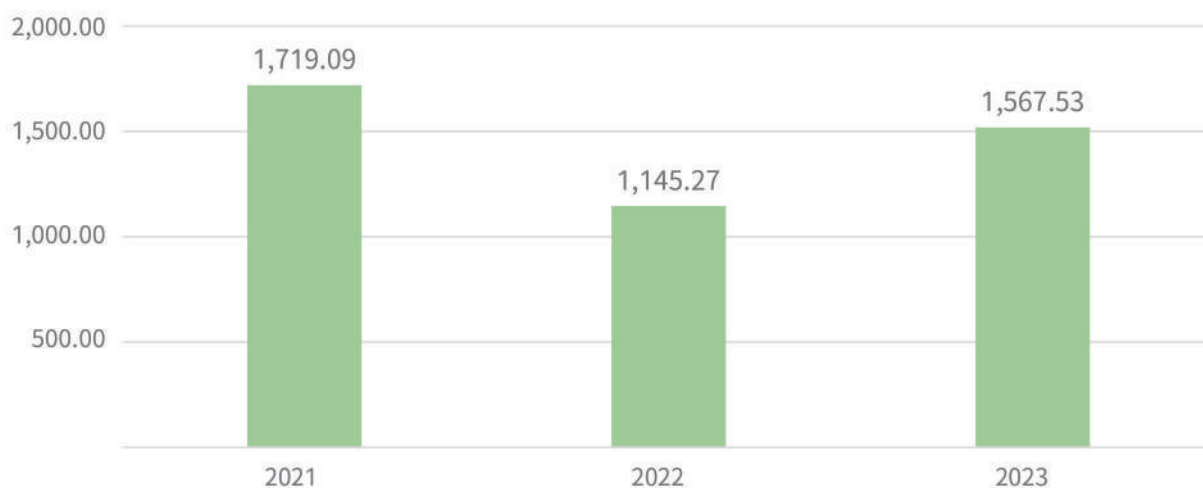
Energy Consumption of Taiyen in the Past Three Years (kWh)



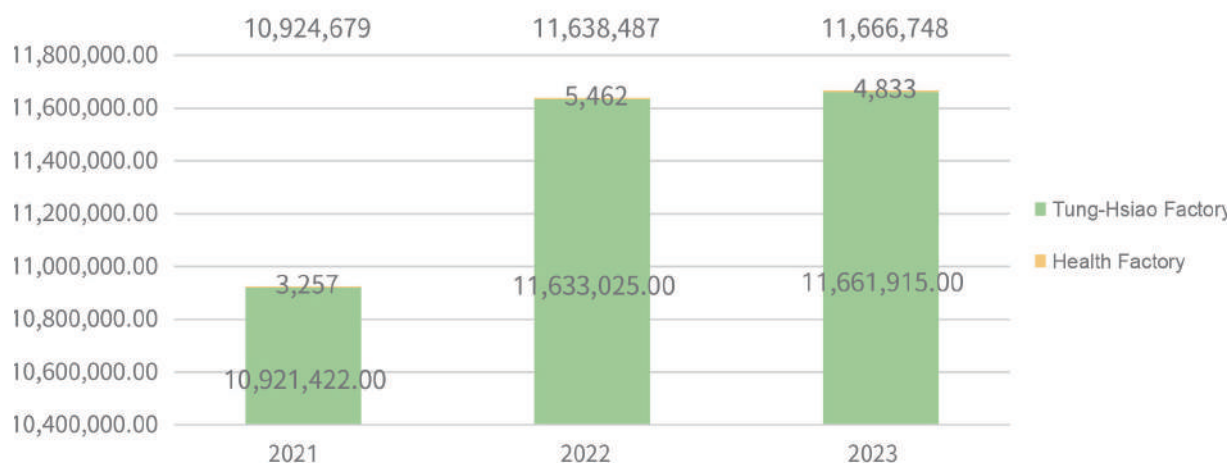
Diesel Consumption of Cosmetics Factory, Tung-Hsiao Factory, and Cigu Salt Plant in the Past Three Years (L)



Gasoline Consumption of Tung-Hsiao Factory in the Past Three Years (L)



Natural Gas Consumption of Tung-Hsiao Factory and Health Factory in the Past Three Years (m³)



The following table sets out the energy consumption heat content (GJ/year) of Taiyen's Headquarters and its factories: the energy intensity is calculated based on product quantity (i.e., weight/number of bottles) to better and more accurately carry out energy management. The statistical analysis for energy consumption adopted the heat content as the basis for analysis and comparison. The main energy used in factories is electricity. Tung-Hsiao Factory is a CHP factory that generates electricity; therefore, it consumes the most natural gas.

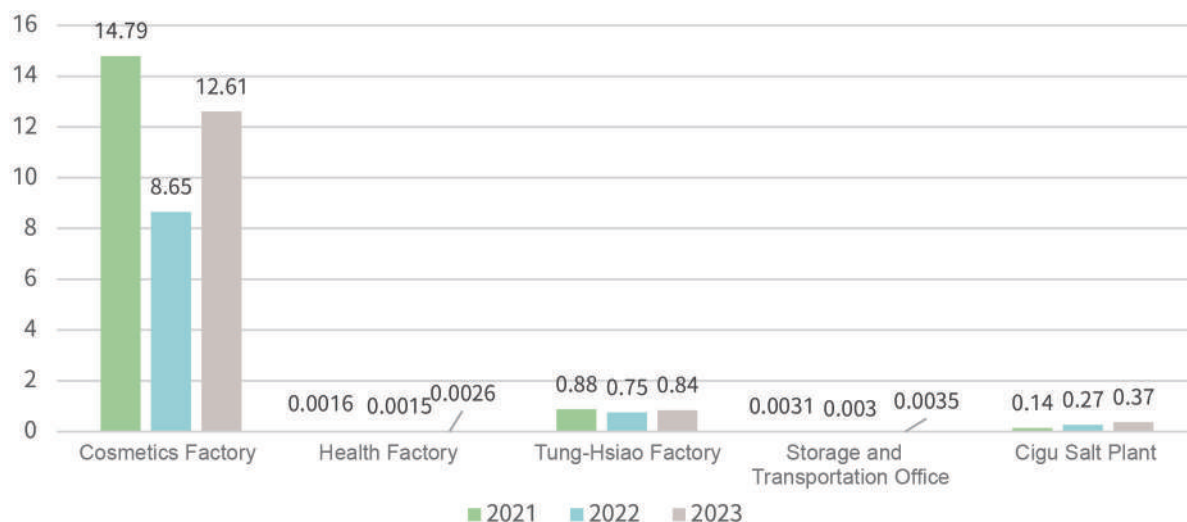
Venue	Item	Unit	Year		
			2021	2022	2023
Headquarters	Energy consumption heat content	GJ/year	1,686.40	1,566.42	1,535.72
Cosmetics Factory	Energy consumption heat content	GJ/year	5,502.21	5,687.99	5,685.43
	Product quantity	ton	372.32	657.63	450.99
	Energy intensity	GJ/ton	14.79	8.65	12.61
Health Factory	Energy consumption heat content	GJ/year	3,458.48	4,136.75	4,484.58
	Product quantity	set/bottle	935,610.00	2,806,866.65	1,717,595.50
	Energy intensity	GJ/set (bottle)	0.0016	0.0015	0.0026
Tung-Hsiao Factory	Energy consumption heat content	GJ/year	451,358.43	398,640.85	447,865.64
	Product quantity	ton	512,045.41	528,533.35	534,373.90
	Energy intensity	GJ/ton	0.88	0.75	0.84
Storage and Transportation Office	Energy consumption heat content	GJ/year	543.60	527.31	532.53
	Product quantity	ton	172,034.20	162,729.72	152,530.46
	Energy intensity	GJ/ton	0.0031	0.0030	0.0035
Cigu Salt Plant	Energy consumption heat content	GJ/year	1,590.46	2,711.76	2,267.99
	Product quantity	ton	11,675.00	9,884.78	6,160.15
	Energy intensity	GJ/ton	0.14	0.27	0.37
Total		GJ/year	464,139.58	413,271.09	462,371.88

Note: the coefficient conversion of heat content is mainly based on the energy product unit heat content table in the 2019 Energy Statistics Handbook published by the Bureau of Energy, Ministry of Economic Affairs, in which the electricity consumption heat content was adjusted to the physical heat content of 860 kcal/kWh in 2018; therefore, relevant data was corrected.

Energy Intensity

Regarding the calculation of energy intensity, as the quantity calculation methods of products are different for the factories, the product quantity calculation units of different plants are used to calculate the energy consumption of the unit's product. In the future, the factories will continue to pay attention to energy management and propose and implement more energy conservation practices through various methods and measures.

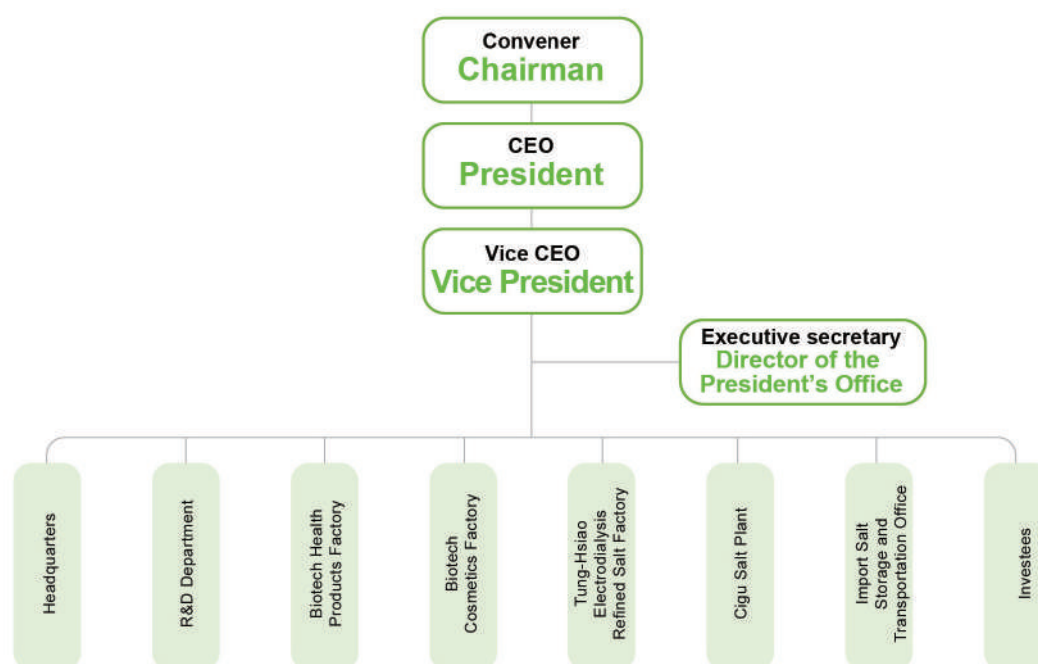
Run Chart of Energy Intensity for the Past Three Years



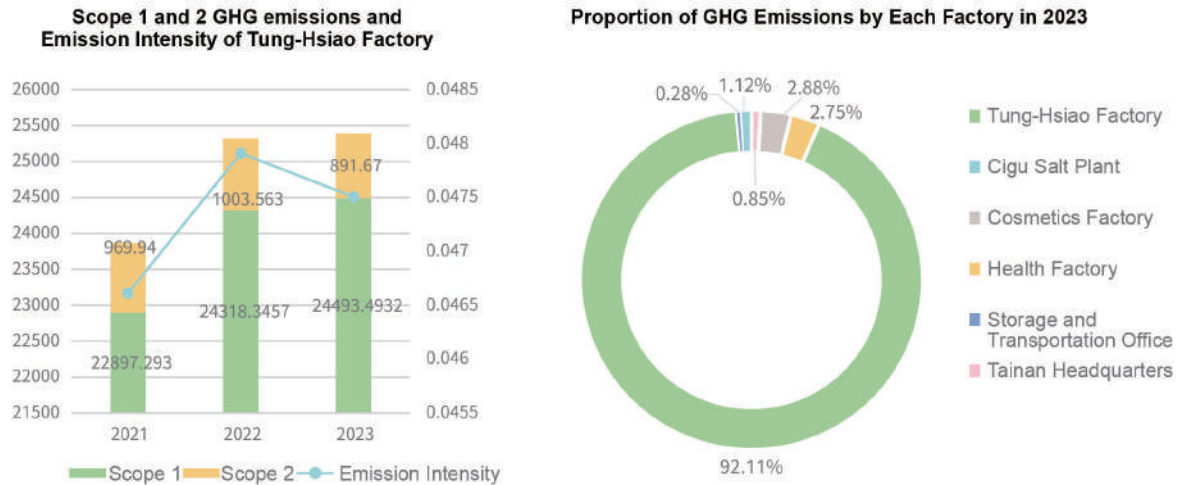
2.2.2 GHG emissions management

Taiyen announced the initiation of its GHG inventory program in 2022 and established its “Energy Conservation, Carbon Reduction, and GHG Inventory Taskforce.” In 2023, it carried out a comprehensive organizational GHG inventory according to ISO 14064-1:2018 and calculated GHG emissions after emission source identification, activity data collection, and determining the emission coefficient in the hope of achieving the target of mitigation and reduction year by year. At present, the inventory of Tung-Hsiao Factory’s data is completed and is available for disclosure. It is estimated to disclose the emission information of all of Taiyen in 2024. Relevant GHG emissions are from emission sources owned or controlled by the organization (i.e., factory chimneys, procedures, ventilation equipment, fixed combustion sources, procedures, and transportation tools).

Organizational Structure of the Energy Conservation, Carbon Reduction, and GHG Inventory Taskforce



GHG Emissions and Emission Intensity



Note: In response to the specifications of the Ministry of Environment, Tung-Hsiao Electrolysis Refined Salt Factory has registered its GHG inventory list, GHG inventory report, verification conclusion report, and verification statement in the Mandatory Greenhouse Gas Reporting System since 2015.

Venue	Item	Unit	Year		
			2021	2022	2023
Headquarters	GHG emissions	tCO ₂ e/year	235.3	247.17	234.11
Cosmetics Factory	GHG emissions	tCO ₂ e/year	786.17	788.36	794.85
	Product quantity	Ton	372.32	657.63	450.99
	GHG emission intensity	tCO ₂ e/ton	2.111543	1.198790	1.762456
Health Factory	GHG emissions	tCO ₂ e/year	495.63	602.75	757.46
	Product quantity	Set/bottle	935,610.00	2,806,866.65	1,717,595.50
	GHG emission intensity	tCO ₂ e/set (bottle)	0.000221	0.000215	0.000441
Tung-Hsiao Factory	GHG emissions	tCO ₂ e/year	23,867.233	25,321.909	25,385.163
	Product quantity	ton	512,045.41	528,533.35	534,373.90
	GHG emission intensity	tCO ₂ e/ton	0.046612	0.047909	0.047505
Storage and Transportation Office	GHG emissions	tCO ₂ e/year	86.41	81.01	77.51
	Product quantity	ton	172,034.20	162,729.72	152,530.46
	GHG emission intensity	tCO ₂ e/ton	0.000502	0.000498	0.000508

Cigu Salt Plant	GHG emissions	tCO ₂ e/year	328.676	318.59	309.04
	Product quantity	ton	11,675.00	9,884.78	6,160.15
	GHG emission intensity	tCO ₂ e/ton	0.0281521	0.032230	0.050168
Total		tCO ₂ e	26,289.35	27,359.66	27,425.62

Note 1: The electricity carbon emission coefficients used for the respective years are as follows: 0.495 kg CO₂e/kWh for 2021 and 2022 and 0.494 kg CO₂e/kWh for 2023.

Note 2: The GHG emissions in 2022 changed due to the implementation of GHG inventory by the Company.

In 2023, Tung-Hsiao Factory accounted for the highest GHG emissions in Taiyen, accounting for 92.08% of the overall emissions. This is because Tung-Hsiao Factory is the only salt manufacturing factory in Taiwan, and a lot of energy is required to be used during the course of production of salt products for steaming and drying, resulting in a higher emission percentage. Followed by Cosmetics Factory and Health Factory, they account for 2.90% and 2.76%, respectively; therefore, Tung-Hsiao Factory is the center for Taiyen to promote energy conservation and carbon emission reduction.

Adopt CHP in Response to the Clean Energy Policy

Tung-Hsiao Factory completed the CHP system update construction contract in 2019 and invested NT\$625 million as the total construction equipment amount in the hope of replacing old and obsolete production equipment of the CHP factory to fulfill the requirements of increasing production performance and responding to the policy of the government to use clean energy. In 2023, Taiyen carried out equipment updates based on four major aspects, which brought multiple positive benefits. In the future, Taiyen will continue to carry out regular equipment maintenance, repair, and replacement, reduce the overall benefit decline, and hope that it can become a sustainable model for using clean energy.

Newly installed “power factor correction equipment”

Increase the power factor of the power grid from **81%** to **96%** and reduce the loss of circuits so as to reduce power bills

Investment in power conservation equipment

Change the motor of the feeding water pump from 350KW to 185KW, saving 165KW. The operating hours throughout the year were 5,662 hours, saving **934,230KWH**.

Change the motor of the ventilator from 200KW to 145KW, saving 55KW. The operating hours throughout the year were 5,662 hours, and the load was 50%, saving **155,705KWH**.

Investment in heat conservation equipment



Replace the middle-pressure steam with the exhaust from the boiler outlet for the feedwater heater to reduce the consumption of middle-pressure steam and increase power generation efficiency. The old unit requires 5,559Kcal per kWh of power, and the new unit requires 5,477Kcal per kWh of power, representing a reduction of 82Kcal per kWh of power. In 2023, **176,720** m³ of natural gas was saved.

Install environmental protection equipment

The old factory does not have environmental protection equipment, and the fume in the boiler contains 130ppm of NO_x, not complying with the legal requirements. A denitrification system is installed for the new unit, and can control the content of NO_x below **30ppm**, which is more favorable than the air pollution emissions of below 43ppm in regulations.



Carbon Footprint Inventory Project

Starting in 2023, Taiyen voluntarily planned for the carbon footprint inventory project. It is estimated to introduce the carbon footprint inventory operation for three production departments with a total of seven products, obtained external verification and the carbon label in 2024. We have completed the item planning, confirmed the consultation company and inventory and application schedule, and convened the carbon footprint inventory initiation meeting.



In the future, Taiyen will perform an evaluation for the application for ISO 14068 carbon neutral standards and activity plan and carry out the carbon-negative product's marketing activity planning for 850ml alkaline ion water together with National Taipei University in the hope of reducing the carbon footprint of products and bringing positive contributions to realize sustainable development.

Energy Conservation and Carbon Reduction Measures

Using natural gas and reducing the consumption of electricity are the main methods to Taiyen to achieve carbon reduction effects. We continue to set out the 2023 energy conservation and carbon reduction promotion plan and formulate future action plans to reduce possible impacts of production activities on the environment.

Venue	Energy conservation and carbon reduction measures
Headquarters	- Installed electricity-saving equipment in meeting rooms in the office and adopted high-function plane LED electricity-saving lighting. The achievement rate is 70%, and the achievement rate will be 100% in 2024. - Equipment optimization: Updated lighting to LED energy conservation lighting and updated machinery equipment to low-energy consumption machines. - Continued to cooperate with the "EarthHour" lights out activity by The Society of Wilderness. Turned off the outdoor landscape light and the light of billboards and signboards of the Company after 20:30 on the day of the activity.
Tung-Hsiao Factory	- Changed the specification of the feeder pump of the boiler and saved 887,700kWh of electricity annually. - Changed the specification of the G2 ventilators and saved 155,705 kWh of electricity annually. - Updated the V-502 motor in zone 500 and saved 11,890.2kWh of electricity annually. - The high-pressure feedwater heater of the CHP factory was replaced with an economizer, saving 176,720m3 of natural gas annually.
Biotech Cosmetics Factory	- A total of three carton suppliers fully use recycled corrugated packing boxes. - Fully replaced the paper towels in the office with environmental paper towels. - Lighting tubes and road lamps are fully replaced with LED lighting. - Level 1 performance inverter A/Cs are used.
Taiyen Green Energy	- Promoted fishery and electricity symbiosis to develop renewable energy - Encouraged employees to take public transportation and promote the flexible office hour system. - Turned off the lights during lunch break and turned off computers and A/Cs after work. - Plane LED lighting is adopted for office lighting to reduce energy consumption.

2.3 Promotion of renewable energy

From salt product R&D in the past to the diverse product development at present, Taiyen is favored and trusted by citizens and has built a good reputation through word of mouth. For the sustainable development of society and in response to the green energy policy of the government, Taiyen continues to promote the development of renewable energy through the solar panel power generation project and the Shalun Smart Green Science City residing project. As of the end of 2023, Taiyen had obtained 25 renewable energy certificates (REC).

2.3.1 Renewable energy development

Solar power generation project

Solar power is an environmentally-friendly and sustainable renewable energy source. Taiyen initiated its solar power generation project and actively promoted the use of green energy to reduce GHG emissions and impacts on the environment. To date, it has installed solar panels in the Tung-Hsiao Electrodialysis Refined Salt Factory, Biotech Health Products Factory, Xinying Salt Warehouse, Cigu Salt Plant, Tainan Headquarters, and Biotech Cosmetics Factory. In 2021, it completed three solar panel installation projects for Xinying Warehouse, Biotech Health Products Factory, and Liensheng Leather Factory.

Benefits of solar power generation

✓ Provide electricity requirements and reduce impacts on the environment

✓ Installing solar panels on the rooftop can reduce indoor temperature during the daytime, reducing the use of A/Cs.

✓ Reduce carbon emissions and the cost of purchasing emission allowances

✓ Obtain the feed-in tariff from the government

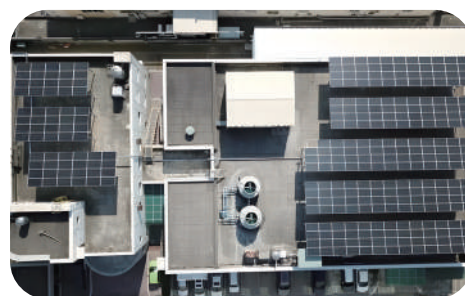


Xinying Warehouse of Taiyen Company (RC type)

Taiyen Green Energy installed RC solar panels in the Xinying Warehouse of Taiyen Company. The electric meter was formally hung on January 8, 2021, and the power generation capacity can reach 334.75kw. Taiyen Green Energy was responsible for preparation of the self-building plan, site planning and design, site establishment application, construction management, site maintenance, transportation, and staffing, and the execution of the power sales contract.

Biotech Health Products Factory of Taiyen Company (RC type)

Taiyen Green Energy also installed solar panels on the top floor of Biotech Health Products Factory. The electric meter was formally hung on April 23, 2021: the power generation capacity is 99.775kw. Taiyen Green Energy was responsible for the preparation of the self-building plan, site planning and design, site establishment application, construction management, site maintenance, transportation, and staffing, and the execution of the power sales contract.

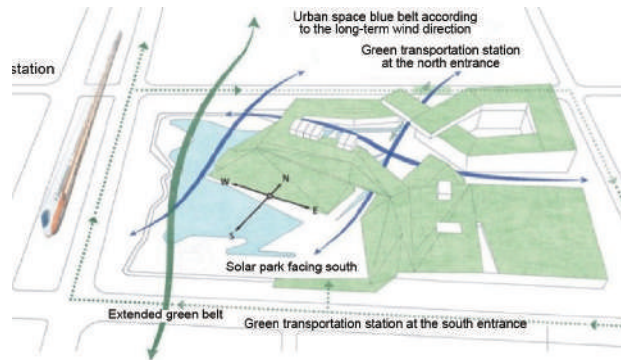


Liensheng Leather Factory (rooftop SC asbestos tile type)

Except for Taiyen itself, Taiyen Green Energy was engaged by Ting Shin Energy Co., Ltd. to complete the installation of rooftop SC asbestos tile solar panels. The electric meter was formally hung on May 28, 2021, and the power generation capacity is 456.72kw. Taiyen Green Energy was dedicated to site development, investor development, engineering construction (replacement of corrugated boards), site transfer, and warranty and maintenance.

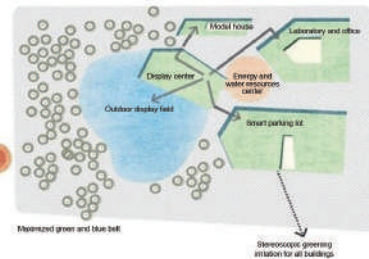
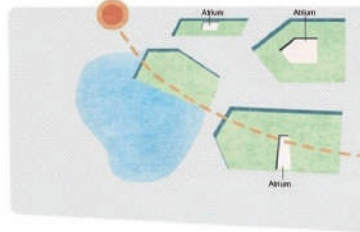
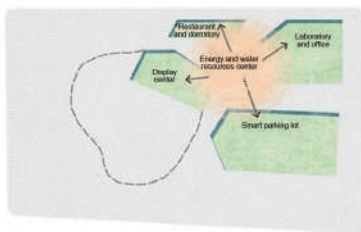
Shalun Green Energy Science City

To cooperate with the government to promote five major themes of green energy technologies, Taiyen Green Energy joined the Shalun Smart Green Science City residing project to jointly install a demonstration field for green energy technology. The demonstration field for green energy integrated four major development themes, including energy creation, energy conservation, energy storage, and smart system, and introduced clean energy supply, management, allocation, smart energy conservation system application technology and integrated interface, combining the capacity of industry, academy, and institute to create world-class demonstration and application of green energy technology. Taiyen Green Energy provided smart fishery and electricity symbiosis technology for energy storage in the demonstration field.



The installation content of the demonstration field for green energy technology main plan includes the clean energy center, smart green community, energy supply and management, procedure verification link, and other technology in the hope of integrating relevant industry requirements and supply chain to activate the industry and jointly create sustainable environments of green energy.

Three Major Elements of Green Building Design



1. The building groups have adopted the energy and water resource center as the core to concentratedly reduce the consumption of energy by water and electricity transmission.
2. Make use of where the buildings face and adopt patios, soil-covered water bodies, and other passive design methods for ventilation and lighting to reduce the energy consumption of buildings and increase eco-friendliness.
3. Combine with the demonstration field to maximize the blue and green belts and assist in biodiversity and cool urban islands.

Taiyen Green Energy hopes to introduce smart fishery and electricity symbiosis technologies with favorable energy storage effects through residing in the demonstration field for green energy technologies to jointly contribute to a green future.

2.4 Water resources management

Seawater is the major raw material during the course of salt manufacturing of Tung-Hsiao Electrodialysis Refined Salt Factory; therefore, Taiyen invested approximately NT\$400 million to update new seawater pipes in 2019. Due to the water intake requirements, new seawater pipes have an outer diameter of 1200mm and a length of 1,580m. It was the first adoption of HDPE pipes with large pipe diameters domestically, and the massive construction and level of difficulties led to a new breakthrough domestically.

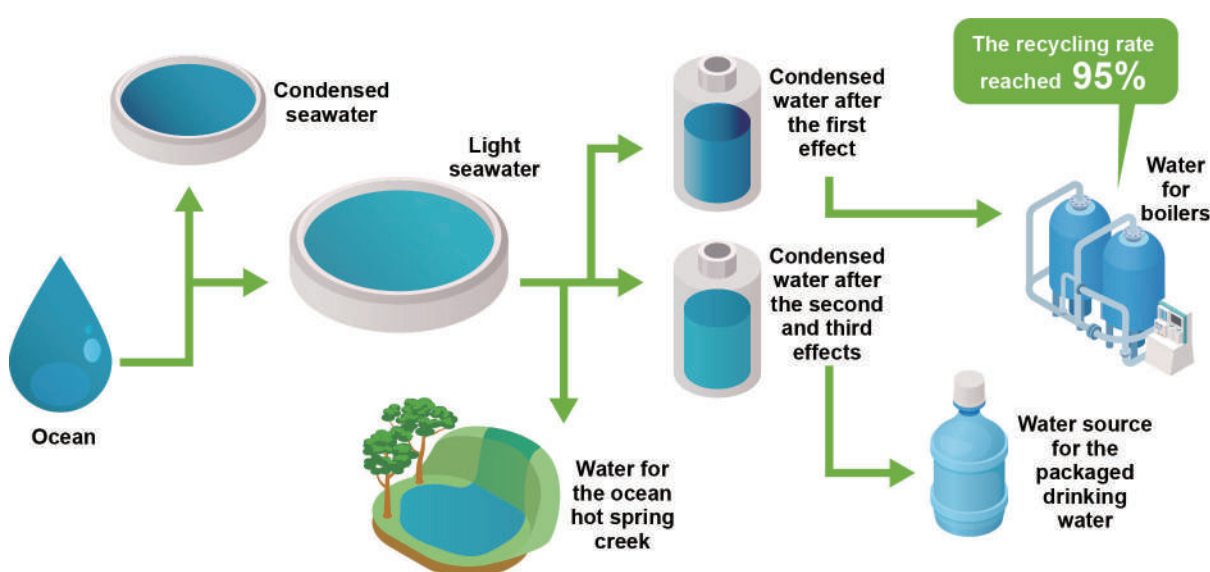


■ New seawater pipes of Taiyen

The material of new seawater pipes changed from the initial carbon steel pipes to HDPE pipes. Due to the features of the pipe materials, the pipes are highly flexible and corrosion-proof, which can effectively extend their

useful life. The design of the seawater inlet is to slowly introduce seawater, which can reduce sea creatures from being introduced, reducing impacts on the ecology. In addition, facing ocean pollution issues, we considered that the intake depth shall be 15m deep and be higher than the seabed by 12m so as to ensure seawater resources are not polluted.

After filtering to reduce the turbidity of seawater, we use electrodialysis to produce condensed brine and use evaporation bottles with three effects to allow the condensed brine to crystallize. Then, carry out centrifugal dewatering and drying to produce different salt products; the production volume may reach 100,000 tons/year. The quality of the condensed water produced after the second and third effects in the procedures complies with the “Drinking Water Quality Standards” announced by the Environmental Protection Administration, and it tastes sweet. After recovery, 1 μ m filtering, RO, UV sanitization, addition of seawater concentrates, electrodialysis, and multiple treating stages, the alkaline ion water further generated is used in producing packaged drinking water after 0.2 μ m filtering. Acidic water with astringency effects and sanitization effects is partially provided to the Cosmetics Factory to produce cosmetics, and the remaining acidic water is recovered by the factory as water used in other procedures. Water used in washing bottles and washing caps during the packaged water procedures can be repeatedly recycled, treated, and reused to reduce the waste of procedure discharge. Taiyen has set up three large-scale water tanks that can store 4,800 tons of water, and excess condensed water can be put into the tanks without any waste on a daily basis.



Water Resource Recycling and Application of Taiyen

Taiyen fully utilizes water resources to improve its supply capacity and maintain the production and sales and inventory adjustment of salt products. Apart from seawater, it uses diverse water resources (i.e., tap water, condensed water, and well water) and complies with the in-house energy conservation measures (i.e., install water-saving faucets and replace water-cooled A/Cs with air-cooled A/Cs). During low-water periods, the packaged water production line is capable of continuously producing for 10 to 14 days. We reduce water resource management risks to achieve business continuity and stable production.

2.4.1 Water consumption management

Apart from Tung-Hsiao Factory, Taiyen uses tap water provided by Taiwan Water Corporation. The main usages are for the manufacturing procedures, including the water circulation system of the cooling tower, water sources of the RO water system, and direct washing procedures. For non-procedure use, the water is used in washing the wet scrubber and belt water dewatering machine of the pollution control facilities and used as the domestic water for employees (i.e., washing staff canteen and toilets of personnel living in dormitories and general personnel). The main water consumption sources of Tung-Hsiao Factory are seawater and condensed water, which are used as the water for production cooling and in the A/Cs of the factory. The general domestic water of employees is mainly well water and tap water; however, to effectively reduce the extraction volume of groundwater, we recycle a great amount of cooling water. In 2023, the total water consumption of Taiyen was 13,191,562 tons (not from water sources with high water resource pressure), and it did not violate relevant regulations.

Water Resources Consumption and Water Consumption Intensity

Venue	Item	Unit	Year		
			2021	2022	2023
Headquarters	Water resources consumption	ton	4,212.00	3,927.00	3,579.00
Cosmetics Factory	Water resources consumption	ton	12,824.00	11,824.00	13,849.00
	Product quantity	ton	372.32	657.63	450.99
	Water consumption intensity	ton/ton	34.44	17.98	30.71
Health Factory	Water resources consumption	ton	3,307.00	3,766.00	4,627.00
	Product quantity	set/bottle	935,610.00	2,806,866.65	1,717,595.50
	Water consumption intensity	ton/set (bottle)	0.004	0.001	0.003
Tung-Hsiao Factory	Water resources consumption	ton	12,098,197.00	12,997,080.00	13,161,151.00
	Product quantity	ton	512,045.41	528,533.35	534,373.90
	Water consumption intensity	ton/ton	23.63	24.59	24.63
Storage and Transportation Office	Water resources consumption	m3	506.00	668.00	603.00
	Product quantity	ton	172,034.20	162,729.72	152,530.46
	Water consumption intensity	ton/ton	0.003	0.004	0.004
Cigu Salt Plant	Water resources consumption	ton	6,729.00	8,044.00	7,641.00
	Product quantity	ton	11,675.00	9,884.78	6,160.15
	Water consumption intensity	ton/ton	0.576	0.814	1.240
Total		ton	12,125,775	13,025,309	13,191,450

2.4.2 Wastewater and sewage management

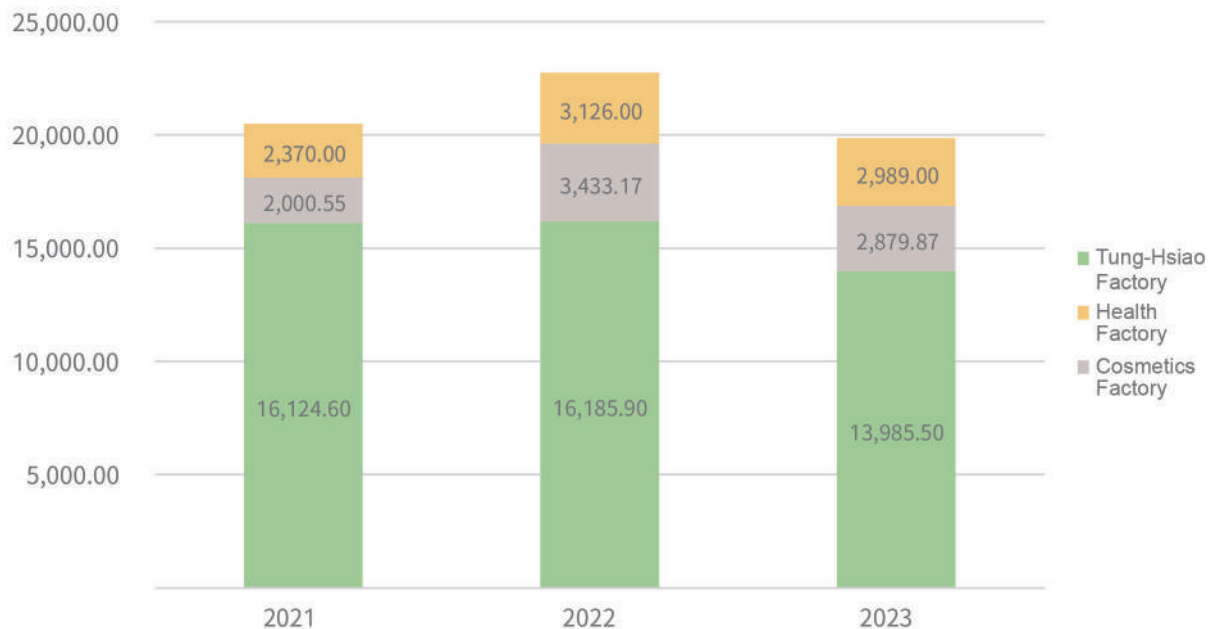
Cosmetics Factory, Health Factory, and Tung-Hsiao Factory of Taiyen are wastewater (sewage) control businesses. In 2020, the Cosmetics Factory invested NT\$6.9 million in equipment to add functions to treat phenol, ammonia nitrogen, nitrate, and villiaumite according to the regulations. Apart from the regular repair and maintenance of wastewater treatment equipment, it tests the water quality of effluents every half-year according to the law. After the completion of the installation, the test results of effluents after being treated by the wastewater treatment plant complied with the water quality standards of effluents in 2023.

The Health Factory separately collected rainwater and sewage, and it has sewage treatment facilities in place. The effluents are treated until they comply with the control standards of Tainan Science Park and then discharged into the sewage system of the park. Dedicated wastewater and sewage treatment specialists (Class B) are in place according to the law for wastewater (sewage) treatment of Tung-Hsiao Factory, and they are responsible for the operation and maintenance of wastewater (sewage) treating facilities and the update and extension of the water pollution control license. In addition, it tests the water quality of effluents every half-year, and the test results comply with the water quality standards of effluents.

Wastewater Discharge Volume in the Past Three Years

Unit: ton

	2021	2022	2023
Tung-Hsiao Factory	18,384.50	16,185.90	13,985.50
Health Factory	2,370.00	3,126.00	2,989.00
Cosmetics Factory	2,000.55	3,433.17	2,879.87



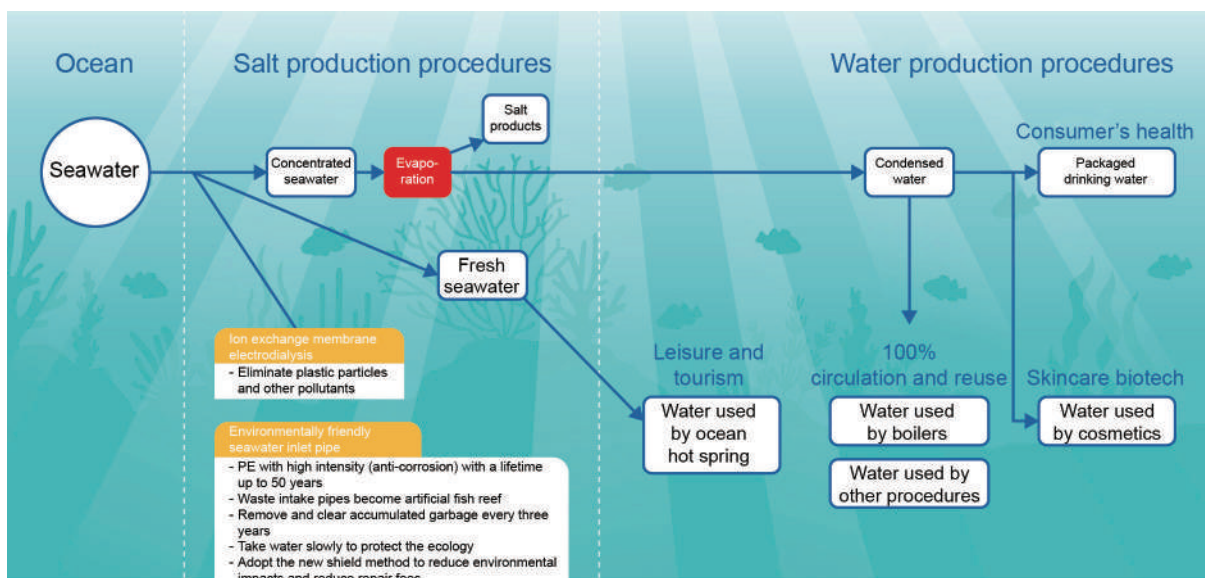
In terms of wastewater discharge, the wastewater discharge volume of Tung-Hsiao Factory, Health Factory, and Cosmetics Factory reduced by 13.59%, 4.38%, and 16.12%, respectively, in 2023 as compared to the preceding year, representing the favorable effects of water conservation plans of factories. In the future, we will continue to reduce wastewater discharge through various measures.

2.4.3 Water resources reduction

Drink Water While Thinking about the Sources, and Waste Zero Drop of Water

The ocean is the place of origin of Taiyen. We utilize the only electrodialysis salt manufacturing method in Taiwan to exclude plastic particles, environmental hormones, pesticides, heavy metals, and other polluting substances to produce condensed brine and use evaporation bottles with three effects to allow the condensed brine to evaporate and become crystals. Then, carry out centrifugal dewatering and drying to produce different salt products. The light brine generated after the electrodialysis is used to build a unique ocean hot spring for tourists to enjoy the fun of a foot bath at the ocean hot spring creek. The quality of the condensed water produced after the second and third effects in the procedures complies with the “Drinking Water Quality Standards” announced by the Environmental Protection Administration; it can be used to produce packaged drinking water or used for cosmetics after treatment. Water used in washing bottles and washing caps during the packaged water procedures can be repeatedly recycled, treated, and reused, allowing the sufficient use of condensed water on a daily basis without any waste. The course of production wastes no water, and water is 100% recycled and reused.

Apart from the water resources management supply that is obtained from seawater as the water source, Taiyen uses tap water, condensed water, well water, and other water sources based on different consumption conditions, together with the water-saving faucets and air-cooled A/Cs installed in accordance with water conservation measures, in the hope of expanding sources and reducing consumption. Meanwhile, it installed large-scale storage tanks and other equipment to ensure that the packaged water production line can continue to produce during low- water periods and independently operate for up to 10 to 14 days. We fully utilize water resources, improve circular management, increase the supply, and maintain the production and sales and inventory adjustment capacity of salt products and packaged water.



Drink Clean Water with Secure Intake

- ✓ The construction of the sea water intake pipes adopted local procurement throughout the course to improve the production capacity of the industry.
- ✓ According to the product approval granted by the Construction Administration Division, Ministry of the Interior under the Coastal Zone Management Act, the sea water intake pipe construction completed with the protection of marine ecology, the protection of underwater cultural assets, and other marine operating specifications.
- ✓ HDPE is adopted as the material of the new sea water intake pipes. HDPE has high strength and is not easily corroded, and it can prevent the breakage of sea water pipes due to earthquakes and terrain variation. The useful life can reach 50 years, protecting the marine environment and ensuring the quality of packaged water.
- ✓ The inside diameter of the HDPE pipe is 1,062mm, and the intake volume is approximately 16% more than that of the old pipes, which can provide more sea water resources and cooling water resources for the CHP factory.
- ✓ Facing ocean pollution issues, we considered that the intake depth shall be 15m deep and be higher than the seabed by 12m so as to ensure the sea water resources are not polluted. The water intake has a distance from the outfalls of rivers to ensure the saltiness of sea water.
- ✓ The new shield method is adopted for the construction with sea water pipes buried in the soil for about 3m to 4m, and the new jacking method is also adopted to reduce the number of times of sea water pipe repair and patrol inspection without breaking the seawall or digging roads, protecting the ecology and reducing impacts on the environment.

The consumption benefit evaluation of water resources has always been the focus of energy conservation improvements. Taiyen adopts posters, slogans, and other diverse methods to promote water conservation so as to allow the concept to be included in each detail of office life. When the implementation of water rationing measures is announced, we are able to immediately initiate the response system and use water storage equipment to increase the storage volume and continue to conserve water.

Water Conservation Measures in 2023

Headquarters

- Purchased equipment with water-saving labels when updating equipment and achieved the water conservation target of 1%.
- Reduced the fixed value of the inverter system of the tap water pressurized motor from 1.9kg to 1.5kg (within the usable scope) and saved 6.7% of water.
- Added an inverter system to the tap water pressurized motor to add time control, and the system is turned off after work, on weekends, or on long holidays to reduce the water supply pressure and reduce water leakage opportunity.

Tung-Hsiao Factory

- Changed the specification of the feeder pump of the boiler and saved 887,700kWh of electricity annually.
- Changed the specification of the G2 ventilators and saved 155,705 kWh of electricity annually.
- Updated the V-502 motor in zone 500 and saved 11,890.2kWh of electricity annually.
- The high-pressure feedwater heater of the CHP factory was replaced with an economizer, saving 176,720m³ of natural gas annually.

2.5 Waste management

2.5.1 Air pollution management

Cosmetics Factory, Health Factory, and Tung-Hsiao Factory of Taiyen are fixed air pollution source control targets. All factories obtained the fixed pollution source operating licenses approved by the competent authority; their operations are carried out according to the approved content on the operating license, and they regularly report the air pollution fees and discharge volume quarterly. At present, air pollutants produced by the factories include particulate pollutants, NO_x, SO_x, and VOCs, which are collected by air pollution control equipment through gas hoods and delivery tubes. The statutory air pollution discharge concentration is 40ppm, and Taiyen voluntarily reduced the air discharge concentration target to 30ppm, which is more favorable than the regulations.

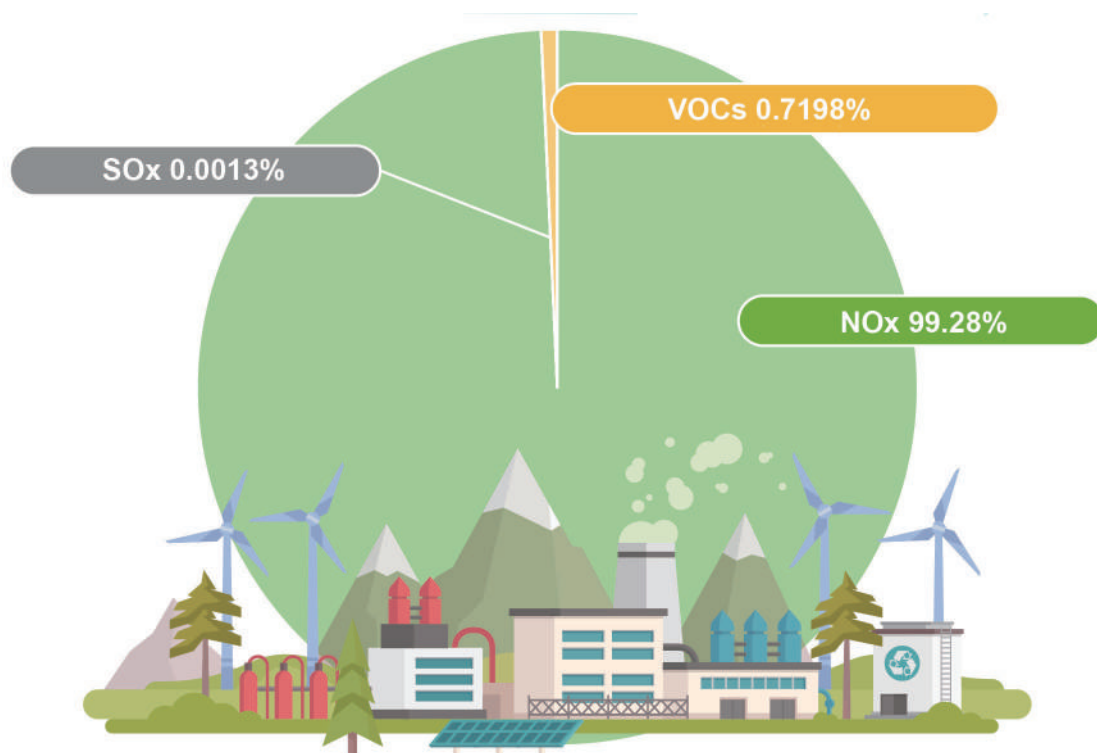
Air Pollution Control Equipment of Taiyen

✓ Wet scrubber	✓ Active carbon adsorption tower	✓ Cyclone separator	✓ Pulse air jet bag filter
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Note: Each piece of equipment is included in the daily patrol inspection and the regular maintenance each year to ensure such control equipment maintains its normal operation.

Among pollution sources, NO_x accounted for the most and is mainly from Tung-Hisao Factory. Tung-Hisao Factory uses natural gas as the fuel for the boiler. Each year, it engaged a testing company approved by the competent authority for environmental protection to test the concentration of NO_x in the waste gas discharged by the boiler. the tested value complies with the discharge standards; the discharge channels (including chimneys) are regularly maintained and repaired. The discharge management of the minor waste gas of the Cosmetics Factory and Health Factory complies with the air pollution control standards. Cigu Salt Plat has no waste gas discharge. Taiyen improved the reliability of its equipment to effectively reduce the discharge of air pollutants (NO_x).

Total Air Pollutant Discharge Volume in 2023 (kg)



Air Pollutant Output Scale for the Past Three Years

NO _x	Year	Factory			Sub-total
		Cosmetics Factory	Health Factory	Tung-Hsiao Factory	
Output (kg/year)	2021	19.25	5.24	34,850.59	34,869.84
	2022	25.47	8.78	20,504.59	20,538.84
	2023	27.53	7.75	17,431.13	17,466.41

SO _x	Year	Factory			Sub-total
		Cosmetics Factory	Health Factory	Tung-Hsiao Factory	
Output (kg/year)	2021	0.14	0	0	0.14
	2022	0.19	0	0	0.19
	2023	0.22	0	0	0.22

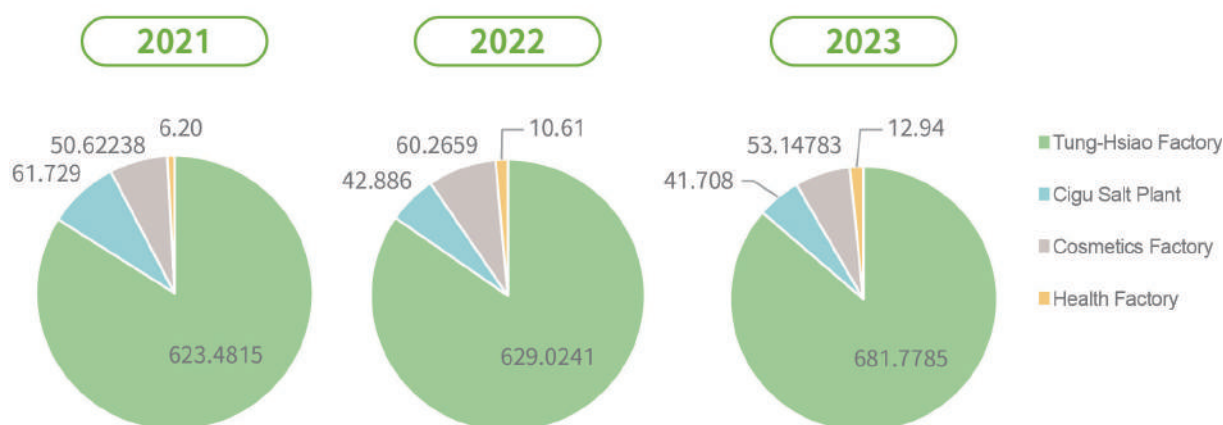
VOCs	Year	Factory			Sub-total
		Cosmetics Factory	Health Factory	Tung-Hsiao Factory	
Output (kg/year)	2021	108.21	0.013	0	108.22
	2022	138.01	0.02	0	138.03
	2023	126.63	0.01	0	126.64

Total Discharge Volume of Air Pollutants in the Past Three Years			
Year	2021	2022	2023
Total discharge volume	34,978.20	20,677.06	17,593.27

2.5.2 Waste generation management

Cosmetics Factory, Health Factory, and Tung-Hsiao Factory of Taiyen are waste control businesses, with only general business waste generated. The main waste is (1) domestic garbage, (2) procedure sludge, and (3) waste plastics. Online filing of the waste treating volume and the treatment flow is performed each month according to the requirements. Qualified companies are engaged in the clearance and treatment of all waste. Tainan Headquarters, Storage and Transportation Office, and Cigu Salt Plant only generate general domestic garbage, and qualified companies are engaged for clearance. To facilitate the recycling and reuse of resources and achieve the target of sustainability, paper, iron, and plastics are stored in the storage area based on their nature. Qualified companies are notified from time to time to deliver them to institutions qualified for treatment for recycling and reuse.

Total Output of Waste of Taiyen in the Past Three Years (Unit: ton)



Waste Output of Factories of Taiyen in 2023 (Unit: ton)



Waste Output (Unit: ton)

Venue	No.	Waste category	Waste	Output (ton/year)			Outsourced treatment
				2021	2022	2023	
Tung-Hsiao Factory	1	General business	Domestic garbage	201	190	193	Incineration
	2	General business	Other waste glasses, ceramics, bricks, tiles, clay, and other mixtures	1.05	0.26	1.02	Physical treatment
	3	General business	Non-organic sludge	13.44	5.55	14.11	Reuse
	4	General business	Sanitized non-infectious business waste	0.21	0.20	0.20	Outsourced and entered the incinerator
	5	Hazardous business	Toxic chemical - mercury	-	-	-	Treatment under the project approval of the Environmental Protection Administration
	6	Recycling	Waste paper	303.51	335.77	350.06	Reuse
	7	Recycling	Waste plastics	25.98	23.38	31.61	Reuse
	8	Recycling	Waste lubricant	-	-	-	Reuse
	9	Recycling	Waste iron	78.30	73.86	91.78	Reuse
Sub-total				623.48	629.02	681.78	

Venue	No.	Waste category	Waste	Output (ton/year)			Outsourced treatment
				2021	2022	2023	
Cigu Salt Plant	1	General business	Domestic garbage	61.729	42.886	41.708	Incineration
	Sub-total			61.729	42.886	41.708	

Venue	No.	Waste category	Waste	Output (ton/year)			Outsourced treatment
				2021	2022	2023	
Cosmetics Factory	1	General business	Non-organic sludge	7.64	4.41	4.49	Physical treatment
	2	General business	Waste active carbon	0.01	0.02	0.02	Report to the Department of Environmental Protection about the in-house accumulation volume
	3	General business	Waste plastic containers (other plastics)	8.75	10.26	9.63	Recycled and resell
	4	General business	Waste plastic mixture	31.72	41.92	36.20	Outsourced and entered the incinerator
	5	Recycling	Waste paper	0.03	0.04	0.04	Recycled and resell
	6	Recycling	Waste iron	2.47	3.61	2.23	Recycled and resell
	7	General business	Non-hazardous organic waste liquid or solvents	-	-	0.53	Incineration
Sub-total				50.62	60.27	53.15	

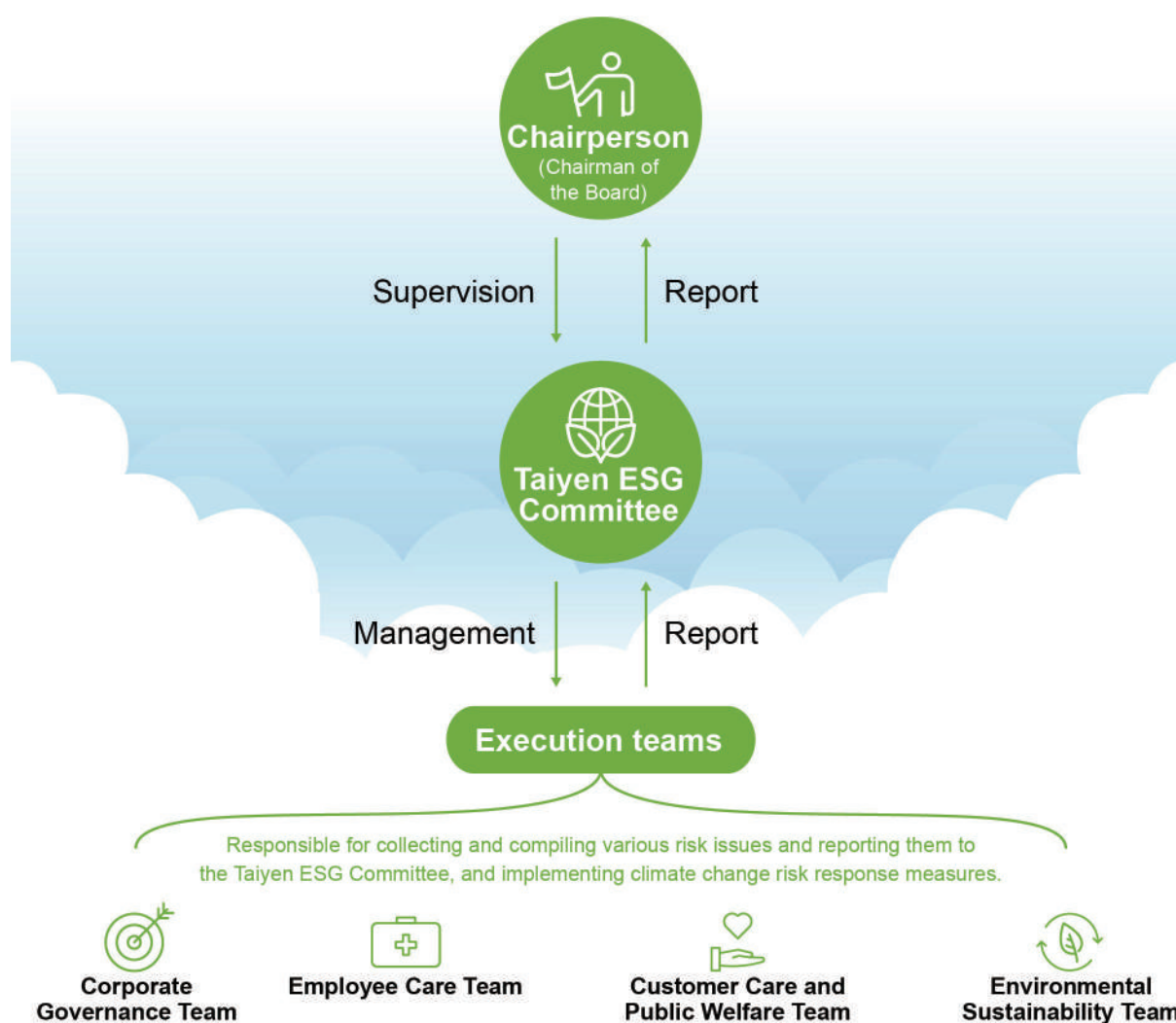
Venue	No.	Waste category	Waste	Output (ton/year)			Outsourced treatment
				2021	2022	2023	
Health Factory	1	General business	Domestic garbage	6.20	6.85	8.51	Incineration
	2	General business	Waste plastic mixture	-	-	-	Professional burial
	3	General business	Organic sludge	-	3.76	4.43	Professional burial
	Sub-total			6.20	10.61	12.94	

To reduce impacts on the environment, Taiyen will actively promote garbage classification and recycling systems and continue to improve procedures to reduce the volume of business waste.

2.6 Climate risk identification

2.6.1 Climate change risks and opportunities

Climate Change Governance and Management Structure

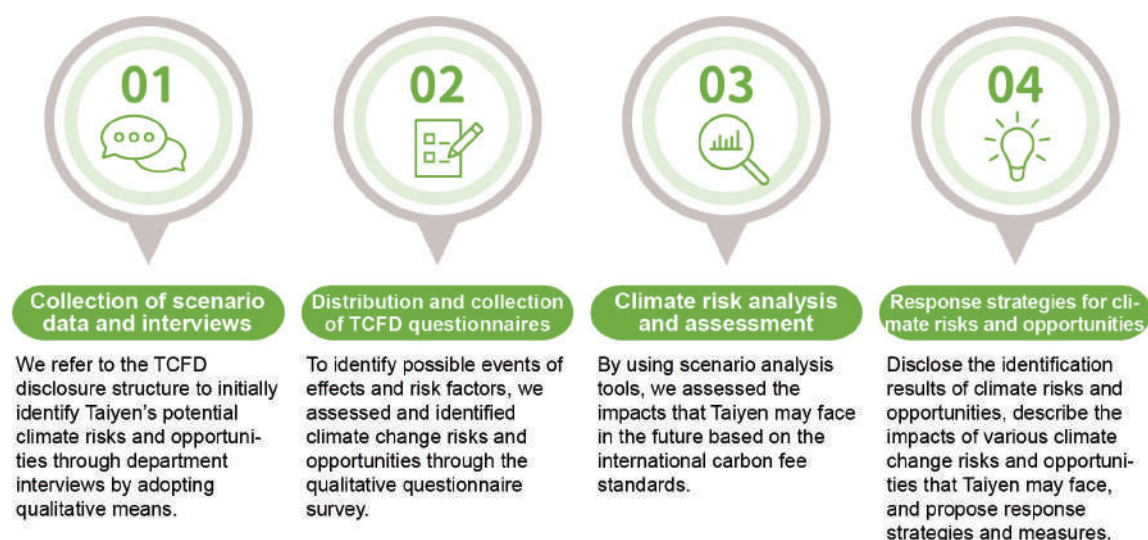


Implementation Effects and Targets of Taiyen ESG Committee

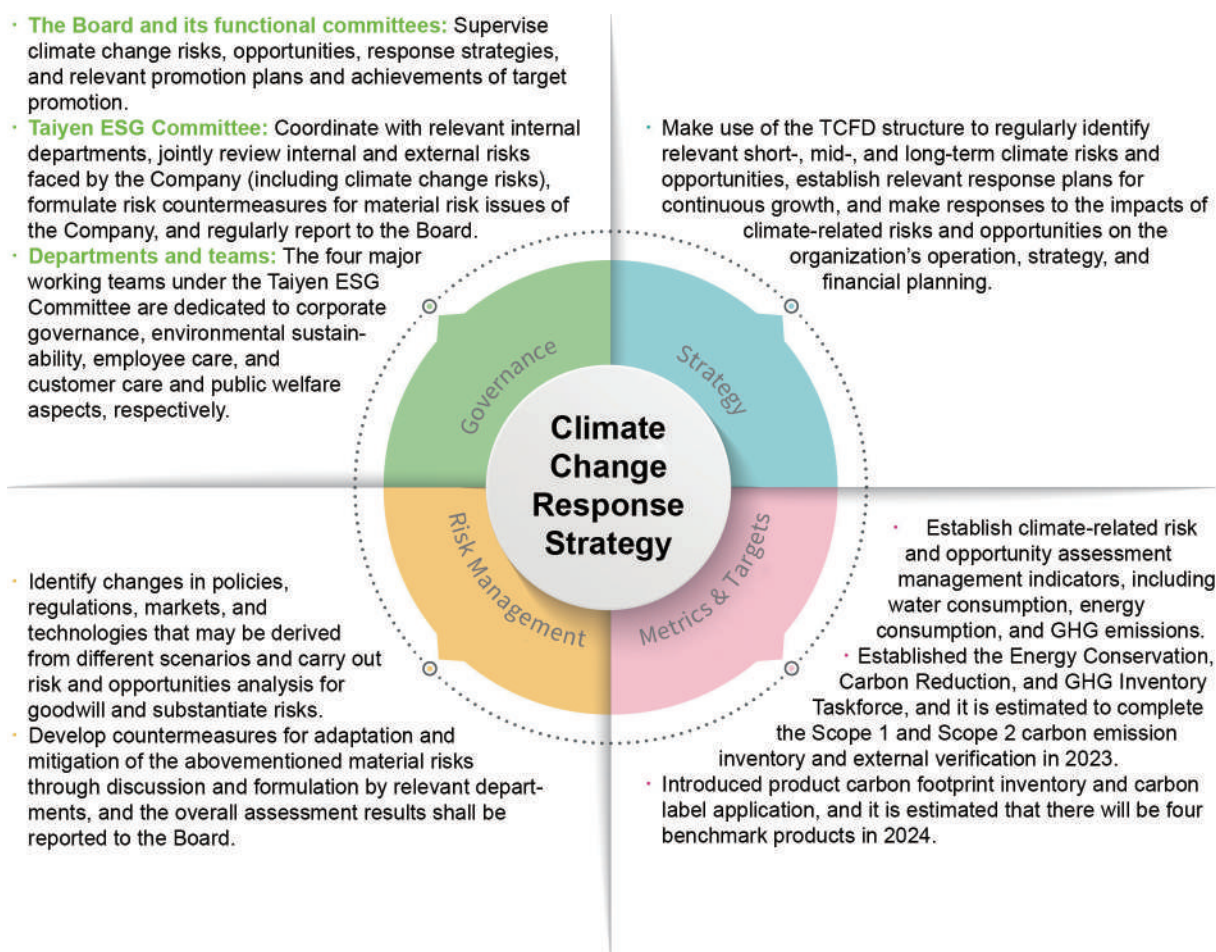
Team	Targets for 2023	KPI achievement in 2023
Corporate Governance Team	- In 2023, the corporate governance evaluation shall fall within the top 21% to 40% of listed companies with a market worth of NT\$5 billion to NT\$10 billion. - To continue improving the score of corporate governance evaluation, formulate human rights protection policy and substantial management plans and disclose relevant policy and implementation status on the corporate website or in the annual report.	The self-evaluated score of corporate governance evaluation in 2023 was 77.98, falling within the top 21% to 40% of listed companies with a market worth of NT\$5 billion to NT\$10 billion, and the score is equivalent to that of 2022.
Employee Care Team	- To improve talent cultivation and development, we promote online training to improve employees' career development and overall work performance through online learning. - Create a happy workplace by increasing marriage and childbirth bonuses and health inspection expenses.	- Added 12 online courses. - Added marriage bonuses of NT\$10,000 and childbirth bonuses of NT\$30,000, and a total of 5 persons and 7 persons applied, respectively. - The additional health inspection expenses approved was NT\$3,000/person, and the high-end health inspection remains to be performed once every two years.
Customer Care and Public Welfare Team	- Expand the support to local farmers through the small farmer direct delivery section on the e-commerce platform. - Cigu Salt Plant and Tung-Hsiao Factory certification of environmental education facility and venue. If it is necessary to recruit external volunteers due to the organization of activities, service hours may be issued.	- The Company supported the Agriculture and Food Agency in making enterprises order domestic agricultural products. As of today, the procurement amount exceeds NT\$2.1 million, giving back to society. - Assisted agencies of counties/cities in promoting agriculture and aquaculture products and assisted in forwarding the messages by announcing them via e-mails for all employees' reference and support. A total of 15 cases were promoted during the year. - The number of volunteers recruited in Taiyen increased from 37 persons in 2022 to 157 persons, representing a growth of over 324%. Four activities were organized. - Cigu Salt Mountain obtained the certification of environmental education facility and venue; as of November 17, 2023, a total of four approved courses (participated in by a total of 65 persons) and seven relevant environmental education courses (participated in by 170 persons) were organized, with a total of 235 participants. - Tung-Hsiao Factory obtained the certification of environmental education facility and venue, and its formal name is "Taiyen Tung-Hsiao Environmental Education Park."
Environmental Sustainability Team	- Formulated the annual carbon emission reduction target for 2023 as a reduction of 3% of Scope 2 "indirect emissions from energy," and it is also implemented by different departments accordingly. - Set the target for weight reduction of packaging materials (packaging boxes, logistics boxes, and packaging materials of products).	- Established the Energy Conservation, Carbon Reduction, and GHG Inventory Taskforce and introduced the organizational GHG inventory initiation meeting and level 1 education and training courses. - Completed the application for the carbon footprint inventory and carbon label for Ocean Alkaline Ion Water.

Climate Change Risk and Opportunity Identification Procedures

The climate risk assessment procedures of Taiyen are divided into five steps, including collecting relevant data on climate risks, analysis and assessment, formulating corresponding strategies, and regularly checking the implementation effects for examination to serve as the direction for future improvement.

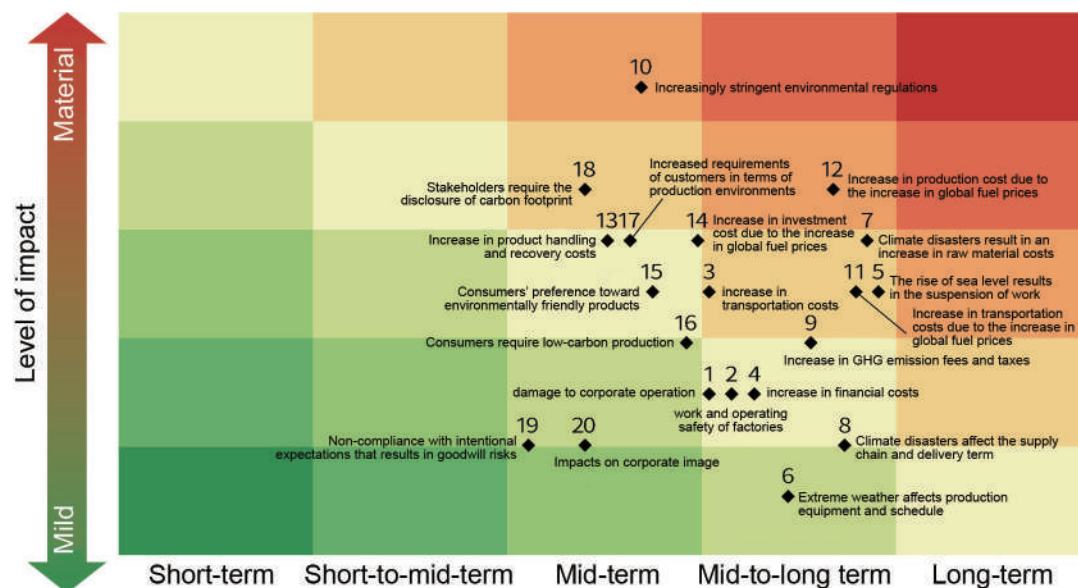


Response Strategy for Climate Change Risks and Opportunities



Taiyen divides risks related to the industry into transition risks and physical risks and established its list of risk and opportunity issues by collecting global industrial risk management reports and regulations and policies in Taiwan. In addition, to grasp the changes in climate change risks, it re-examines the risk assessment results each year and adjusts the climate change strategy to reduce the impacts of risks and grasp climate opportunities. In 2023, we described material items that affect the Company's operation and identified 20 material risk issues and 14 climate change opportunities. Apart from preparing for and preventing future risks in advance, we also consider the market development direction of potential opportunities to support the sustainable development of Taiyen.

TCFD Climate Risk Matrix of Taiyen



Physical risks

Intensification of extreme weather events

① Damage to corporate operation

Typhoons, rainstorms, and other weather factors may result in damage to the Company's buildings, operating and information equipment, and transportation equipment, causing direct impacts on the business locations of the Company.

② Commuting and operating safety of factories

Rainstorms, floods, and heavy rain in the surrounding area of the Company affect the commuting and operating safety of employees in factories.

③ Increase in transportation costs

Temporary product transportation, allocation, and other changes resulting from extreme weather events may cause an increase in additional costs.

④ Increase in financial costs

Effects of extreme weather events (i.e., increase in temperature, typhoons, floods, and other weather factors) may cause an increase in the insurance amount of the Company in response to climate issues, resulting in an increase in financial costs.

⑤ Work suspension due to the rising sea level

If the sea level rises due to extreme weather events, it may cause partial factories to face work suspension or relocation.

⑥ Extreme weather affecting production procedures and schedule

The increase in the frequency/strength of extreme weather and typhoons result in damage to production equipment or delay in production schedule.

Interruption of the supply chain

⑦ Increase in the cost of raw materials due to climate disasters

Instant and sudden climate disasters may result in an insufficient supply of raw materials or interruption, causing an increase in the costs of raw materials.

⑧ Climate disasters affecting the supply chain and delivery term

Instant and sudden climate disasters may result in the interruption of the supply chain, affecting the delivery term of products.

Transition risk

Requirements of policies and regulations

⑨ Increase in GHG emission fees and taxes

Increase in GHG emission fees and taxes.

⑩ More stringent environmental regulations

Relevant domestic and foreign regulations are becoming more and more stringent, and the number of relevant punishments or litigations increases.

Increase in global fuel prices

⑪ Increase in transportation cost due to the rising global fuel price

The effects of the increase in global fuel prices may result in an increase in raw material or product transportation costs.

⑫ Increase in production cost due to the increase in global fuel prices

The effects of the increase in global fuel prices may result in an increase in production costs.

Costs of production using innovative technologies

⑬ Increase in product handling and recovery costs

Due to the effects of an increase in global fuel and raw material prices, additional product handling and recovery costs may increase.

⑭ Increase in investment cost due to the increase in global fuel prices

Due to the effects of an increase in global fuel and raw material prices, the investment expenses for equipment acquisition, procedures planning, or R&D may increase.

Changes in consumers' behaviors

⑮ Consumers' preference toward environmentally friendly products

Changes in consumers' behaviors may cause a decrease in the competitive strength of traditional products in the market due to the green trend.

⑯ Consumers require low-carbon production

Changes in consumers' behaviors may increase the requirements of brand customers regarding low-carbon sustainable products or procedures and cause an increase in operating costs.

Increase in stakeholders' awareness of low-carbon products and services

⑰ Increased requirements of customers in terms of production environments

For relevant requirements of customers regarding the environmental aspect (emissions, procurement, water, and pollution) during the course of production, investments in emission equipment, procedures adjustment, and production planning adjustment shall be included for consideration.

⑱ Stakeholders require the disclosure of carbon footprint

The increase in stakeholders' awareness of low-carbon products and services may cause an increase in stakeholders' requirements for announcing all information on carbon footprint and declaring reduction.

Impact on corporate image

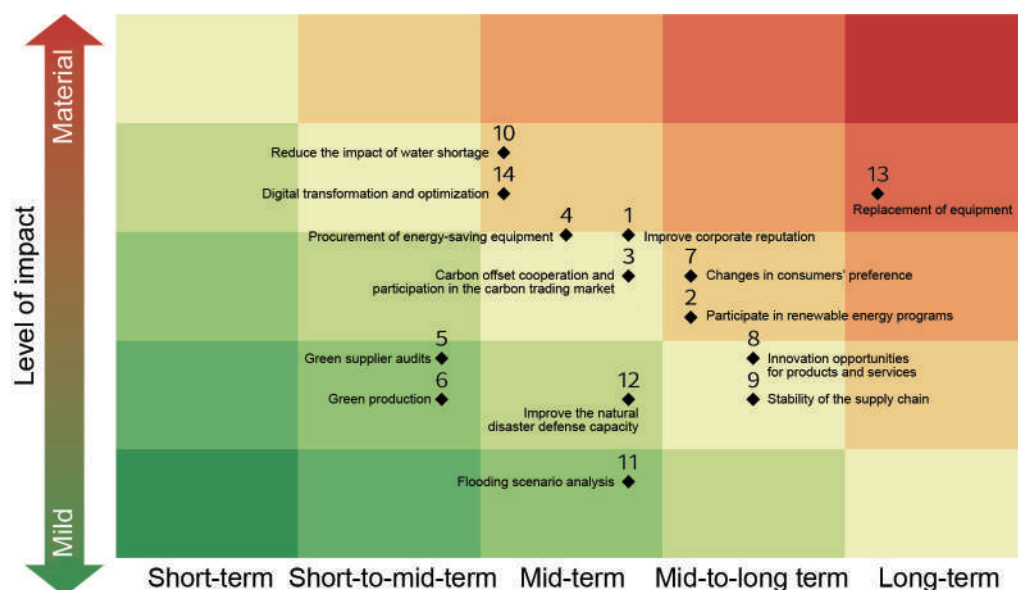
⑲ Non-compliance with intentional expectations that results in goodwill risks

Non-compliance with international expectations in terms of climate issues may result in goodwill risks (i.e., CDP and other international evaluations).

⑳ Impacts on corporate image

For inactive or poor performance in energy conservation and carbon reduction, if there is no relevant response plan, it may result in customers or the public having doubts about the Company's brand.

TCFD Climate Opportunity Matrix of Taiyen



Climate change opportunities	Improve corporate reputation	① Improve corporate reputation	The compliance of climate issues with international expectations has positive effects on corporate reputation (i.e., participating in CDP and other international evaluations), which, in turn, improves the trust of stakeholders in the Company and establishes stable relationships.
	Participate in renewable energy programs	② Participate in renewable energy programs	Install PV power generation equipment and renewable energy power generation equipment, reduce GHG emissions, and comply with legal specifications to prevent carbon fees or costs of carbon credits we may face in the future.
		③ Carbon offset cooperation and participation in the carbon trading market	Obtain rewards from the public sector, engage in carbon offset cooperations, participate in the carbon trading market, accumulate carbon credits required to offset future emissions, and reduce carbon fees or costs of carbon credits we may face in the future to improve operating performance and achieve net zero emissions.
		④ Procurement of energy-saving equipment	Purchase the latest energy-saving equipment and build more efficient systems for factories to improve energy efficiency and save operating costs.
	Green production	⑤ Green supplier audits	Formulate the code of conduct for suppliers, implement an evaluation system, and guide the sustainable development planning of the supplier to reduce the legal compliance costs generated from facing legal specifications in the future.
		⑥ Green production	Apart from recycling and reusing raw materials, examine the reasonableness and adequacy of the consumption of raw materials for production and simplify production procedures to reduce production costs and reduce the waste of resources.
	Innovation opportunities for products and services	⑦ Changes in consumers' preference	Due to the changes in consumers' preferences, we may launch green products and environmentally friendly products. As the products are more competitive, customers' orders increase, and, in turn, the Company's profits increase.
		⑧ Innovation opportunities for products and services	In response to the effects of climate change and changes in consumers' health trends and constitution, we may launch new products that are more aligned with consumers' requirements. As the products are more competitive, customers' orders increase, and, in turn, the Company's profits increase.
	Stability of the supply chain	⑨ Stability of the supply chain	Implement climate risk identification and regularly perform audits and consultation of high-risk suppliers to ensure that risks are effectively controlled, reduce the risk of chain disruption caused by suppliers facing climate change risks in the future, and improve the stability of the supply chain.
	Improve the natural disaster defense capacity	⑩ Reduce the impact of water shortage	Implement energy conservation measures, improve the consumption efficiency of water resources, reduce production costs, and, in turn, reduce the impacts of water shortage on operations.
		⑪ Flooding scenario analysis	Manage the in-house flooding risks and the installation of waterproof gates based on the flooding scenario analysis to reduce the capital loss generated from flooding.
		⑫ Improve the natural disaster defense capacity	Establish crisis management procedures and install a disaster prevention response system, including employees' disaster prevention exercises and preventive measures for climate risks, to reduce losses generated from natural disasters.
	Energy efficiency	⑬ Replacement of equipment	Replace old equipment with new ones and introduce the CHP project to improve energy efficiency, and, in turn, reduce the emission volume.
		⑭ Digital transformation and optimization	Carry out the digital transformation and optimization of the Company, reduce the consumption of paper, and promote energy conservation and carbon reduction.

Regarding the investigation results of climate change risks, climate-related risks are divided into physical risks (intensifying extreme weather, interruption of the supply chain due to climate factors, and the increase in global fuel prices) and transition risks (policies and legal specifications, the increase in requirements for low-carbon products, impacts on the Company's green image, and changes in consumers' preference) to improve the response to climate change. Taiyen will carry out further analysis and exploration of different risks and opportunities in recent years and formulate the response strategy for the following stage while making comprehensive information disclosure, including possible financial impacts of relevant risks and opportunities on operations, income, or expenses.

Risk type	Climate risk item	Impact	Countermeasures of Taiyen
Physical risk - immediate	Intensifying extreme weather	Climate change causes disaster losses of factories, and the instability of manufacturing quality of products results in an increase in the returning risks.	Establish crisis management procedures and set up a 24-hour rescue team to maintain the operations of factories.
Physical risk – long-term	Interruption of the supply chain due to climate factors	Climate change causes an increase in the costs of raw materials or results in the reduction of production capacity or interruption. The outbreak of COVID-19 causes work suspension of factories or supply chain interruption, resulting in the risks of short supply and inability to supply the domestic salt consumption demand.	Implement the supplier evaluation system, improve suppliers' quality and environmental management capacity, and reinforce the backup supplier list. In general, maintain an inventory of over one month, and it is required to have an inventory of three months or above during the severe period of the pandemic.
	Increase in global fuel prices	The fluctuation of global fuel prices affects production and operating costs.	Promote renewable energy development plans and use clean energy.
Transition risk	Policies and legal specification	Mandatory GHG inventory and filing.	Promote digital inventory to understand the current status of GHG emissions and energy consumption.
		Cap control and emission trading system.	Promote renewable energy development plans and use clean energy.
Transition risk - technology	Increase in requirements for low-carbon products	Stakeholders' awareness of low-carbon products and services increases.	Promote green production and green packaging, ensure service quality, and create energy conservation benefits.
Transition risk - reputation	Impacts on the Company's green image	Affect corporate reputation and operating income decreases.	Engage in external initiatives and jointly promote climate change-related initiatives and programs with the government and peers.
Transition risk - market	Changes in consumers' preference	Changes in consumers' behaviors increase the requirements of brand customers for low-carbon sustainable products or procedures, causing an increase in operating costs.	Plan for the weight reduction of packaging materials, reduce the use of plastic materials and promote carbon footprint inventory of products.

2.6.2 Climate change risk scenario analysis

The Taiwanese government formally published the “Taiwan's Pathway to Net-Zero Emissions in 2050” in March 2022 to provide the net zero tracks and action pathways up to 2050. Also, the “Climate Change Response Act” passed the third reading in January 2023, which stated the target of net zero emissions by 2050; therefore, enterprises will be regulated by the “Climate Change Response Act” to realize net zero emissions by 2050.

Taiyen adopted the Stated Policies Scenario (STEPS), Sustainable Development Scenario (SDS), Net Zero Emissions by 2050 Scenario (NZE), and other carbon emission development scenarios proposed by IEA to calculate the carbon emission estimates up to 2050 and further evaluate the level of impacts of potential carbon fees on Taiyen.



Cover the existing climate change response measures and formulate policies of the government.

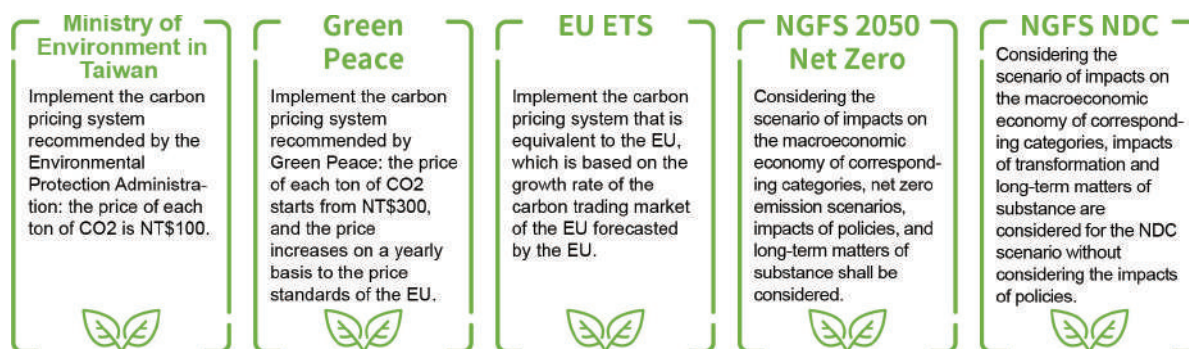


Based on the surge in clean energy policies and investments, the track of the sustainable development of the energy system is realized, and all present commitments to carbon reduction and emission are mostly realized.

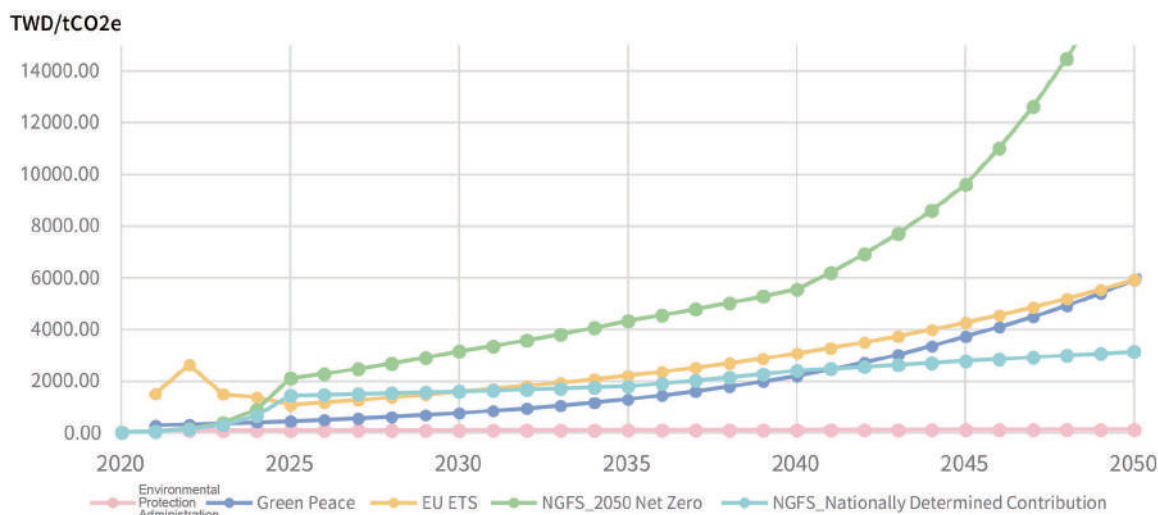


Assume that the global energy departments realize the net zero emission of CO₂ by 2050.

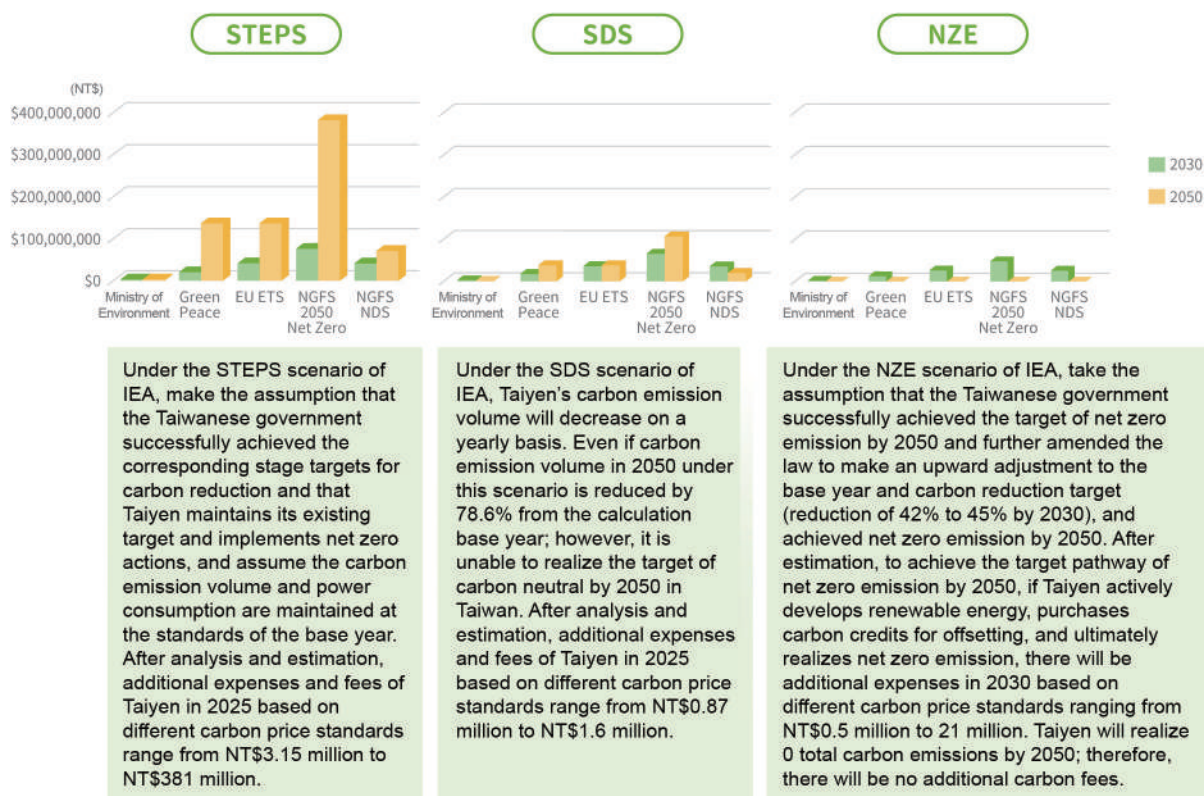
The carbon pricing system is gradually evaluated and adopted by countries and regional governments. Taiyen further concluded the carbon price trends by analyzing the information on five domestic and foreign carbon pricing organizations by adopting the climate scenario evaluation model and financial model.



Domestic and Foreign Carbon Free Estimation



Carbon Fee Scenario Analysis



CHAPTER

Value Extension



- 3.1 Consumer/customer health and safety
- 3.2 Customer services and communication
- 3.3 Supplier management

Taiyen takes improving people's health and happiness as its responsibility. It makes use of its marine biotech R&D advantages to create a better life for consumers. We are committed to product knowledge promotion, local tourism development, and interactions with communities through visits, tour guides, and public welfare activities. Taiyen continues to focus on the locals, improve communication with stakeholders, including consumers, employees, suppliers, and communities, and maintain a favorable and stable relationship of inclusiveness so as to establish a society with common wellness, coexistence and joint creation.

Priority readers

- ✓ Employees
- ✓ Customers
- ✓ Suppliers/contractors/subcontractors
- ✓ Shareholders/investors
- ✓ Government agencies
- ✓ Media
- ✓ Society/communities

Corresponding SDGs



Summary of Chapter Highlights



Mutual audit

In 2023, each production factory performed mutual audits four times, and the deficiency improvement rate was 100%.



Customer satisfaction

Adhering to the customer-oriented spirit, Biotech Cosmetics Factory, Biotech Health Products Factory, and Tung-Hsiao Electrodialysis Refined Salt Factory achieved the target of satisfaction in 2023.



Food traceability

In 2023, Taiyen produced 129 products, and all of them were registered on the "Food Tracking and Traceability Management System (Must Track)" platform.



100% qualification

The audit qualification rate of suppliers reached 100%.

Quality management	
Policy	Quality first, safety and effectiveness, excellence and innovation, and customer satisfaction.
Commitment	Adopting the provision of premium products to consumers as their core value, Taiyen promotes a comprehensive quality management system, continues to improve, ensures product safety, reduces waste, and reduces the defective rate while improving quality, production capacity, and customer satisfaction. It established an effective communication system through the prevention of problems and invested resources in improving the quality management system to realize continuous quality improvement and its leading position in the market.
Target	Short-term — Meet the quality target.
	Mid-term
	Long-term Customer satisfaction continues to improve.
Responsibility	Supervisors of different departments
Resources	Maintenance of the testing system in the laboratory and maintenance of the quality system.
Compliant system	Consumer service hotline/customer service system.
Action	1. Carried out the self-quality management of raw materials/semi-finished goods/finished goods and the on-site audits of procedures for OEM products with the self-owned quality control laboratory. 2. Introduced ISO9001/ISO22716/HACCP/TQF/organic processing production line/medical device GMP and other quality management systems and passed relevant verifications. 3. Product quality certification: SNQ (national quality label)
Evaluation system	• Carry out verification and audits through relevant quality systems. • Customer satisfaction status. • Customer complaint status.

Corporate brand image	
Policy	Utilize Taiyen's marine biotech technologies and brand advantages to improve social well-being and create corporate brands and social value.
Commitment	The brand concept of health, beauty, and sustainability.
Target	Short-term 1. In response to global environmental change, exert the Company's R&D advantages to protect the quality of products, protect nationals' health, and stabilize prices. 2. Regularly organize corporate volunteers, beach cleaning, blood donation, and other public welfare activities, extensively invite and encourage employees and their family members and friends to participate, and explore the participation of stakeholders step by step, exerting corporate influences.
	Mid-to-long term 1. Expand public welfare actions and product promotion through cross-industry alliances. 2. Observe people's consumption trends, continue to develop functional salt products, personal cleaning products, and healthcare food that protect the health of nationals, and sell them at a stable price to care for consumers and disadvantaged groups. 3. Focus on the weight reduction of packaging materials and the development of environmental materials, and expand the promotion of carbon footprint and carbon-negative product programs.
Responsibility	Branding and Marketing Department, Corporate Development Department, and Salt and Water Business Division
Resources	• Product R&D budgets of the Company. • Donation and public welfare budgets of the Company. • Quality control human resources and budgets in Tung-Hsiao Factory. • Public relations/media and relationships with government groups. • Human resources related to brand management and marketing businesses.
Compliant system	• Taiyen international website and Facebook fan page. • From Salt to Wellness • Customer hotline that starts with 0800. • Feedback from distributors.

Corporate brand image	
Action	1. The discharge of tritiated water by Japan made citizens in South Korea and Mainland China hoard salt non-rationally, causing fluctuations in local edible salt markets. Taiyen Company immediately provided guarantees to nationals that Tung-Hsiao Electrolysis Refined Salt Factory's production capacity was sufficient to provide salts for citizens nationwide and regularly reported to the Ministry of Economic Affairs regarding the safety inventory of bulk commodities related to people's livelihood. It also possesses emergency protection and stocking capacity to respond to the market demand and ensure that the edible salt in Taiwan is sufficient with premium quality, making citizens free of worries in terms of life and health. 2. Regarding the suspicion of tritiated water flowing into the coastal waters of Taiwan, the Company observed the value provided by the Nuclear Safety Commission and invested equipment and persons in strictly monitoring the seawater quality of the coastal waters of Taiwan. If there is any change in seawater, response measures will be immediately adopted. 3. Cooperate with the Taiwan Pure Culture Education Development Association in adopting local raw materials to promote shio koji. 4. Cooperate with Evergreen Plaza Hotel Tainan in promoting cuisines using shio koji. 5. Plan to cooperate with FamilyMart for the planning of carbon-negative products. 6. We have long been donating necessary supplies to Eden Social Welfare Foundation, other social welfare groups, universities and colleges, and medical teams in remote townships. 7. Encourage employees to voluntarily invest in public welfare activities and call upon employees to participate in beach cleaning and blood donation activities. In addition, the Company's employees voluntarily established the Charitable Club for over 30 years to provide long-term help to disadvantaged families and charitable institutions, shaping the corporate culture of being friendly and helpful.
Evaluation system	• Salt products and packaged water quality control systems. Opinions and feedback of the recipients. • Media exposure statistics and advertising benefits.

3.1 Customer health and safety

Taiyen is committed to protecting the health of consumers. It emphasizes quality and safety and implements strict tests from raw materials to finished goods. The production factories comply with relevant specifications and adopt high testing standards that are more favorable than regulations to ensure the confidence of consumers. Taiyen integrated R&D, production, legal affairs, marketing, and other relevant departments in 2014 to establish the "Taiyen Biotech Co., Ltd. Product Quality and Safety Committee," with a food safety team system established according to the HACCP structure. Meetings are held regularly between level 1 supervisors each year to review, discuss, implement, and supervise product quality and safety by focusing on the health of consumers. We continue to improve the standards to ensure the safety and quality of products, allowing consumers to choose Taiyen with ease.

Taiyen controls product quality and safety for consumers. Under the supervision of the Product Quality and Safety Committee, it allows consumers to use Taiyen's products with ease. Regarding consumers' opinions, we will require relevant suppliers and departments to carry out continuous control and follow-up to reduce consumers' suspicions. In compliance with the latest food regulations, we added the promotion of new regulations in product education and training for chains and franchises and regularly implemented status inspections.



Food Safety and Quality Management Observed by the Factories of Taiyen

Product	Factory	Relevant domestic and foreign food safety and quality management standards	Ratio of products produced
Salt products	Tung-Hsiao Factory	ISO 9001 quality management system verification ISO 22000 food safety management system verification Halal product verification	100%
Packaged drinking water	Tung-Hsiao Factory	Taiwan Quality Food (TQF) verification system ISO 9001 quality management system verification ISO 22000 food safety management system verification SNQ certification Halal product verification	100%
Beauty and skincare products	Cosmetics Factory	ISO 9001 quality management system verification ISO 22716 cosmetics GMP verification Voluntary cosmetic GMP certification issued by the Ministry of Health and Welfare CNS for toothpaste from the Bureau of Standards, Metrology and Inspection, MOEA	100%
Cleaning products	Cosmetics Factory	ISO 9001 quality management system verification	100%
Capsules	Health Factory	ISO 9001 quality management system verification ISO 22000 (including HACCP) food safety management system verification Taiwan Quality Food (TQF) verification system	100%
Healthcare food	Health Factory	ISO9001 quality management system verification	100%
Medical devices	Health Factory	ISO9001 quality management system verification GMP for medical devices Permit and license to produce medical devices	100%



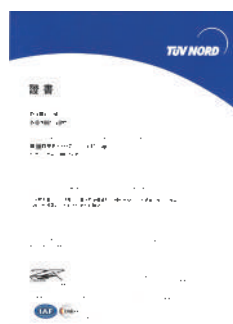
■ TQF certification



■ SNQ certification



■ ISO 22000 : 2018 certification



■ ISO 9001 : 2015 certification



■ HACCP certification

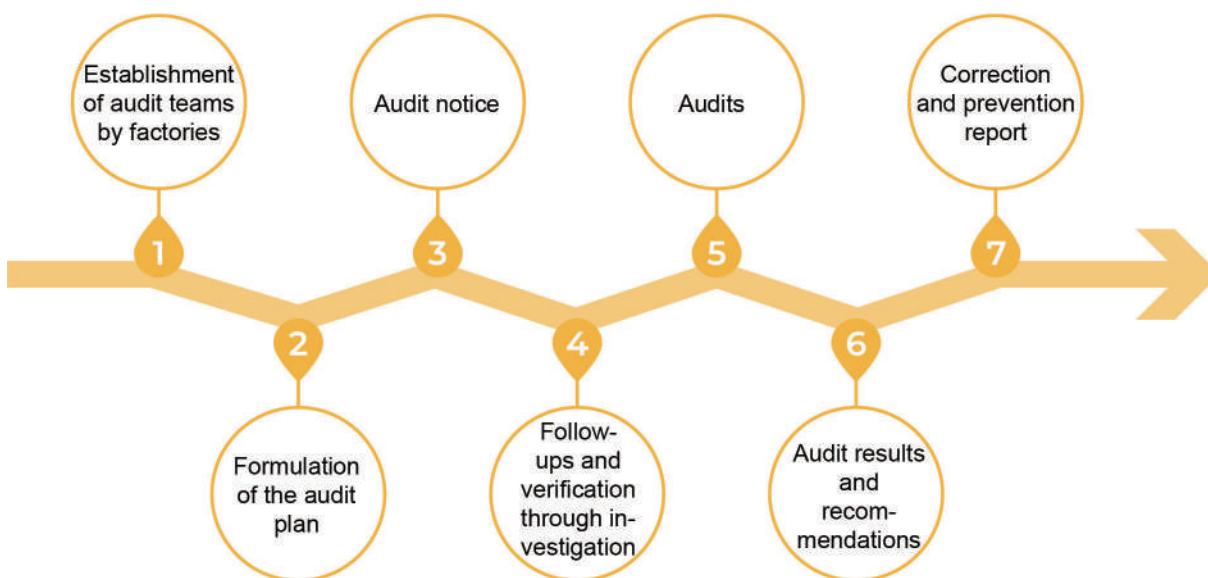


■ Halal certification

3.1.1 Mutual audits

To ensure product safety and consumer health, Taiyen has adopted the “Mutual Quality Audits Requirements for Factories” to exert control on behalf of consumers. It actively requires factories to carry out mutual audits to ensure that operating personnel, production environment, health facility management, and the quality assurance system are in compliance with the specifications of the competent authority, GHP, and the ISO quality system so as to increase exchanges in quality technology, strengthen the spirit of continuous improvement, and improve quality management capacity through mutual audits of factories.

Procedures for Mutual Quality Audits of Factories of Taiyen



Mutual Quality Audit Plan Implementation Effects of Factories of Taiyen in 2023



Overview of the Mutual Quality Audit of Factories of Taiyen in 2023

Number of audits	Factory under the audit	Audit department	Audit focuses
2 times	Biotech Cosmetics Factory	R&D Department Corporate Development Department	- Packaging labeling of cosmetic products. - Health management of the factory. - Quality and safety management for outsourced products. - Quality management of raw material sources. - Deficiencies and recommendations from audits by external departments and internal mutual audits of Biotech Cosmetics Factory in the past three years. - Carry out validation audits for improvements due to - Complementation status of newly added or altered regulations related to cosmetics. - Registration audits for cosmetic products.

Number of audits	Factory under the audit	Audit department	Audit focuses
1 times	Biotech Health Products Factory	Tung-Hsiao Electrodialysis Refined Salt Factory R&D Department	- Packaging and labeling of food products. - Food additives management. - Health management of the factory. - Quality management of raw material sources. - Audits of the food tracking and traceability system and data uploaded to "Must Track." - Mandatory food test & food safety monitoring plan. - Deficiencies and recommendations from audits by external departments and internal mutual audits in the past three years. - Carry out validation audits for improvements due to material customer complaints. - Implementation status of newly added or altered regulations related to food.
1 times	Import Salt Storage and Transportation Office	R&D Department Biotech Health Products Factory	- Food product packaging and labeling. - Food import management. - Quality management of raw material sources. - Audits of the food tracking and traceability system and data uploaded to "Must Track." - Mandatory food test & food safety monitoring plan. - Health management of the factory. - Carry out validation audits for deficiencies and recommendations from audits by external departments and internal mutual audits in the past three years. - Carry out validation audits for improvements due to material customer complaints. - Implementation status of newly added or altered regulations related to food.



TQF certification



SNQ certification



ISO 9001 : 2015 certification



3.1.2 Laboratory with the international TAF certification

The laboratory of the analysis and testing team of the R&D Department of Taiyen obtained the certification of the Taiwan Accreditation Foundation (TAF), and it is the only domestic laboratory that has obtained the “test for heavy metals in salt products” certification. In addition, it otherwise obtained the major test item certification specified in food and cosmetics regulations.

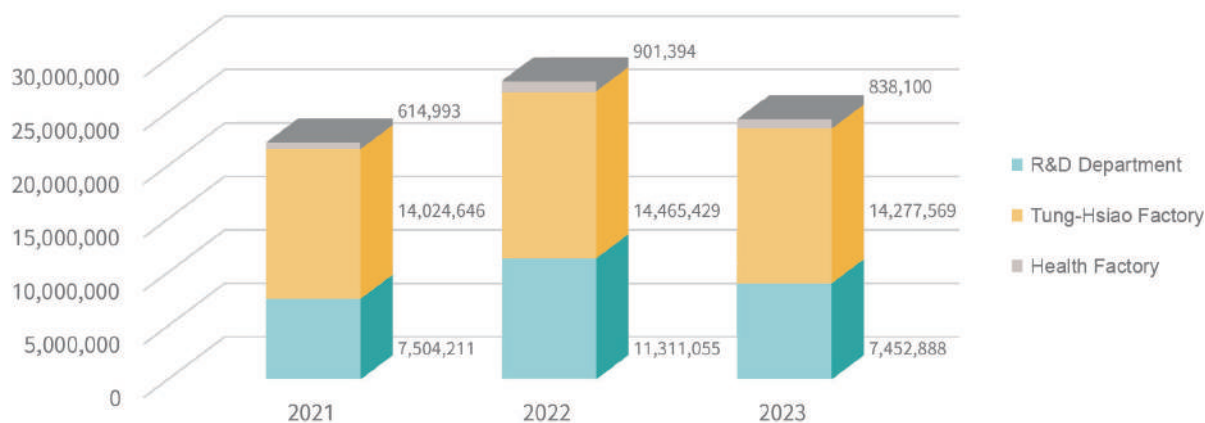
Ingredient Test Item of the R&D Laboratory of Taiyen

Category	Test item
Indicator ingredient	curcumin
Healthy iodized salt with fluorine	Fluorine and iodine
Food	Heavy metal (arsenic, lead, copper, cadmium, and mercury), *microorganism (total plate count and staphylococcus aureus)
Cosmetics	*Heavy metal (arsenic, lead, cadmium, and mercury), *microorganism (total plate count and union of fungi), preservative performance test, and preservatives
Salt products	*Heavy metal (arsenic, lead, copper, cadmium, mercury, and iron), sodium chloride content, particle diameter, water, water-insoluble solid, and sulfate
Water	Heavy metal (arsenic, lead, copper, cadmium, mercury, and zinc), microorganism (total plate count), and minerals

Note: * are test items of TAF certification

Under the ILAC, the technologies of Taiyen’s laboratory for testing heavy metal content in salt products, quality, and capacity gained international recognition. Taiyen also obtained the TAF certification for the analysis technologies for arsenic, lead, copper, cadmium, mercury, and zinc in refined salt. The credibility of its testing technologies has constantly been improved, creating a huge gap between its technology level and that of other competitors.

Total Expenditure of the Safety Laboratory of Taiyen in the Past Three Years (Unit: NT\$)



Venue of expenditure	2021	2022	2023
R&D Department	7,504,211	11,311,055	7,452,888
Tung-Hsiao Factory	14,024,646	14,465,429	14,277,569
Health Factory	614,993	901,394	838,100
Total	22,143,850	26,677,878	22,568,557
Ratio to the operating income of the Company of expenditure (%)	0.54%	0.74%	0.66%

Outsourcing Expenditure of the Safety Laboratory of Taiyen in the Past Three Years (Unit: NT\$)

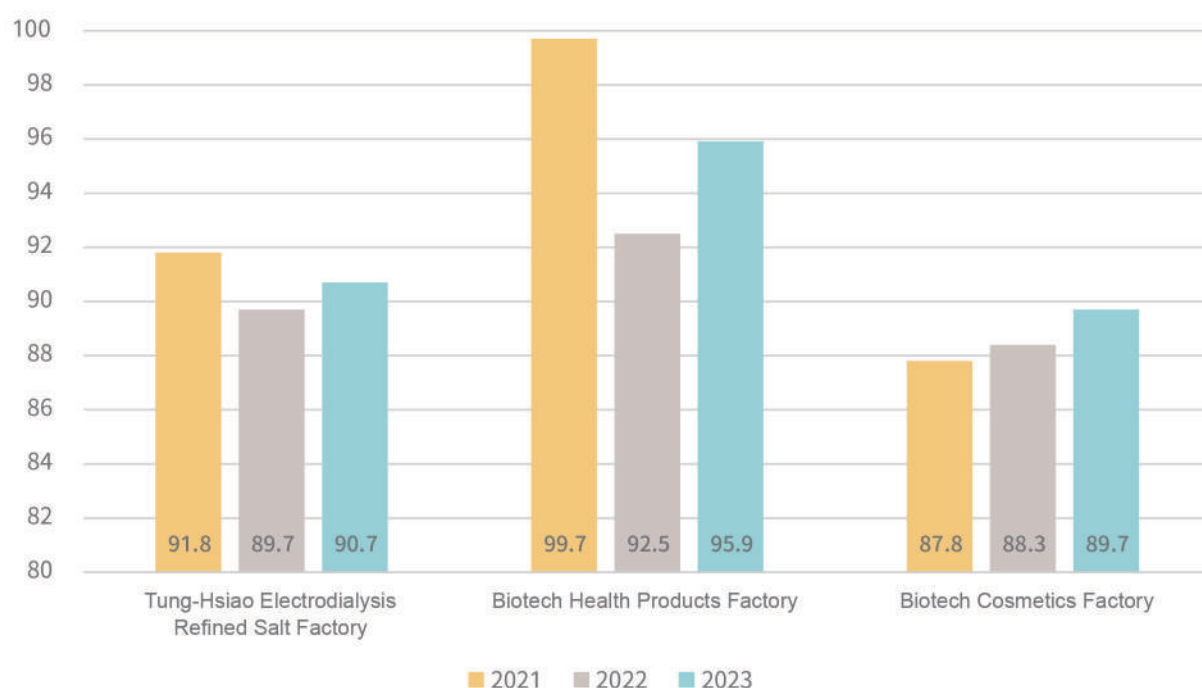
Venue of outsourcing expenditure	2021	2022	2023
R&D Department	2,480,804	6,345,518	2,012,795
Tung-Hsiao Factory	497,487	561,333	752,410
Health Factory	437,437	648,420	548,981
Total	3,415,728	7,555,271	3,314,186

3.2 Customer service and value delivery

3.2.1 Customer services and communication

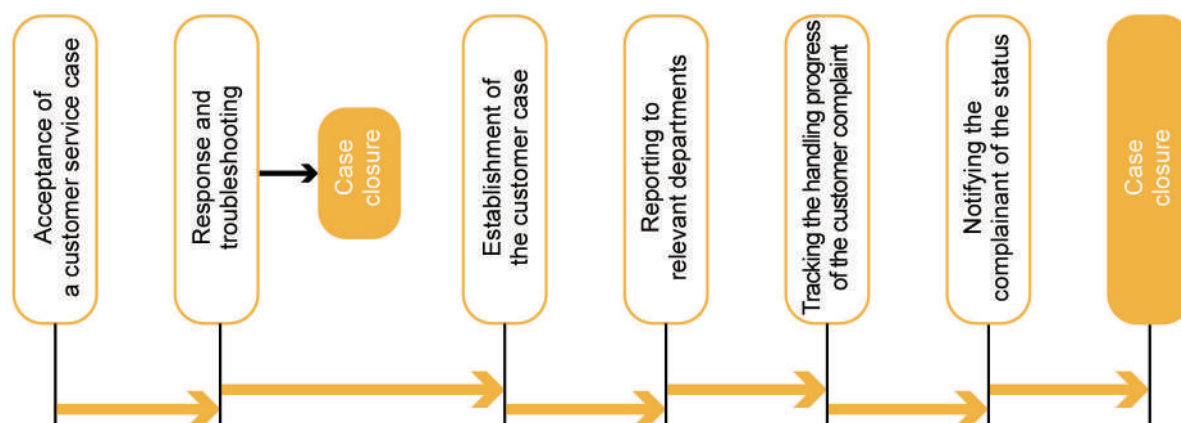
“Customer-oriented” is the purpose of Taiyen’s consumer service; therefore, a customer service hotline, customer satisfaction survey, direct response of franchises, and timely services of the manager for its FB fan page were established to provide diverse customer service channels for consumers. Facing citizens’ travel-related questions, Taiyen maintains the standard responding within 15 minutes to deepen the connection between Taiyen and consumers. Taiyen strictly controls its product quality and wins consumers’ trust, building a favorable brand image and corporate credibility.

Customer Satisfaction Survey



Taiyen is committed to providing comprehensive and precise services. Apart from consumer experiences, Taiyen also pays attention to the B2B interactive relationship. It regularly checks product quality, delivery term/schedule, and combined services each year to serve as the basis for the improvement and optimization of different business content of factories. The historical satisfaction level of factories exceeded the standard, exhibiting the achievements of Taiyen in improving consumer satisfaction. In the future, Taiyen will continue to improve service quality, adhere to its customer-oriented philosophy, and provide secure and satisfactory products, solutions, and services to consumers.

Handling Procedures for Customer Complaint Cases



Taiyen has established “Material Customer Complaint Handling Requirements” to handle customer complaint cases proposed by consumers. According to the requirements, Taiyen established two major customer complaint handling teams, including customer service and production technology, and they report up to the President. Through systematic methods, we allow consumers’ customer complaint handling procedures to become more comprehensive. When receiving a customer complaint case, immediately establish the case and forward it to relevant departments for proper handling to ensure customers’ opinions are valued. Meanwhile, we implement examination and correction measures internally to eliminate consumers’ suspicions. Taiyen prepared a call weekly based on the emphasis of the feedback in calls made by consumers and provided it to relevant departments to serve as a reference for future business improvement. Taiyen organizes two to three franchise education and training sessions each year. Apart from updating product knowledge and exchanging sales experiences, offices and franchises in different areas can closely communicate about product sales issues so as to improve Taiyen’s customer services.

Customer Complaint Cases Related to Products Received by Factories of Taiyen in 2023

Tung-Hsiao Electrodialysis Refined Salt Factory	Cosmetics Factory	Health Factory
69 cases	15 cases	15 cases

In 2023, Taiyen received 99 product-related customer complaint cases, including skincare products, cleaning products, food, salt products, and packaged water. Taiyen attaches great attention to consumers’ product experience. Besides channels, the placing environments of consumers, personal tastes, and other uncontrollable factors, Taiyen carried out subsequent improvements and issued follow-ups through the project team established by the Product Quality and Safety Committee after accepting material product customer complaint cases and required relevant departments to continue to observe and improve so as to provide premium products to consumers.

Customer Experience

Taiyen established “Tung-Hsiao Tourism Park” in 2011. The park covers the “Taiyen Museum,” “waterfront plaza,” “ocean hot spring creek,” “Taiyen restaurant,” “Japanese-style landscaping,” and other software/hardware facilities to improve tourism benefits. It unveils the hi-tech professional salt manufacturing methods and corporate management culture of Taiyen through tour guides in the museum and DIY experiences to communicate with consumers about Taiyen’s professionalism, quality, and premium philosophies.



Customer Experience Service Highlight Column

“Taiyen Ocean Alkaline Ion Water” has frequently given outstanding sales performance for over two decades since its launching. It is the healthy water inseparable from the life of consumers in Taiwan. A loyal customer shared on the Internet that he discovered that the groove pattern at the bottom of the “Taiyen Ocean Alkaline Ion Water” bottle looks like a blue sports car and that the interesting finding made him feel relieved when feeling tired from raising his child. The post started a trend for many netizens to respond and find the sports car at the bottom of the bottle. After learning the interesting news, Taiyen organized the “Drink Amazing, One Bottle Straight, Sports Car is Yours” to give back to loyal customers who have long been supporting alkaline ion water. Purchase a bottle of “Taiyen Ocean Alkaline Ion Water” and register the invoice online to gain the chance to win a blue Toyota GR Supra with a market value of NT\$2.5 million and a GR86 with a market value of nearly NT\$2 million, creating a shopping experience with the bottom of alkaline ion water bottle making dreams come true.



Taiyen continued to actively expand its channels and its strategies to integrate physical biotech outlets and e-commerce virtual channels to provide diverse and convenient service channels to customers. At present, the online and offline channels include Taiyen biotech outlets nationwide, in-shop counters in Watsons, Funcom Supermarket, Far Eastern A.Mart, Carrefour, and other large-scale supermarkets, momo.com, and Yahoo Super Mall. Taiyen adopted the dual-brand cooperation development method to produce customized products to achieve the targets of product upgrades and added value for services, jointly creating a enjoyable life with consumers.

3.2.2 Product labeling

To allow consumers to purchase with confidence, Taiyen disclose necessary information for all products and services, sets out the raw materials, ingredients, expiry, place of origin, preservation conditions, and instructions on the products it produced, packaging, and descriptions to allow consumers to understand information related to different products, and sets out the consumer service hotline for inquiries and answers. Taiyen has also updated the packaging of all healthcare foods, completely sets out the nutritious ingredients, the recommended intake volume for consumers, and warning, marked the interactions between products and drugs, or reminded the level of adequacy for particular groups so as to provide accurate information to consumers for purchasing decisions and ingestion.

Products of Taiyen that Won the SNQ Label



SNQ product search
https://www.snq.org.tw/chinese/02_prod



Taiyen Ocean Alkaline Ion Water



Taiyen Biotech Type II Collalife Tablet



Yoqingsu Collagen Garcinia Cambogia Capsules



Taiyen Salty Toothpaste



Guo-Pin-Zi No. A00527



Guo-Pin-Zi No. A00509



Guo-Pin-Zi No. A01755



Guo-Pin-Zi No. A00516

Products with Healthy Food Labels



Healthcare food industry service website
www.functionalfood.org.tw/h

Yoqingsu
Collagen
Garcinia
Cambogia
Capsules

Wei-Bu-Jian-Shi-
Zi No. A00274





Ocean Energy
Fish Oil

Wei-Bu-Jian-Shi-
Gui-Zi
No. 000065





3.2.3 Product traceability

Taiyen Company established a comprehensive production procedure control and tracing system; from raw materials to production and launching, there are comprehensive inspection procedures in place. We carry out product tracking and tracing based on the batch No. of raw materials, logistics No., manufacturing date, and expiry on the packaging of products to provide a secure traceability guarantee to consumers. By improving the performance of the barcode system, Taiyen accelerated the convenience of system operations, making the operation of the tracking and tracing system convenient and fast.

Code 128 Management

Taiyen established code 128 for product tracing and control, and batch No. control of raw materials and products. In 2023, code 128 was adopted for 36% of the products produced by Biotech Health Products Factory and approximately 20% for Biotech Cosmetics Factory.



Products of Taiyen Adopting Code 128 Management in 2022

	Biotech Health Products Factory	Biotech Cosmetics Factory
Total items produced	100	312
Total items adopting code 128 for tracking and management	36	63
Ratio (%)	36%	20%

“Must Track” Food Companies Registration Platform

To enhance self-management and improve food and health safety and quality, Taiyen has registered data on food manufacturing, processing business, import business, F&D business, and sales business of its subordinated departments on the “Food Tracking and Traceability Management system (Must Track),” the registration platform for food companies, by the end of December 2023.



Even though domestic regulations have no mandatory requirements for the traceability of salt for industrial use, medical devices, and other non-food products and the national upload platform, Taiyen’s Biotech Cosmetics Factory, as a qualified GMP factory, required companies to provide COA reports that comply with EU/EC1223/2009 (cosmetics regulations of the EU) to ensure the safety of ingredients and raw materials of biotech products and to serve as the basis for the safety evaluation of finished goods. In addition, Taiyen introduced the cosmetics supply flow project and established a system for product flow and sources. When shipping products, descriptions of products’ materials are enclosed to establish a safe and worry-free environment for using cosmetics.

3.2.4 Legal compliance

Taiyen made its product regulation team responsible for tracking the official gazette, collecting the latest data on regulations, and distributing such data on regulations to relevant business departments to ensure the operations comply with the latest legal requirements. Quarterly meetings are convened to implement and examine matters related to food safety regulations. Through the operations of the product regulation team, Taiyen ensures that its products comply with legal requirements and provides safe and compliant products to consumers. In the future, Taiyen will continue to pay attention to regulatory changes and adjust its operating procedures in a timely manner to ensure the safety, legitimacy, and compliance of its products.

Legal Compliance Status in 2023



Description of Relevant Punishments in 2023

Type	Item	Fine	Status of legal compliance	Handling status
Healthcare product	Yoqingsu Collagen Garcinia Cambogia Capsules	NT\$100,000	Part of the contents of the advertisement was exaggerated and may trigger misunderstanding. The Public Health Bureau in Tainan City imposed the punishment according to the Health Food Control Act.	The content of the product page was corrected to comply with regulatory specifications.

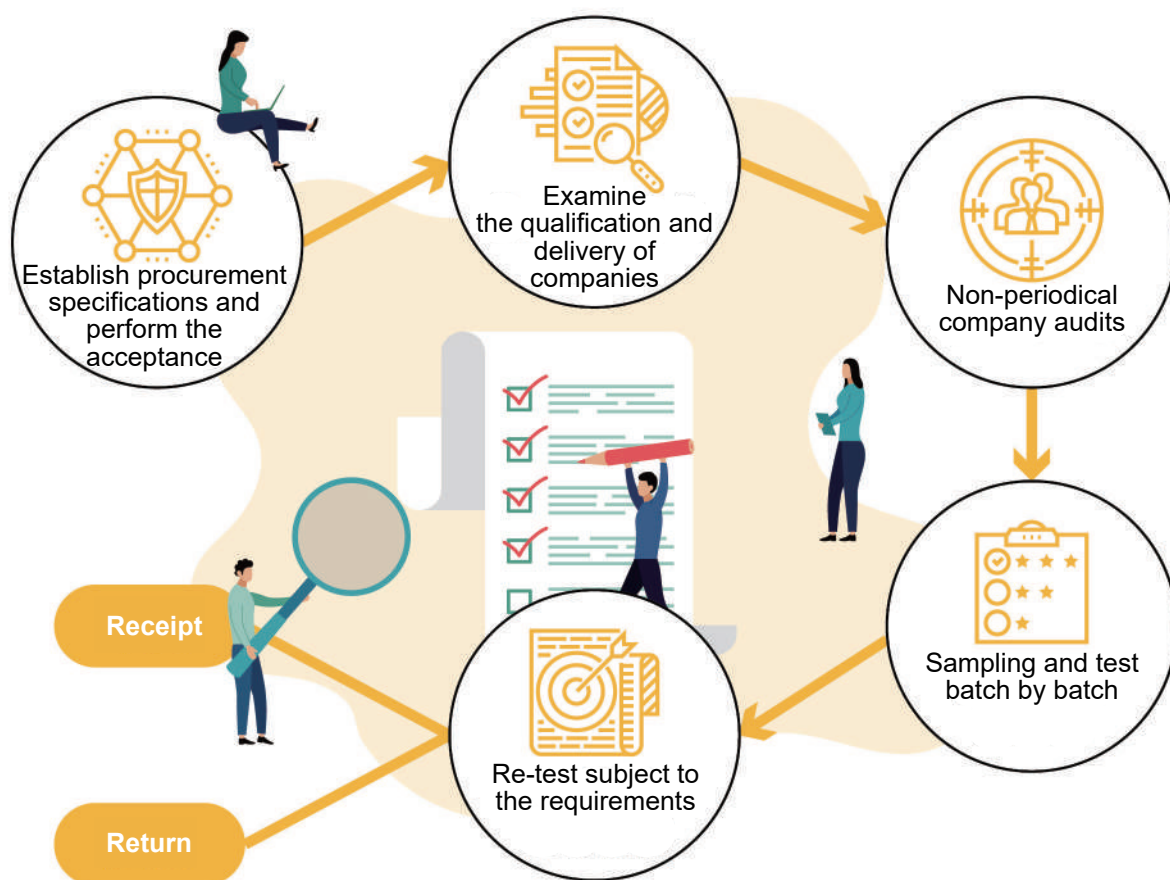
3.3 Supplier management

3.3.1 Business continuity

In supplier management Taiyen directs its efforts to include a spirit of corporate sustainability. It has a supplier management notice in place to carry out regular evaluations and non-periodical company audits of suppliers, including gender equality at work, no child labor, public welfare, environmental protection, factory management of suppliers, production environments, production management operations, testing of raw materials, feed, and water quality, warehouse storage status, and other economic, social, and environmental aspects. It also requires emphasizing the spirit of corporate social responsibility in the procurement contracts.

In addition, Taiyen continues to examine and discuss its past procurement behaviors to improve procurement behaviors that comply with the corporate sustainability spirit.

Procurement and Acceptance Procedures for Suppliers



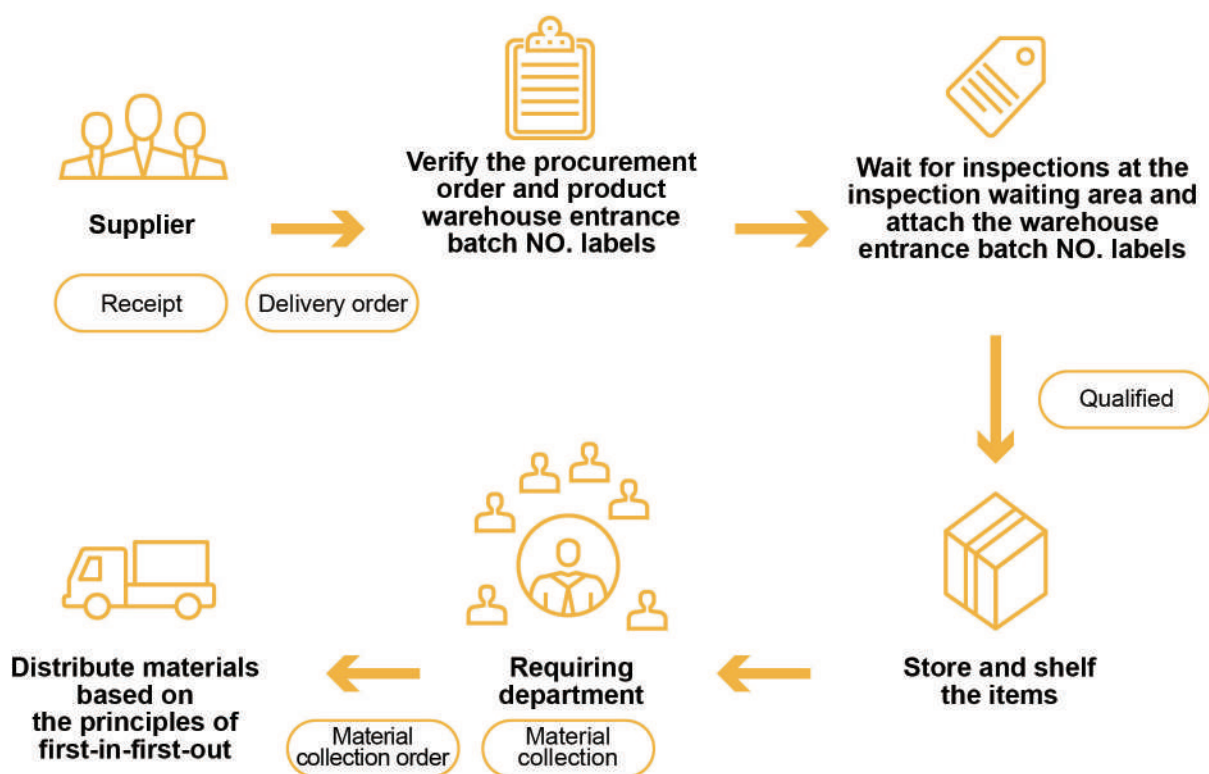
The main factors considered for the procurement decisions of Taiyen are divided into “advantage analysis” and “risk analysis.” Advantageous items are price consideration, quality, and delivery term, and risk items are risk of delivery term postponement, risk of shortage in materials, risk of increasing prices, and international policies (including the war factor). The raw material procurement policy of Taiyen’s Tung-Hsiao Electrodialysis Refined Salt Factory adopts the principle of cultivating two suppliers or above. Under the effects of uncertain factors, it possesses instant response and management abilities to ensure stable operations. In 2023, the world continues to face the risk of a lack of raw materials. Taiyen continues to impose management measures related to business continuity for supplier management to reduce the effects of a supply shortage of raw materials; relevant practices of factories are as follows:

Department	Business continuity practices
Biotech Health Products Factory	- Improve communications and negotiations with suppliers and allocate production capacity to timely supply. - Increase the inventory of crucial raw materials 1x.
Biotech Cosmetics Factory	- Improve communications and negotiations with suppliers and allocate production capacity to timely supply. - Increase the safety inventory of raw materials to at least two months.
Tung-Hsiao Electrodialysis Refined Salt Factory	- Have two suppliers or above for purchasing raw materials and prepare the maximum consumption volume within the expiry to avoid the crisis of supply shortage. - Increase the total inventory of food-grade bay salt in different factory areas to up to three months.

Raw Material Management

Raw material quality management is an important issue for the biotech industry. Taiyen has traceability, tracking, warehouse entrance, material distribution, and other operating requirements and procedures for raw materials in place. It strictly controls the procedures and makes adjustments and improvements based on the status of procedures in the hope of achieving optimal raw material management.

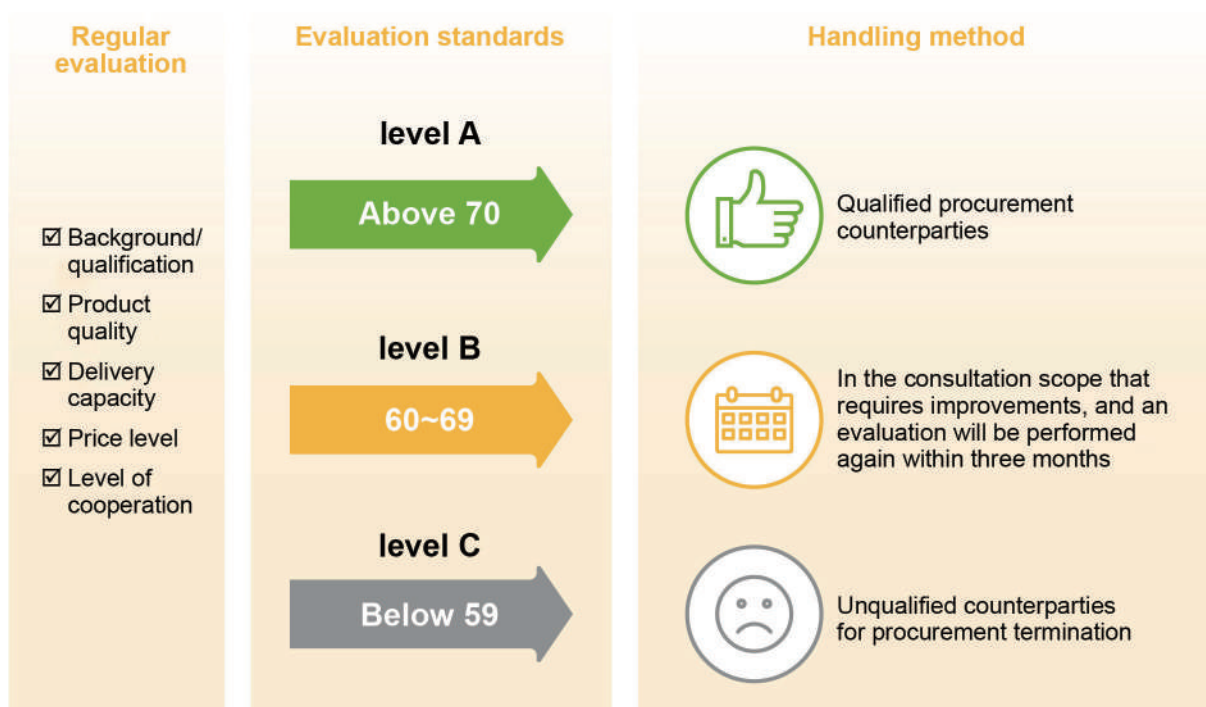
Raw Material Batch No. Management Operating Procedures



3.3.2 Supplier evaluation

Taiyen Company regularly carries out evaluations of suppliers of Biotech Health Products Factory, Biotech Cosmetics Factory, Cigu Salt Plant, Import Salt Storage and Transportation Office, and the Headquarters based on background/qualification, product quality, delivery capacity, price level, level of cooperation, and other conditions. Among existing suppliers, [*] are level A (low risk), five are level B (medium risk), and there is no level C supplier. Among new suppliers, [*] are all level A (low risk). Suppliers who qualified in the evaluation as level A are included as the qualified procurement counterparties; level B suppliers are in the consultation scope that requires improvements, and an evaluation will be performed again within three months; level C suppliers are unqualified counterparties for procurement termination.

Supplier Evaluation Standards



Biotech Cosmetics Factory, Biotech Health Products Factory, and Tung-Hsiao Electrodialysis Refined Salt Factory regularly carry on fair, just, and open supplier evaluations annually based on “technologies and generational qualification,” “quality anomaly,” “delivery anomaly,” “cooperation services,” other scoring conditions to effectively manage the supply status of suppliers. The ratings are divided into level A, level B, and level C. Suppliers in level A and level B are included as the procurement reference suppliers, and suppliers in level C are not included in considerations.

Supplier Evaluation Level in 2023 (Cosmetics Factory)

Evaluation level	Level A	Level B	Level C
Existing suppliers	138	0	0
New suppliers	9	0	0
Existing foundry factories	3	0	0
New foundry factories	3	0	0

Supplier Evaluation Level in 2023 (Health Factory)

Evaluation level	Level A	Level B	Level C
Existing suppliers	113	5	0
New suppliers	2	0	0
Existing foundry factories	12	0	0
New foundry factories	0	0	0

Supplier Evaluation Level in 2023 (Tung-Hsiao Factory)

Evaluation level	Level A	Level B	Level C
Existing suppliers	32	0	0
New suppliers	2	0	0
Existing foundry factories	0	0	0
New foundry factories	0	0	0

In 2023, Taiyen carried out supplier audits, and the qualification rate of suppliers was 100%. Suppliers who are recognized as unqualified after audits shall be consulted by Taiyen for improvement, and a re-inspection will be performed to confirm after the improvement. If suppliers fail to cooperate for improvement, they are listed as dishonored companies.

Audit Results of Suppliers of Factories in 2023

Factory	Number of suppliers (A)	Number of foundry factories (B)	Number of companies being audited		Ratio of companies being audited that comply with the procurement principles and requirements of Taiyen to the total number of suppliers and foundry factories (%) (C+D) / (A+B)
			Suppliers (C)	Foundry factories (D)	
Cosmetics Factory	147	6	0	6	3.92%
Health Factory	120	12	3	10	9.85%
Tung-Hsiao Factory	32	0	7	0	21.88%

Note: At present, Taiyen Company does not have suppliers or foundry factories that comply with product responsibility standards internationally recognized.

Taiyen introduced green procurement principles into the supplier system and included environmental and social performance in the course of procurement decision-making. Through questionnaires, we require suppliers to provide product sources and relevant supportive data to serve as the data and basis for the green procurement scoring system. When evaluating a supplier, Taiyen considers the supply quality, services, supply scale, and other factors. Suppliers shall comply with green procurement of products and services and support products with environmentally friendly designs. We hope to exert our influence to make upstream and downstream companies catch up. While actively cooperating with suppliers and deepening brand cooperation, Taiyen hopes to realize the sustainability of the ESG supply chain system.



CHAPTER

4

Happy Workplace

4.1

Talent retention and cultivation

4.2

Comprehensive employee care

Talent is Taiyen's most important asset of. Taiyen is committed to creating a workplace environment with the right people in the right places to work together comfortably.. Taiyen provides a comprehensive remuneration and welfare system, cares for the physical and mental health of all employees, and plans for a complete talent training system to assist employees in exerting their expertise at work. Taiyen also deems maintaining occupational safety as the basic element. It created a secure workplace environment by shaping a corporate culture of "safety first" and possessed a transparent and unblocked labor-management communication system to protect employees' rights and interests and foster workplace safety.

Priority readers

✓ Employees

✓ Customers

✓ Suppliers/contractors/subcontractors

✓ Shareholders/investors

✓ Government agencies

✓ Media

✓ Society/communities

Corresponding SDGs

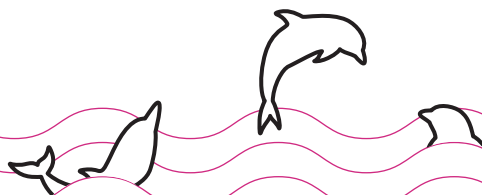
4 Quality education



8 Decent work and economic growth



9 Industry, innovation and infrastructure



Summary of chapter highlights



The hours of employee education and training grew by 35%

The hours of education and training of all employees of Taiyen grew by 35% in 2023 as compared to the preceding year



0 disputes and 0 violations of labor regulations for 14 consecutive years

Taiyen actively and voluntarily established friendly working environments and obtained workplace certification from the Ministry of Health and Welfare. In 2023, there was no violation of labor-related regulations, labor-management dispute with fines imposed, or labor-management dispute. There have been 14 consecutive years without labor-management disputes or any event affecting corporate image. In the future, we will actively communicate with employees and commit to maintaining harmonious labor-management relationships.

Employee Packages and Welfare	
Policy	Establish a comprehensive remuneration system and welfare policy by adhering to the concept that employees are the core and material assets of the Company.
Commitment	Sustainable operation and happy enterprise
Target	Short-term Realize sharing profits of the enterprise with employees.
	Mid-term Improve employees' welfare and security of livelihood.
	Long-term Achieve the sustainable operation of the Company and create a happy enterprise.
Responsibility	Level 1 supervisors
Resources	1. The Remuneration Committee of the Company. 2. The Welfare Committee of the Company. 3. The Supervisory Committee of Labor Retirement Reserve of the Company. 4. The Stock Ownership Committee of the Company. 5. The collective bargaining agreement of the Company. 6. Articles of Incorporation of the Company. 7. Guidelines for Salary Adjustment and Promotion/Demotion of the Company. 8. The Guidelines for the Approval and Distribution of Bonuses for Three Major Chinese Festivals and Performance Bonuses of the Company. 9. Regulations for Stock Ownership Awards for Practitioners of the Company. 10. Guidelines for the Distribution of Remuneration of Employees of the Company. 11. Regulations for Retirement, Pension, and Dismissal from the Company.
Complaint system	React to supervisors at different levels or file a complaint to the director of the General Affairs Department.
Action	1. Provide a comprehensive remuneration system, offer a salary level that is more favorable to employees compared to the industry, and carry out salary adjustments based on the operating status of the Company and other factors each year; the average adjustment range in 2023 was 3.5%. 2. Approve and distribute bonuses based on the operating performance of the Company. In 2023, the average performance bonuses reached 3 months or above. 3. Appropriate 2.25% to 3.75% of the profits as the remuneration of employees based on the Articles of Incorporation each year. In 2023, 3.22% of appropriated as the remuneration of employees based on the status of profits. 4. To encourage employees to get married and give birth, a marriage bonus of NT\$10,000 and a childbirth bonus of NT\$30,000 per child was offered starting from January 1, 2023. 5. Amended the Guidelines for Overtime Work Management of Personnel of the Company and increased the amount of payment for working during night hours since January 1, 2023.
Evaluation system	Regular labor-management negotiations each year.

Labor-management Communication	
Policy	Improve the communication with the labor union and employees, improve solidarity, and establish harmonious labor-management relationships.
Commitment	Sustainable operation and happy enterprise
Target	Short-term Create safe and healthy labor environments and protect the physical and mental health of employees.
	Mid-term Improve career planning and assist employees find suitable employment.
	Long-term Facilitate the sustainable development of labor forces and create a happy enterprise.
Responsibility	Level 1 supervisors

Labor-management Communication	
Resources	1. Federation of Labor Unions of Taiyen Company 2. Labor Union of Taiyen Company 3. Labor Union of Tung-Hsiao Electrodialysis Refined Salt Factory. 4. Labor Union of Biotech Factory. 5. Labor Union of Biotech Factory III. 6. Labor Union of Cigu Salt Plant. 7. Occupational Safety Committee of the Company. 8. “Guidelines for Complaints/Whistleblowing” of the Company. 9. The human rights policy of the Company.
Complaint system	The Company has multiple communication channels in place; employees may react to supervisors at different levels or state their opinions at the member representative meetings regularly convened by the labor unions or meetings of Directors or supervisors of the Company in due course, and the Company will formally respond to employees’ opinions in writing.
Action	1. Promote friendly workplace environments and set 3:00 to 3:20 pm as the daily time for afternoon tea. 2. Organize employees’ health inspections each year: the health inspection term is more favorable than the requirements of regulations. Organize health lectures and safety and health education and training from time to time. In 2023, the internal training reached 853 people and occupational safety and health in-service education and training reached 263 people. 3. Duly fulfill the obligations to care for employees and include psychological counseling in the on-site service scope of medical personnel. 4. To care for employees’ health, increase the health inspection expenses in 2024. 5. To care for employees’ eyesight and cooperate with the energy conservation and power-saving policy, update lighting to LED energy-saving lighting.
Evaluation system	Regular labor-management negotiations.

Occupational Health and Safety	
Policy	In compliance with the requirements of the Occupational Safety and Health Act, achieve the purpose of health management, prevention of occupational diseases, and health improvement through on-site health services provided by medical personnel and physicians.
Commitment	Engage visiting physicians and nursing practitioners to carry out health management based on the health inspection results and questionnaires.
Target	Short-term Completed the on-site health services by medical personnel and physicians in 2021 for departments with more than 100 persons (Headquarters, Tung-Hsiao Electrodialysis Refined Salt Factory, and Biotech Cosmetics Factory.
	Mid-term Include other production departments (Health Factory, Cigu Salt Plant, and Import Salt Storage and Transportation Office) in on-site health services.
	Long-term Include the entire Company (offices nationwide) in on-site health services.
Responsibility	Organize by the occupational safety personnel of different departments.
Resources	Visiting medical personnel and physicians
Complaint system	Employee complaint mailbox and labor-management conference
Action	1. On-site health services were implemented starting in July 2018 for Tung-Hsiao Electrodialysis Refined Salt Factory; there were a total of 72 sessions and 96 participants. On-site health services were implemented starting from January 2020 for the Headquarters and Biotech Cosmetics Factory; there were a total of 48 sessions and 82 participants. 2. Increase the employee health inspection rate to 90% or above.
Evaluation system	Evaluate the achievements through the health inspection rate, number of participants in the on-site services, and improvement in percentage of anomalies.

4.1 Talent retention and cultivation

4.1.1 Human resources development

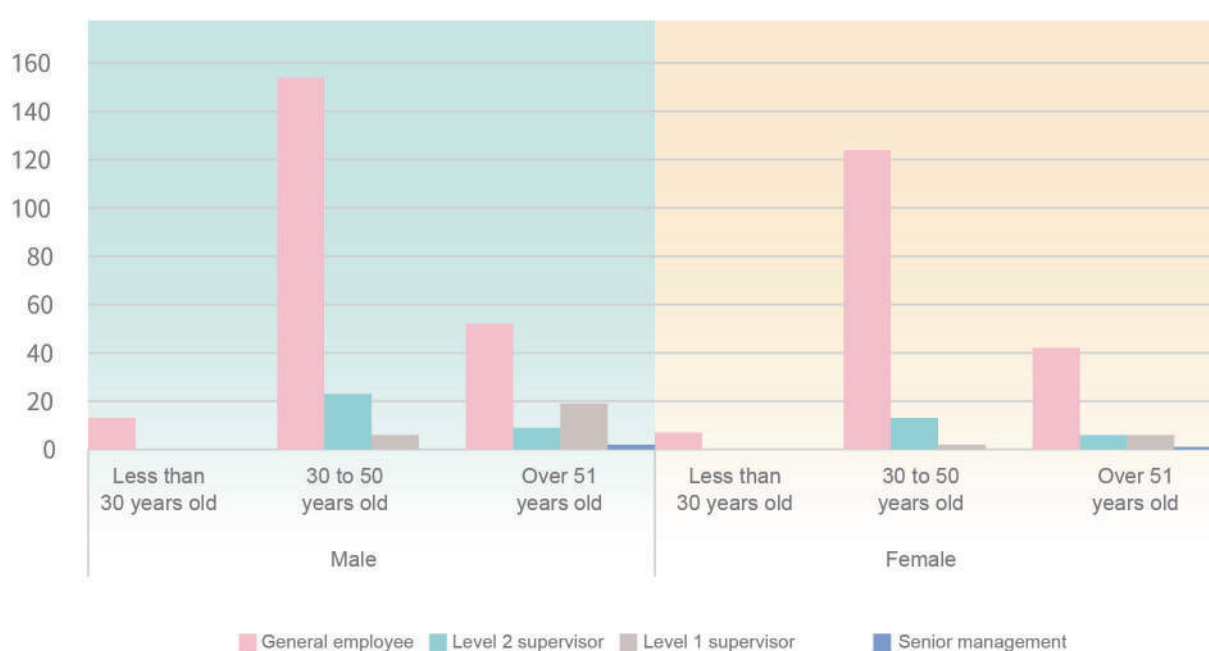
Taiyen encourages a diverse and open workplace culture and respects each employee's uniqueness. When recruiting employees, professional capabilities required for each position are adopted as the prioritized considerations for talent selection, and there is no different treatment due to ethnicity, skin color, nationality, race or ethnic origin, gender, marital status, age, disabilities, family status, gender orientation, political belief, or other factors. In 2023, there was a total of 26 new employees, including the younger generation, indigenous people, and persons with disabilities. Taiyen employed four indigenous people, which is more favorable than the number of persons employed required by the law. Taiyen believes that diverse employee composition will bring different viewpoints and opportunities for advancement. Establishing a diverse and inclusive workplace culture is beneficial for employees, who can exert their expertise at work and propose different ideas, which will become the key to corporate growth.

Personnel Composition of Taiyen in the Past Three Years

		2021	2022	2023
Total number of employees	Female	197	199	201
	Male	287	280	278
Contract system	Full-time employees	Female	196	200
		Male	287	278
	Part-time employees	Female	1	1
		Male	0	0
Non-contract system	Non-employee workers (security, cleaning work, construction contractor, and services)	211	209	209

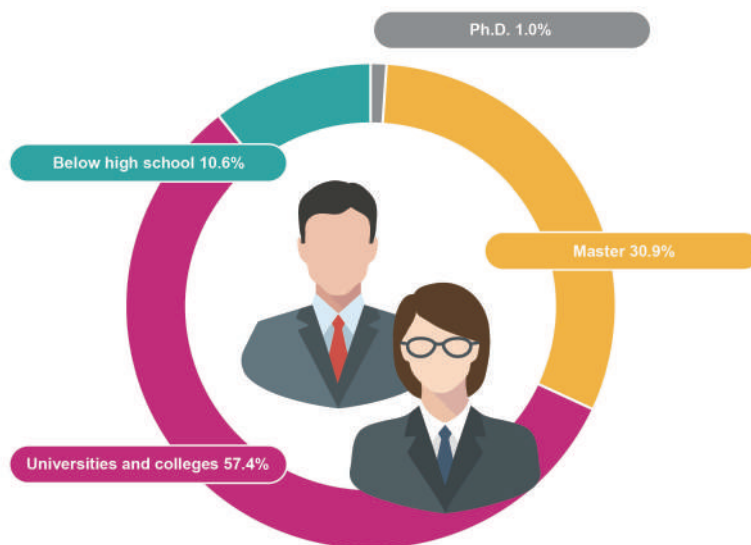
Note: Taiyen does not employ temporary employees and employees without hour guarantees.

Age Distribution of Employees of Taiyen in 2023



Sorting them by academic background, we see approximately 57.4% of Taiyen's employees graduated from universities and colleges, and approximately 31.9% possess master's and doctoral degrees, the sum accounting for more than 89%, fully exhibiting Taiyen's determination to become a benchmark enterprise and establish a safe, reliable, and trustworthy brand image.

Academic background	Number of persons
Ph.D.	5
Master	148
Universities and colleges	275
Below high school	51
Total	479



4.1.2 Talent turnover

Overview of New Employees

To facilitate talent turnover and development of the Company and promote the innovative culture of the enterprise, Taiyen considers that moderate personnel turnover is adequate for the overall talent cultivation and development of the Company. Among the formal employees formally employed in 2023, 96.15% new employees who are below 50 years of age; reached 96.15%; the overall new employment rate of male employees was 2.3%; the overall new employment rate of female employees was 3.1%. Taiyen also supports the youth employment policy of the government and offers workplace internship experience for youths in schools to familiarize themselves with the working environment in advance. It also encourages each student to join after graduation to improve the youth employment rate. In 2023, we recruited new employees through additional campus talent recruitment, industry-academy cooperation, and other channels to invigorate the organization. In the future, we will regularly examine the new employment rate, continue to invigorate the age ranges of the Company's team and recruit new employees to bring new vibes and more innovative ideas.

Personnel Turnover

In 2023, Taiyen adhered to the spirit of caring for employees, successfully created a friendly workplace environment, created a low resignation rate, and allowed employees to have a high degree of identification with the enterprise, allowing employees of different age ranges to find a sense of belonging at their posts.

Taiyen is committed to complying with position alteration and resignation/retirement requirements and handles them according to legal procedures. Personnel formally employed by Taiyen may retire after work until 65 years old according to the Labor Standards Act or have voluntary resignation in advance according to the law. When an employee proposes a resignation application, the Company will actively communicate with his/her supervisor and the administrative department to understand the true reason for the employee's resignation and further analyze such reasons so as to formulate corresponding talent policy adjustments. Through salary adjustments, the implementation of education and training, and the establishment of the employee promotion system, Taiyen is committed to creating an appropriate employment environment. In 2023, a total of 24 formal employees resigned; the overall resignation rate of male employees was 2.7%; the overall resignation rate of female employees was 2.3%.

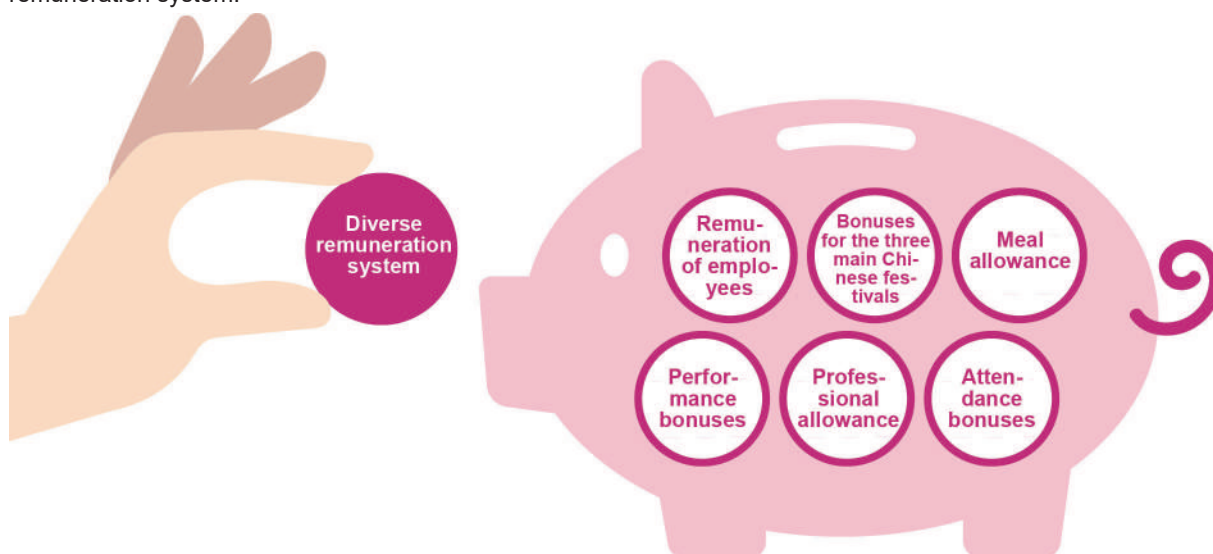
The new employment rate for new employees in the past two years was higher than 5%, showing that Taiyen continues to maintain stable development in terms of talent cultivation. Taiyen will continue to dedicate to talent management and retention and constantly improve employees' welfare and development opportunities to ensure the continual growth and improvement of Taiyen's human resources.



2023	Male					Female				
	Number of persons resigned	Number of new employees	Number of in-service employees	Resignation rate	Employment rate	Number of persons resigned	Number of new employees	Number of in-service employees	Resignation rate	Employment rate
Less than 30 years old	1	2	13	0.2%	0.4%	2	5	7	0.4%	1.0%
30 to 50 years old	4	9	183	0.8%	1.9%	6	9	139	1.3%	1.9%
Above 51 years old	8	0	82	1.7%	0.0%	3	1	55	0.6%	0.2%
Total	13	11	278	2.7%	2.3%	11	15	201	2.3%	3.1%

4.1.3 Competitive salary and diverse welfare Remuneration System

Taiyen deems employees the root of corporate management and the bedrock for sustainable corporate development. Therefore, Taiyen provides a competitive remuneration system, which mainly includes salaries, allowance for supervisors, professional allowance, meal allowance, various bonuses, and remuneration of employees. The distribution standard of bonuses and remuneration of employees is based on personal performance and the profits of the enterprise. We hope to improve employees' cohesion, exert employees' maximum potential, and attract excellent talent to join the family of Taiyen through the comprehensive remuneration system.



Performance Evaluation and Remuneration and Welfare

To realize a fair reward and remuneration system, Taiyen carries out two performance evaluation operations to serve as the basis for salary adjustment and reward and remuneration. Apart from providing a remuneration level that is more favorable than the industry, we approve and distribute bonuses based on the Company's operating performance and personal performance in accordance with the Articles of Incorporation, relevant guidelines, and collective bargaining decisions. In 2023, the appropriation rate of remuneration of employees was 3.22%, and the average salary adjustment range was approximately 3.5%. We are dedicated to creating earnings to give back to employees and to provide incentives to employees so as to achieve the common win of shareholders, the Company, and employees.

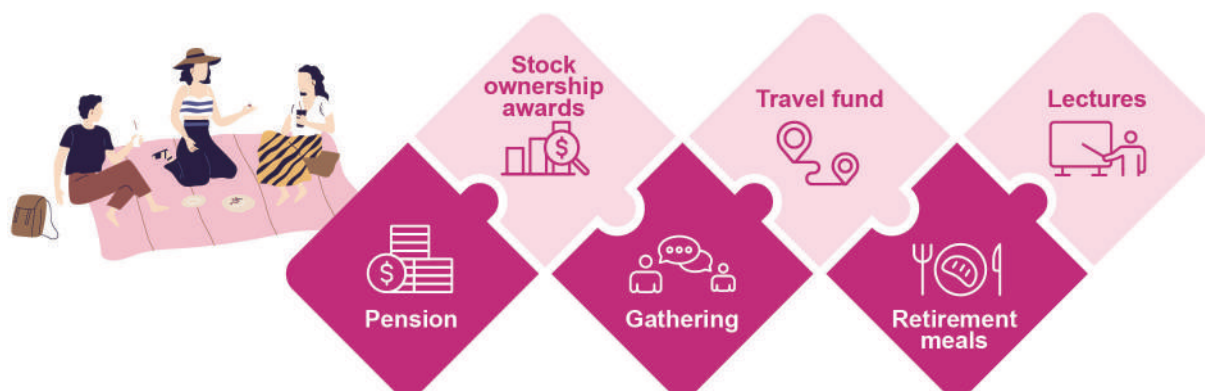
Item	2022	2023
Number of full-time employees who are not supervisor	457 persons	460 persons
Total salaries of full-time employees who are not supervisor	NT\$449,995 thousand	NT\$465,683 thousand
"Average salary" of full-time employees who are not supervisors	NT\$985 thousand	NT\$1,012 thousand
"Medium of salary" of full-time employees who are not supervisors	NT\$895 thousand	NT\$924 thousand

Retirement Welfare

For pension, the Company established the retirement regulations according to the "Labor Standards Act" and "Labor Pension Act" and appropriated the pension amount according to the requirements. The Company has a pension fund account for proper management, and it regularly provides the employee pension report to protect employees' rights and interests to apply for and collect pensions in the future.

According to "Taiyen Biotech Co., Ltd. Regulations for Stock Ownership Awards for Practitioners of the Company," the Company shares its earnings by way of stock ownership to improve the cohesion and recognition of employees with the Company and indirectly improve employees' work efficiency and positivity. Taiyen encourages employees to hold the Company's stocks in the long run and appropriate 20% as bonuses to cultivate the awareness of employees that they are business partners with shareholders and hopes that employees' work performance can be combined with the Company's growth. The stocks can be collected upon retirement, increasing the living guarantee after retirement.

To safeguard the retirement welfare of senior employees, Taiyen regularly organizes gatherings, meals, and lectures to maintain the relationships between retired employees. It also established a talent retention system. Employees can join the Association of Retired Persons of the Salt Business, and the Company subsidizes the organization of trips for retired persons each year and organizes a banquet to treat retired employees in the middle of the year.



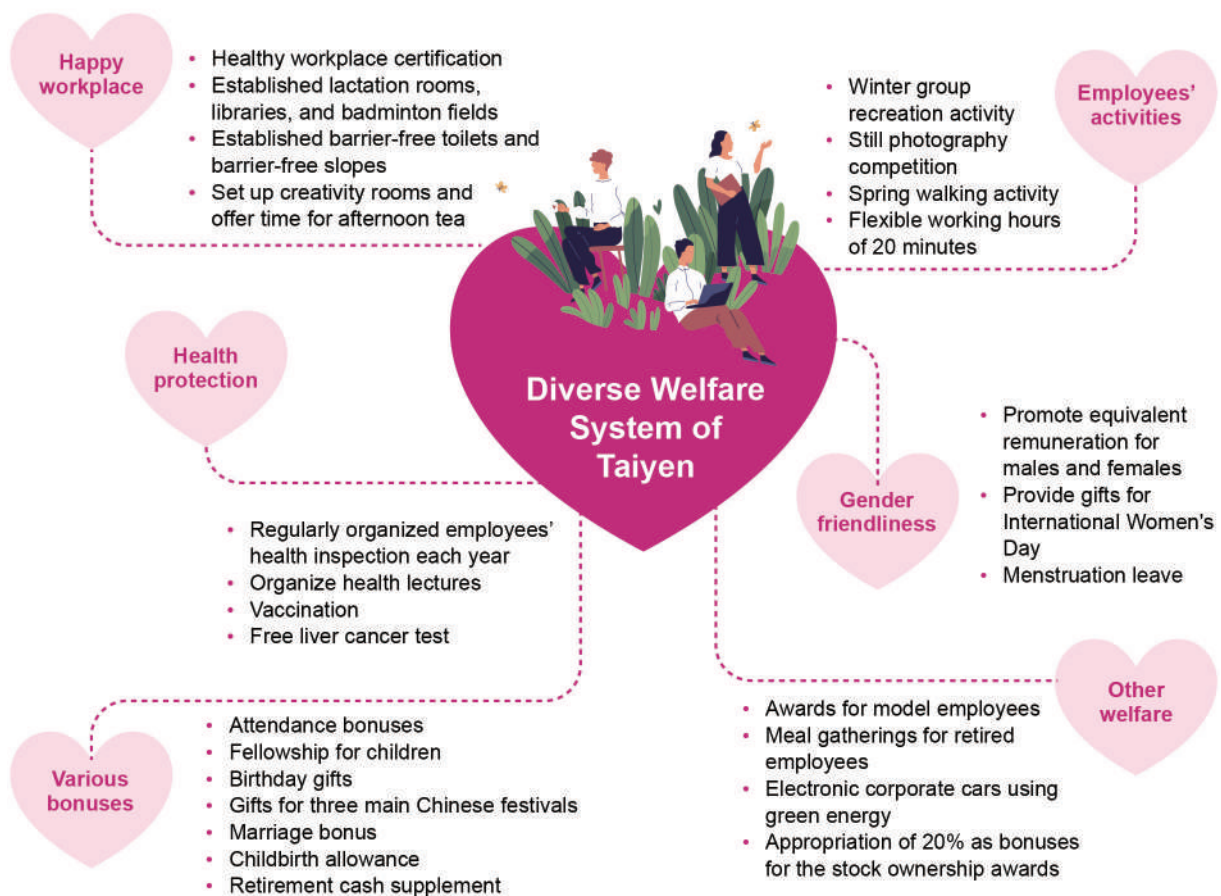
Welfare Committee

Taiyen is committed to achieving a workplace atmosphere of work-life balance. For the welfare design, we provide comprehensive welfare planning that is more favorable to the Labor Standards Act to full-time employees (i.e., leaves, insurance, emergency relief, cash gifts for marriage, funerals, and childbirth, and health inspection). To express our care for employees, we voluntarily remind employees to make leave plans and organize various activities to relieve employees' pressure from time to time. In addition, the "Taiyen Employee Welfare Committee" was established to be responsible for formulating diverse welfare plans, providing child-raising measures and lactation rooms, and organizing abundant and diverse employee activities to care for employees' requirements. In particular, Tung-Hisao Factory cares for employees' welfare and requirements and carries out the A/C updating work for the staff room, bringing more comfortable working environments for employees.



■ Employees' Gathering

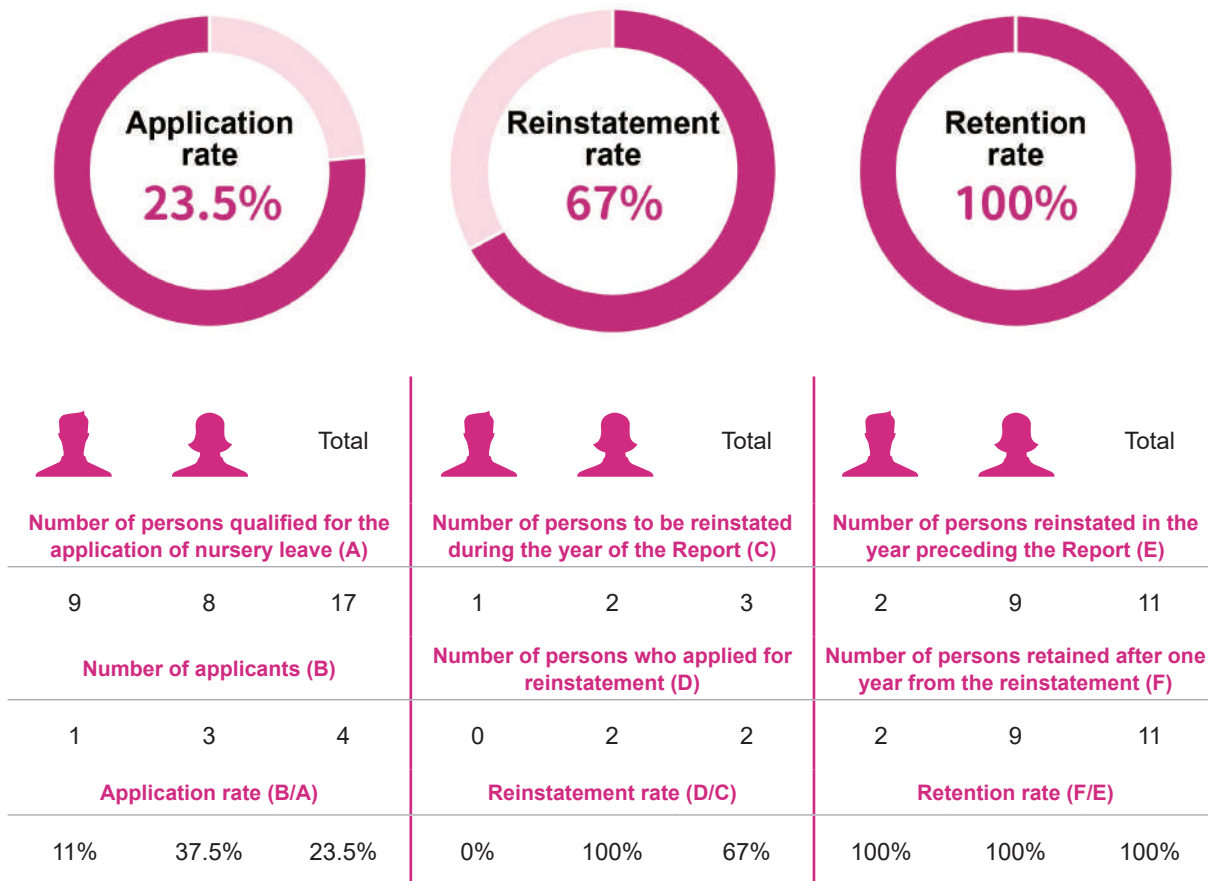
Diverse Welfare System



Nursery Leave without Pay

According to rights granted under the “Act of Gender Equality in Employment” and relevant regulations in Taiwan, employees of Taiyen can apply for nursery leave without pay to provide guarantee and assistance to employees, allowing employees to care for both work and life. According to relevant regulations of the government, Taiyen implemented the system of nursery leave without pay to provide guarantee and assistance. Apart from protecting the rights and interests of employees who applied for nursery leave without pay, it also allowed employees to care for their family life apart from work. In 2023, the number of persons who finished the nursery leave without pay and expected to be reinstated was three persons, and the number of persons reinstated was two persons; the personnel reinstatement rate was 67%. Besides, the retention rate of employees who were reinstated after nursery leave without pay in 2023 was 100%. A total of 30 persons applied for nursery leave without pay during the past seven years (2016 to 2023).

Nursery Leave Application Status of Employees of Taiyen in 2023



(D/C): Reinstatement rate = total number of employees who are reinstated after nursery leave/total number of employees to be reinstated after nursery leave *100
(F/E): Retention rate – total number of employees in service after 12 months from the reinstatement after nursery leave/total number of employees reinstated after nursery leave in the previous reporting period *100

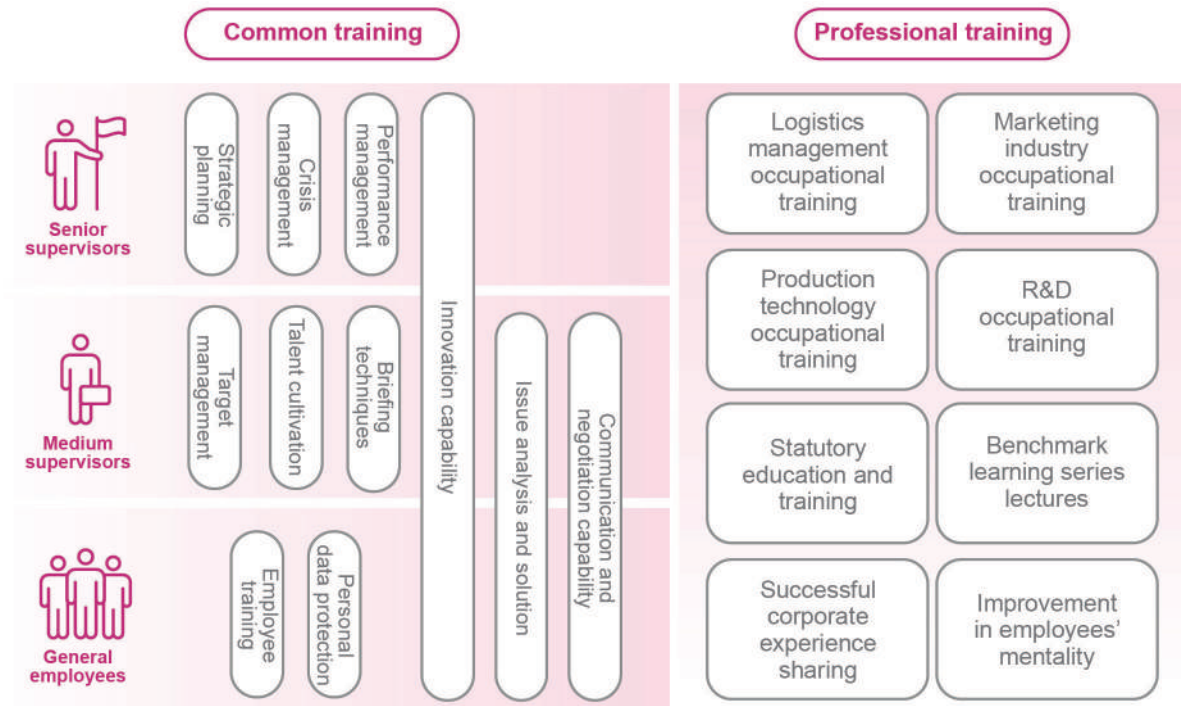
4.1.4 Employee cultivation and development

We improve talent attraction and retention through comprehensive education and training, diverse welfare measures, and attractive remuneration designs and continue to organize invigoration activities to improve employees' cohesion and achieve work-life balance. Taiyen pays high attention to talent cultivation. It designs different training courses and learning pathways based on different duties, provides professional courses to employees with corresponding duties, improves employees' professional skills and career development, and further motivates employees' potential to achieve the optimal organization by adopting the policy of putting the right people in the right places.

Education and Training System

For talent cultivation and development, Taiyen has specified the necessary management functions for different levels of supervisors and has core and professional capability requirements for general employees. Employees can clearly understand the core capabilities to be possessed for the duties at each level. For the design of the structure of internal training courses, we plan for corresponding development courses based on the function requirements of supervisors and employees. Apart from professional training that assists employees in exhibiting work performance, employees can participate in various courses based on personal requirements and the considerations for future development and planning to prepare for the next stage of career planning and development. For other courses, we continue to carry out talent cultivation and training according to the Company's policies and business plan. From new employees to supervisors at different levels, Taiyen has formulated a comprehensive training plan for employees to own a complete learning and development structure through education and training, and it actively expands online training courses to improve overall efficiency. The training system of Taiyen is mainly divided into common training and professional training, and they are distinguished based on different duties.

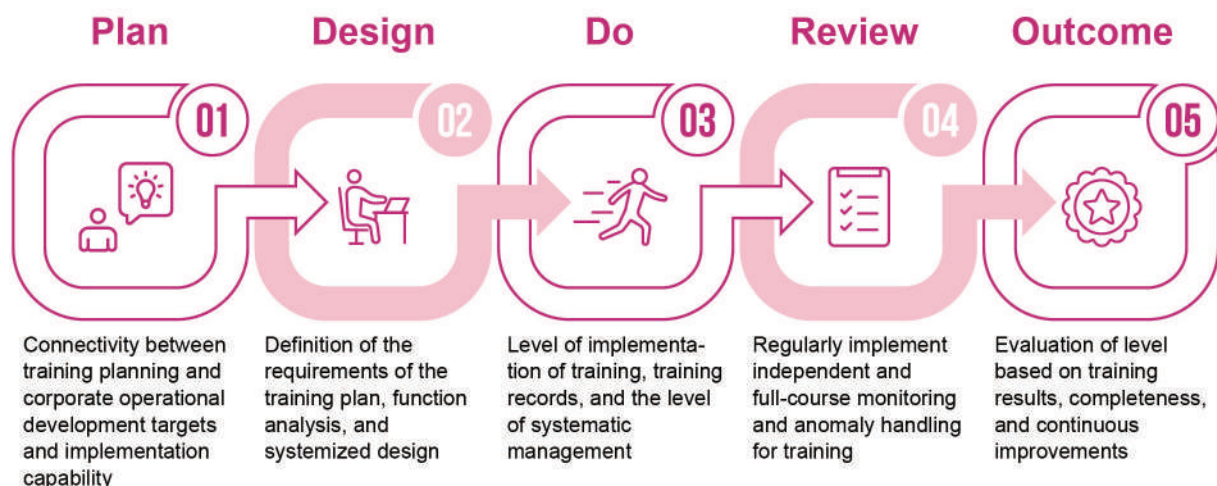
Training System Chart of Taiyen



Taiyen is committed to improving its overall competitive strength through the training management system and establishing complete training procedures when planning for training. Taiyen passed the “TTQS” training evaluation of the Workforce Development Agency, MOL, for consecutive years, which is due to the long-term support and encouragement of senior supervisors for education and training. We improve labor assets through an accurate education and training planning system and realize the Company’s operating targets and sustainable development.

Taiyen values talent cultivation and development and deems education and training as crucial investments. By passing the TTQS training evaluation, Taiyen ensures the effective operation of the training management system and, in turn, improves the professional capabilities and overall competitiveness of employees. The training system is comprehensive and covers different levels and departments to make sure that all employees can receive appropriate training, development opportunities, and diverse training and learning channels.

TTQS Training Evaluation Procedures of Taiyen Company



Diverse Training and Learning Channels

Taiyen pays attention to the career development of employees; employees can receive appropriate training through in-service training, external training, lectures, seminars, visiting exhibitions, job rotation, and project appointments. We provide abundant and diverse learning channels and have physical courses or provide online digital learning to improve the skills and knowledge of employees in different aspects based on different fields and duties.

To assist new employees in adapting to the environment of the organization, online learning courses are adopted to help new employees learn more about the Company after reporting to work at the Company. We also plan for one-on-one interviews for new employees who have joined us for less than six months to understand the adapting status, work pressure adaptation, and workplace interpersonal relationships, and the opinions in their feedback are reported to supervisors of relevant departments for evaluation and improvement in the hope of improving the sense of identification among new employees.



■ New employee training in 2023



■ Procurement negotiation price negotiation skills and cost reduction practices course



■ ISO 17025 2017 and internal audit training

In 2023, there was a total of 249 education and training classes with 4,403 participants, and the training time was 11,529.5 hours; the average training hour per person was 2.62 hours, and the total expenses invested in employee training totaled NT\$1,354,098. Taiyen continued to plan for the improvement and expansion of digital learning courses for employees to learn with better achievements and to provide diverse learning channels for employees.

Statistics of Education and Training Hours and Expenses in the Past Three Years

	2021 (During the period of COVID-19)	2022	2023
Training classes	165	196	249
Participants	1,920	3,276	4,403
Trained person/hour	6,069	8,510	11,529.5
Average training hour per person	12	2.5	2.62
Training expenses (NT\$)	813,863	853,009	1,354,098

Job Rotation Platform

To improve the width of employees' capabilities and improve their understanding of the overall business of the Company, Taiyen established the "personal rotation intention survey platform" last year considering individual learning intentions for employees who are willing to rotate to raise their voices. As of today, a total of 33 persons expressed their job adjustment intention on the rotation platform, and approximately 21% of them completed the job adjustment based on their intention.

4.2 Comprehensive employee care

4.2.1 Promote friendly environments

To protect the physical and mental health of employees, Taiyen is committed to creating comfortable and happy workplace spaces, reducing hazards and risk factors, preventing occupational safety accidents and overwork events, and improving employees' physical and mental health status as a whole. Adopting the concept that employees are material assets of Taiyen, we develop holistic health care for employees' workplaces to allow all employees of Taiyen to have comprehensive care.

Friendly Workplace

To allow employees to work with ease and without worries, Taiyen established a secure pregnancy and friendly breastfeeding environment. Tung-Hsiao Factory, the Headquarters, Health Factory, and Cigu Salt Plant provide favorable breastfeeding spaces and lactation rooms to encourage female employees during breastfeeding. Taiyen also actively prepares content related to maternity health protection to provide professional medical recommendations for employees who are pregnant and employees who are breastfeeding after giving birth. In addition, barrier-free toilets and barrier-free slopes were established, and the establishment of libraries, badminton fields, and other venues was completed for employees' living welfare. We hope to make employees have healthy behaviors and establish healthy living patterns through the promotion of activities so as to create a win-win situation of work-life balance.



Discussion Room



Creativity Room

Earnestly Promote Healthy Workplaces

Taiyen promotes workplace tobacco hazard prevention and health improvement through self-management and systematic methods. It set up "significant no smoking signs" and has various smoking prohibition measures for workplaces. At present, Biotech Cosmetics Factory and Tung-Hsiao Electrodialysis Refined Salt Factory have obtained the health initiation label under the healthy workplace certification of the Health Promotion Administration, Ministry of Health and Welfare, and Tainan Headquarters also concurrently extend the certification.

Considering that Tung-Hsiao Factory and Cigu Salt Plant are both tourism parks with more tourists on weekends, we also obtained the AED secure venue certification and duly implemented relevant education and training to protect the safety of employees and tourists. Furthermore, Taiyen strictly adhered to the occupational safety and health laws and regulations, and there was no substantial occupational disaster (i.e., death); there was no substantial labor-management dispute or protest of employees or community residents that affected the corporate image.



CPR + AED

臺鹽實業股份有限公司 七股鹽場

本場所設有AED(自動體外心臟電擊器)
本場所70%以上員工已接受CPR+AED
(心肺復甦術加自動體外心臟電擊去顫器)訓練



衛生福利部



臺南市政府衛生局

中華民國106年03月13日認證



CPR + AED

臺鹽通霄觀光園區

本場所設有AED(自動體外心臟電擊器)
本場所70%以上員工已接受CPR+AED
(心肺復甦術加自動體外心臟電擊去顫器)訓練



衛生福利部



苗栗縣政府衛生局

中華民國108年08月27日認證

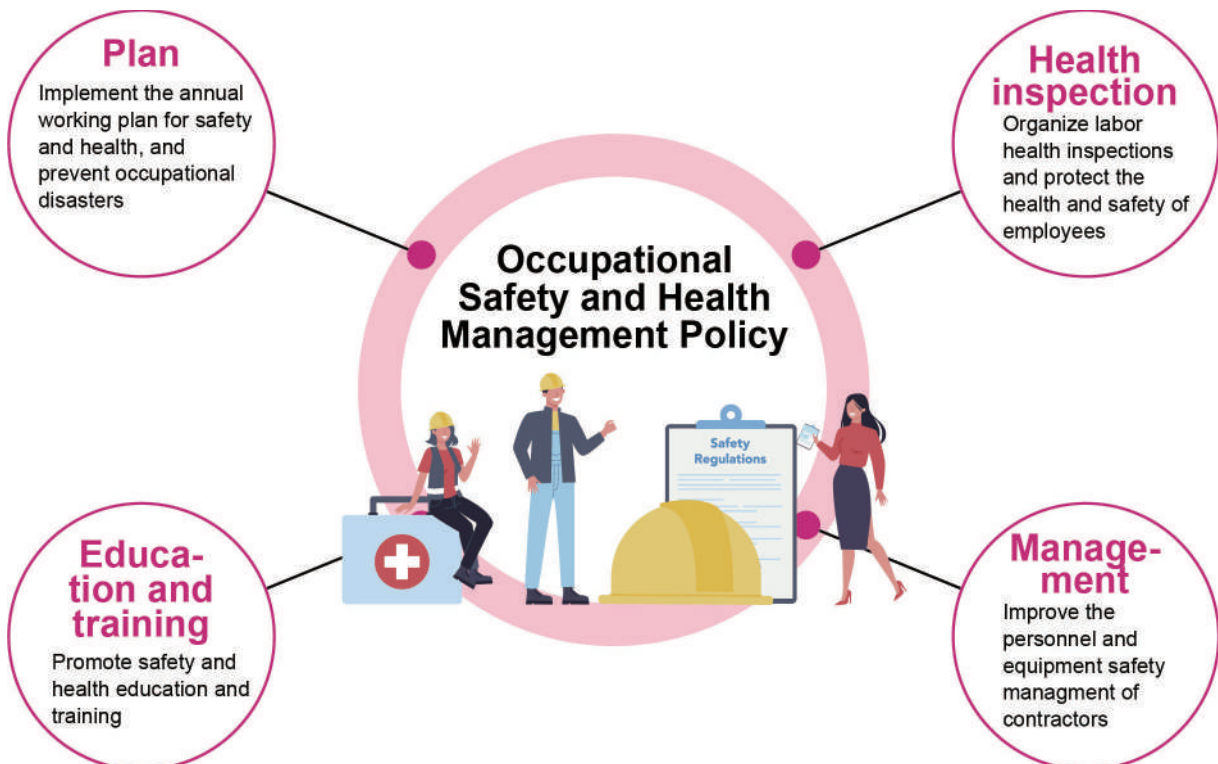
Automated External
Defibrillator Safe Place

4.2.2 Secure workplace

Taiyen is committed to protecting employees' rights and interests and deems the safety conditions of workplaces as the basic element to protect the safety of operating personnel. To realize the purpose of employee care, we strictly implemented national occupational safety and health regulations, established relevant policies and regulations, established a systematic system for management, and created workplace environments without worries for safety. In 2023, Taiyen Company did not violate labor-relation regulations nor was punished or fined.

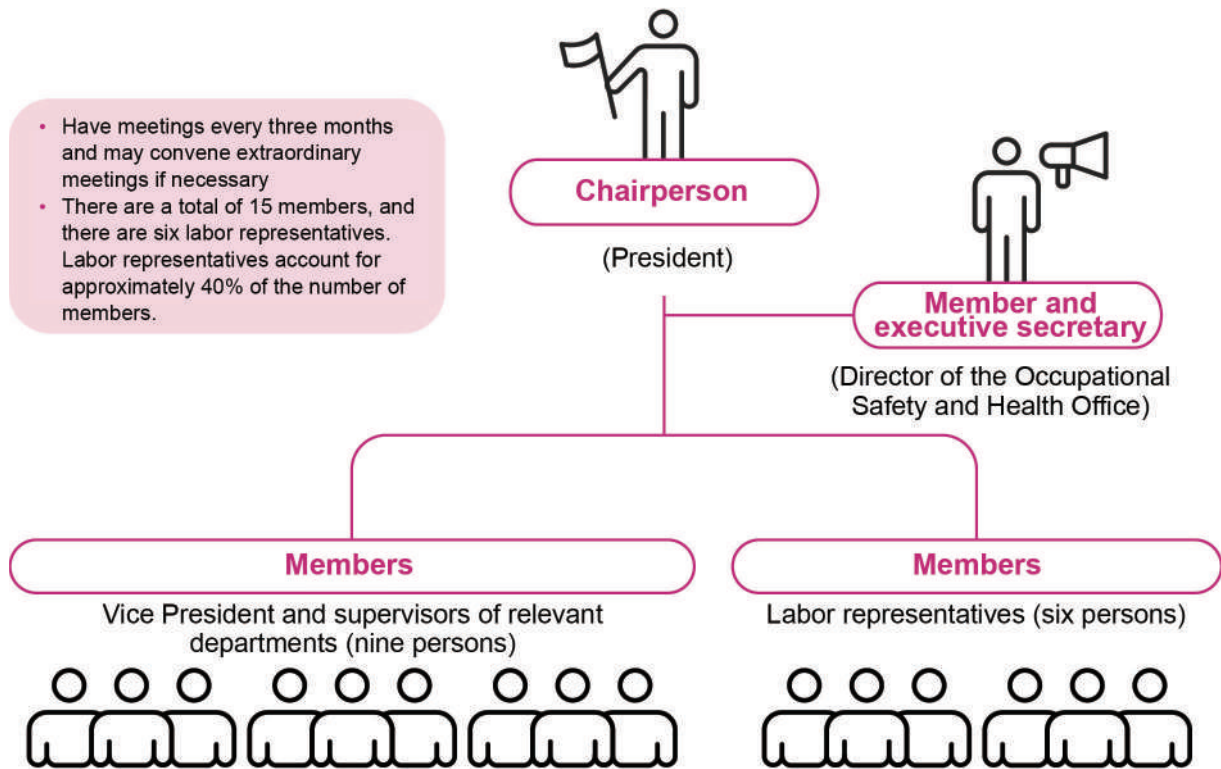
Occupational Safety and Health Management Policy

To realize occupational safety and health, Taiyen formulated the annual working plan, continued to comply with regulations, and improved the safety of operating environments. Apart from the regular labor health inspections each year, we identified and improved risk management and implemented safety and health education and training to improve employees' participation. We built a solid safety and health system and shaped the safe and healthy culture of the enterprise.



Occupational Safety and Health Committee

Taiyen values employees' safety, and it has its "Occupational Safety and Health Committee" in place to review, discuss, negotiate, and provide recommendations for businesses related to occupational safety and health. The President is the chairperson, and the labor representatives account for over one-third of the members. In addition, meetings are convened once every quarter to discuss matters related to occupational safety and health and promote and improve the occupational safety and health management awareness of employees and stakeholders through the meeting. In 2023, a total of four Occupational Safety and Health Committee meetings were convened.



Occupational Safety and Health Education and Training

To improve the occupational safety and health awareness of different factories, Taiyen organized relevant occupational safety and health courses for employees and contractors and had them participate in in-service education and training according to the law to improve their professional knowledge and self-safety awareness. In 2023, there were 853 participants for internal training and 263 participants for in-service occupational safety and health education and training.

Course

1. Organizational internal GHG inventory and product footprint
2. Training for new employees
3. CAB and AED (including practices)
4. Trade Secrets Act and reasonable confidentiality measures case sharing (including online courses)
5. Prohibition of workplace bullying and sexual harassment prevention (including the Stalking and Harassment Prevention Act)
6. ISO 14061-1:2018 organizational GHG inventory introduction and provision description
7. Mental cultivation methods for online and physical store management
8. Comprehensive analysis for e-commerce
9. Have different marketing strategies instead of better ones
10. Create markets with creativity
11. Health lecture: Build muscle for health and brain functions, enjoy life with health
12. E-commerce business marketing and OMO for dummies

Participants

853 *person/time*



Contractors:

Course

1. Occupational safety education and training
2. On-site safety and health promotion and hazard notice before construction of contractors
3. Standard equipment safety training
4. Occupational safety and health and health management training

Participants

263 *person/time*



Hazard Identification and Prevention

To grasp the actual status of the operating environments of employees and evaluate the exposure status of employees, Taiyen implements operating environment monitoring every half-year according to the "Regulations for the Implementation of Laborer's Operating Environment Monitoring." The monitoring items include noise, concentration of CO₂, organic solvent MEK, and manganese fume testing to identify possible hazards and carry out management by level. We carry out improvements of operating environments based on the monitoring results to prevent any circumstances hazardous to life from happening to employees and workplaces.

For personnel engaging in the operation, provide personal protective equipment, plan for regular special health inspections, and carry out management by level based on the inspection results. Personnel with results of level 3 management or above shall further visit occupational medicine department clinics to carry out relevant operating improvement through the evaluations and recommendations of specialists so as to prevent and avoid relevant hazards.

Management by Level for High-risk Operating Personnel



Statistics of Occupational Disasters

In 2023, Taiyen Company had two occupational disaster events and two persons were injured, accounting for 0.4% of the total number of employees. To prevent the occurrence of occupational disasters, Taiyen announced general safety and health matters at workplaces, reminded all employees to be aware of workplace safety, and improved the education and training content and promotion of factories. Meanwhile, we informed employees that they shall deem personal safety as the priority at the time when occupational disasters occur and that no disposition will be made to employees who leave their posts due to the occurrence of severe hazards.

NO	Item	Unit	All employees		Contractors	
			Male	Female	Male	Female
1	Death due to official work	Number of cases	0	0	0	0
2		Percentage (%)	0	0	0	0
3	Severe occupational injuries	Number of cases	0	0	0	0
4		Percentage (%)	0	0	0	0
5	Recordable occupational injuries	Main category of injuries	-	Fall	-	-
6		Number of cases	0	2	0	0
7		Percentage (%)	0	0.4	0	0
8		Working hour lost	0	The number of days lost was a total of seven days	0	0
9	Total working hours passed	Working hour	The total working hours of the Company was 912,244		-	-

1. Work injuries refer to diseases, injuries, disabilities, or death caused by injuries incurred when executing work, occupational disasters due to work, and accidents when commuting.
2. Disabling injury frequency rate (FR): (number of person/time lost due to disabling injuries × 1,000,000) ÷ total working hours passed
3. Disabling injury severity rate: (total number of days lost due to injuries × 1,000,000) ÷ total working hours passed
4. Frequency-severity indicator (FSI) of the year: $\sqrt{(FR \times SR) \div 1000}$

Occupational Safety and Health Management System Verification

Apart from passing the double standards certifications of the domestic and foreign occupational safety and health management system of ISO45001:2018 and CNS 45001: 2018, Taiyen’s Tung-Hsiao Electrolysis Refined Salt Factory also obtained the healthy workplace/ health initiation label certification, realizing the safety and health management system. It became an enterprise with excellent occupational safety and health management within the food system.



Contractor Management

Taiyen deems contractors important work partners. To ensure the work safety of contractors in operating environments, the Company has established specifications related to contractors’ safety and health management by adopting national policies and regulatory specifications as the basic standards, including “Notice of Occupational Safety and Health Management Evaluation for Contractors” and “Guidelines for Safety and Health Management of Contracted Operations,” actively implementing the safety management system. Taiyen regularly performs safety-related education and training for contractors and convenes contractor safety and health management meetings to examine the construction safety specifications and personnel management measures, promote occupational safety-related regulations, and carry out contractor consultation work to reduce the possibility of hazards incurring to suppliers, contractors, and other stakeholders. In 2023, we performed 279 contractor consultations with 1,719 participants and performed 1,310 audits. No occupational safety injury of any contractor occurred in 2023.

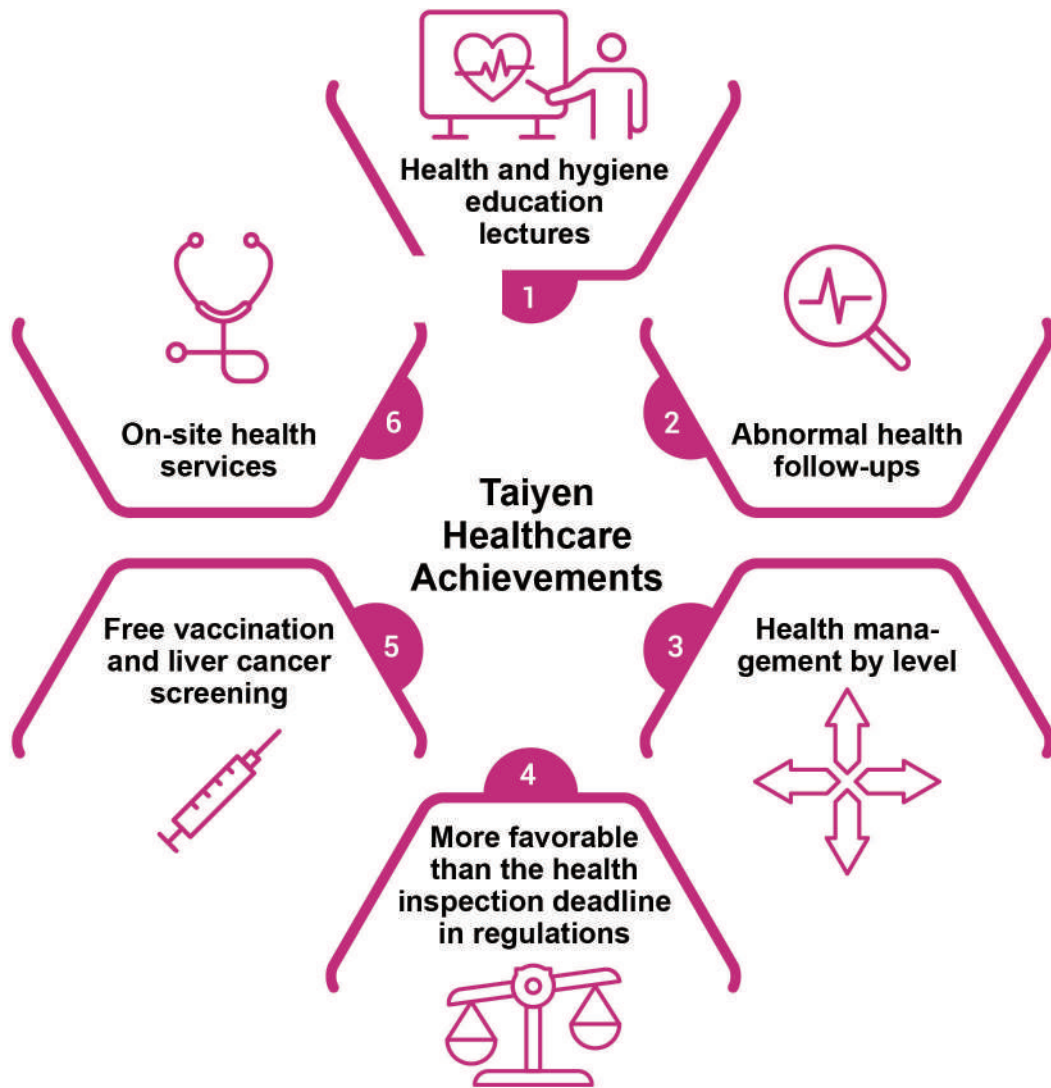
Year	2021	2022	2023
Number of times of consultation	223	280	279
Number of participants	1,073	1,249	1719
Number of times of audits	1,409	1,270	1310
Occupational disaster	0	0	0

Healthcare

Taiyen pays attention to the physical and mental health of employees. It has established the “Guidelines for Personnel Health Inspection” and has contracted medical personnel to perform labor health services based on the “Regulations Governing the Labor Health Protection” so as to improve workplace safety and health of employees. We carry out health instruction management by level for employees with anomalies in their health reports to allow employees to have comprehensive healthcare. We continue to organize health lectures, free flu vaccination, free liver cancer screening, and health inspections with public health centers to allow employees to further gain comprehensive health guarantees. In the future, we will adhere to the concept of all-round wellness to continue to care for employees and build a happy workplace with sustainable development.

Healthcare Achievements in 2023





■ Employees' health inspection



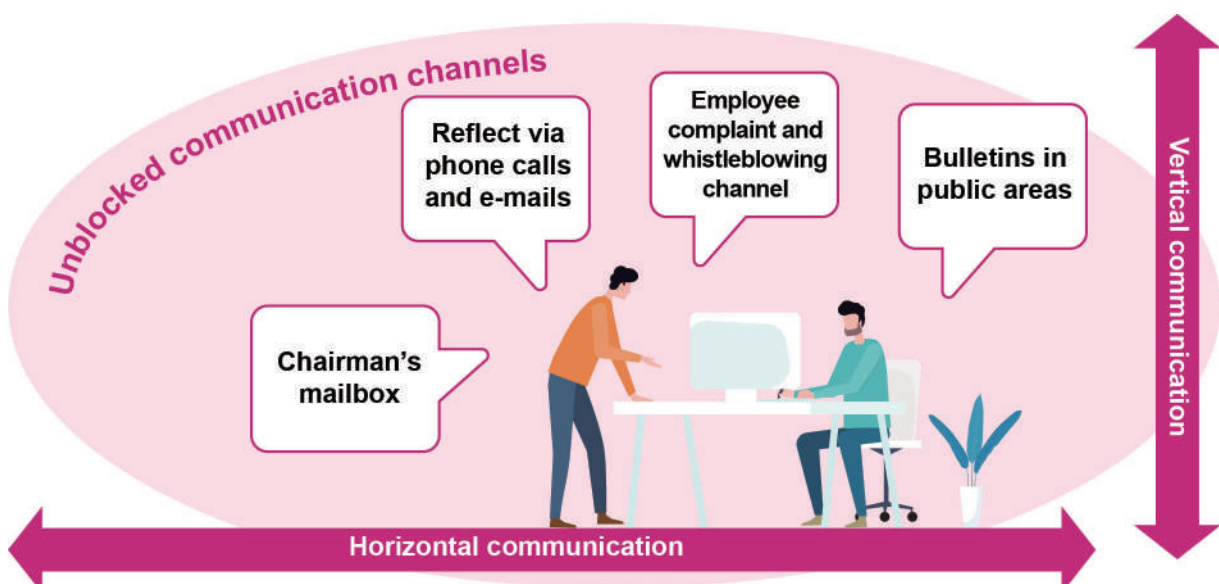
Free COVID-19 and flu vaccinations for employees

4.2.3 Employees' rights and interests and communication

Communication Channels and Systems

Taiyen values employees' opinions, protects employees' rights and interests, and creates a joyful working environment. To protect employees' rights and interests and improve labor-management relationships, employees can express their opinions through the compliant/whistleblowing hotline or file a complaint to the director of the General Affairs Department according to the "Guidelines for Complaint and Whistleblowing" established by Taiyen for relevant responsible departments to instantly convene meetings for discussion and examination.

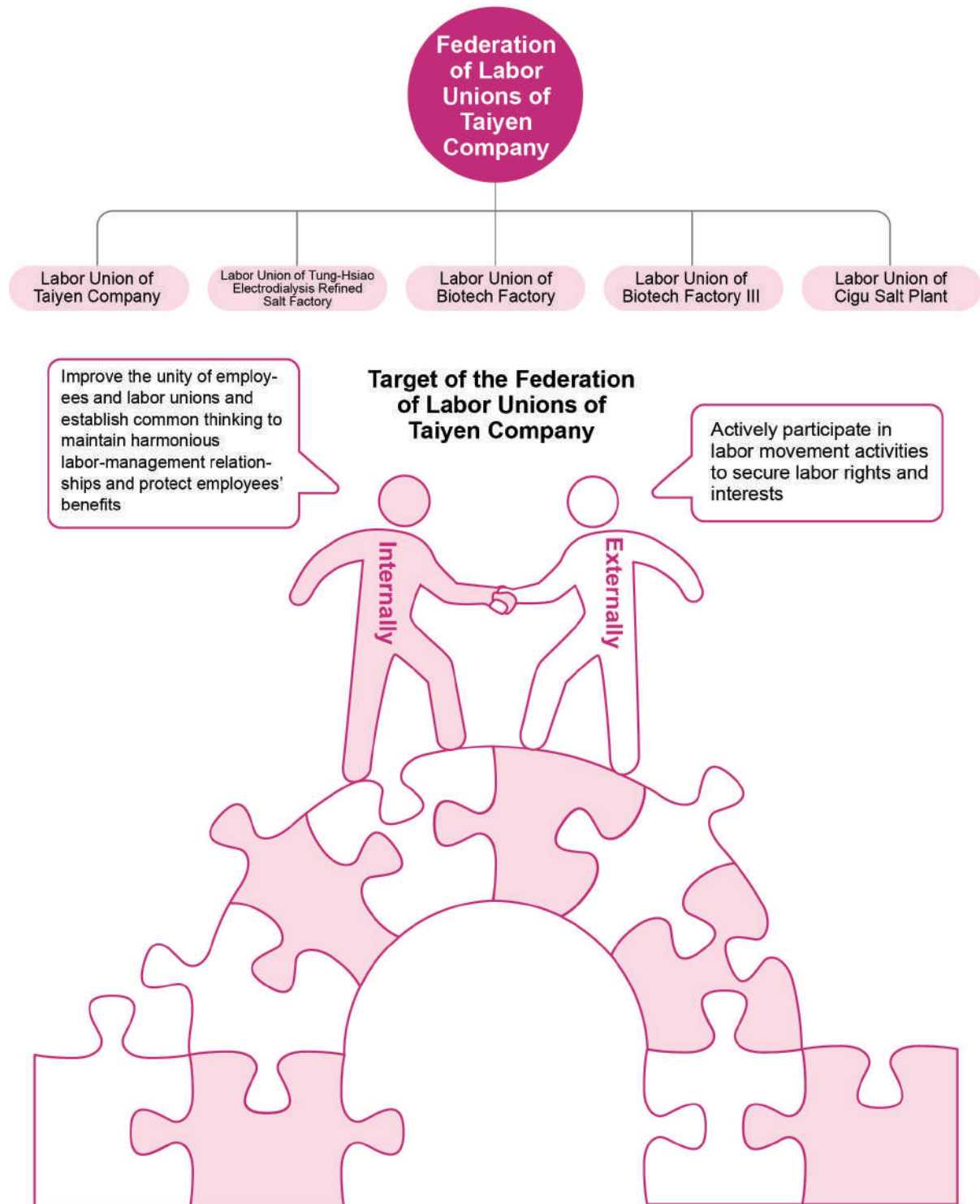
For sexual harassment prevention measures, Taiyen formulated and implemented the "Guidelines for Workplace Sexual Harassment Prevention" based on laws and regulations and set up the Sexual Harassment Handling Committee and sexual harassment complaint mailbox to provide working environments that are free of sexual harassment to employees and job applicants. We hope to facilitate the achievement of mutual labor-management communication through diverse communication channels. In 2023, Taiyen did not receive any sexual harassment complaint cases.



Labor Union

Taiyen established its labor union according to the law. At present, a total of five labor unions are established in different areas, and the abovementioned jointly formed the “Federation of Labor Unions of Taiyen Company.” Employee representative conferences are regularly convened each year to negotiate employees’ rights and interests with Directors and supervisors, and representatives of labor unions propose employees’ viewpoints and recommendations to meet the labor-management consensus and protect employees’ rights and interests.

In 2023, the communication matters at the employee representative conference of the Federation of Labor Unions of Taiyen Company are mainly securing employees’ rights, interests, and well-being. The improvement of employees’ remuneration and packages and other labor condition issues were proposed to the management. In 2023, there was no labor-management dispute. In the future, we will actively communicate with employees and commit to maintaining harmonious labor-management relationships.



CHAPTER



Co-prosperity with Society

- 5.1 Public health education to protect health
- 5.2 Regional revitalization and culture inheritance
- 5.3 Extend happiness through local care

Taiyen integrates various internal and external resources, actively participates in public welfare activities, and is committed to realizing the sustainable prospect of “the global-friendly new ecological value of people first, co-existence with the environment, and co-prosperity with society.” Through environmental protection, public welfare activities, and other diverse cooperative and promotional methods, Taiyen actively invests in social participation to promote the common wellness of society and utilizes its brand influence to continue to create positive benefits of truth, goodness, and beauty.

Priority readers

- ☒ Employees
- ☐ Customers
- ☐ Suppliers/contractors/subcontractors
- ☒ Shareholders/investors
- ☐ Government agencies
- ☐ Media
- ☒ Society/communities

Corresponding SDGs



Summary of chapter highlights



Sponsored expenses for public health education exceeded NT\$110,000

Taiyen sponsored “iodized salt with fluorine” with NT\$113,400 to support students’ oral healthcare program and jointly promote teeth protection and decay prevention with local governments.



Carried out greening and planted over 1,000 plants

Cigu Salt Plant actively cultivated the greening operations of different areas in the plant and planted 1,023 plants.



Sponsored NT\$0.3 million as social care expenses

Taiyen has long been cooperating with local governments, public welfare groups, and social welfare institutions. It led employees of Taiyen to visit Eden Social Welfare Foundation to be one-day volunteers and participate in blood donation activities, showing that Taiyen actively invests in local care and support.



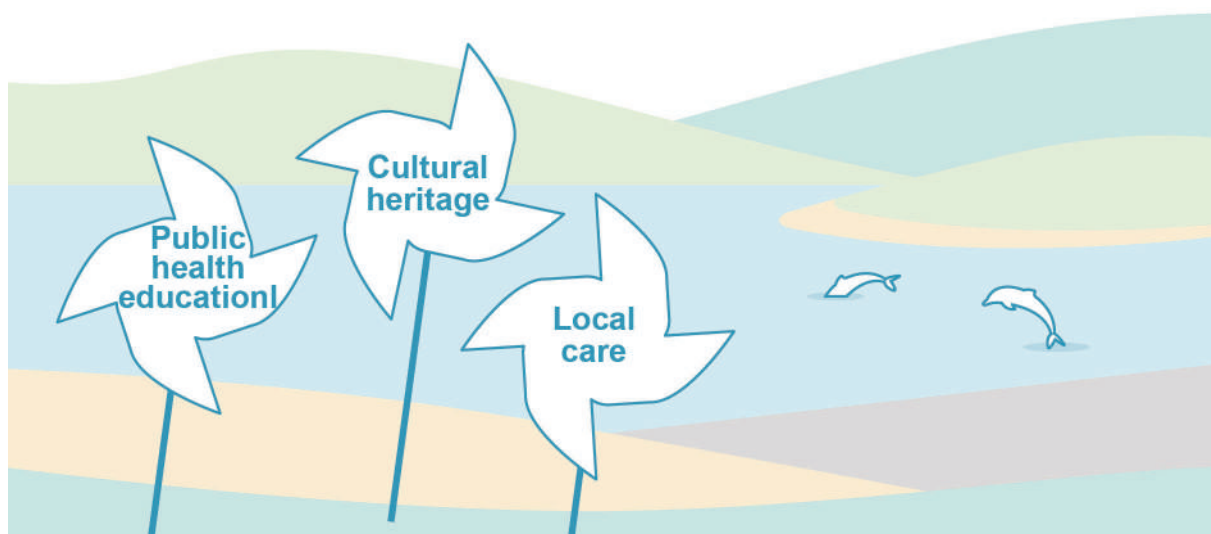
Sponsored over NT\$3 million for cultural and art activities

Taiyen invested NT\$3,036,480 in supporting cultural and art activities, including the Salt Sculpture Art Festival, Dajia Mazu Pilgrimage, and Baishatun Mazu Pilgrimage.

5.1 Public health education to protect health

From Salt Products to Happiness

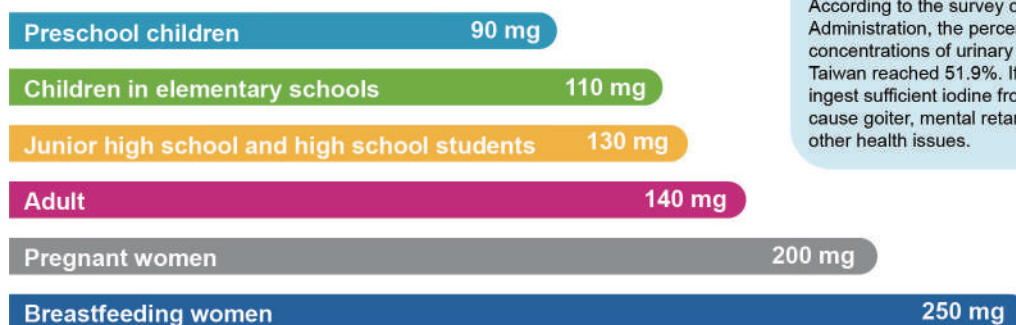
The core elements “salt” and “water” of Taiyen’s products are taken from the land; therefore, caring for the land and bringing beauty and health to different groups are its purposes in giving back to society. Taiyen is committed to utilizing its core resources to fulfill its corporate social responsibility, and it contributes to three major aspects: “public health education,” “cultural heritage,” and “local care” to create its corporate brand and social value while contributing to the well-being of society. It allows consumers to eat healthy and be pretty through its salt product profession and creates the “new all-round wellness principle.”



Healthy with Iodine and Healthier with Less Sodium

Iodine is a necessary nutrient for human bodies. Taiyen cooperated with the public health policy and developed iodized edible salt in the 1960s, significantly improving the circumstances of prevailing goiter diseases in the early phase and laying a foundation for edible salt in public health. However, the eating habits of nationals changed, and the frequency of using iodized salt at home decreased due to the increase in the population eating out. According to the survey of the Health Promotion Administration, the percentage of lower concentrations of urinary iodine in citizens in Taiwan reached 51.9%. If people are unable to ingest sufficient iodine from a natural diet, it will cause goiter, mental retardation of babies, and other health issues. Starting on July 1, 2017, Taiyen cooperated with the Ministry of Health and Welfare to increase the amount of iodine added and to use the iodized salt product label. The full series of packaged edible salt products are renamed with “iodine is necessary nutrient” additionally labeled, allowing citizens to rapidly identify whether the salt products they choose have iodine and assist citizens in making good health choices.

“Dietary Reference Intakes (DRIs)” of the Ministry of Health and Welfare



Effects of lacking iodine on health:

According to the survey of the Health Promotion Administration, the percentage of lower concentrations of urinary iodine in citizens in Taiwan reached 51.9%. If people are unable to ingest sufficient iodine from a natural diet, it will cause goiter, mental retardation of babies, and other health issues.

In addition, Taiyen developed low-sodium salt products in response to the government's requirements to respond to the modern rushed mode of living and inappropriate diet as ingesting excessive sodium may increase the risk of high blood pressure and other diseases. With the precondition of not affecting the level of saltiness and flavor of salt products, reduce the daily sodium intake of consumers while supplementing potassium intakes. To continue to care for the health of nationals, Taiyen deems public health as its corporate responsibility, and it has long been developing functional salt products to improve the health balance of human bodies, complying with the requirements and selections of different types of citizens.

Protect Nationals' Health through R&D

Official document for adding iodine in edible salt



“Iodized salt” and “iodized salt with fluoride”

R&D background

The Ministry of Health and Welfare promoted the public health policy as nationals lack iodine and have fluorine (reduce the medical expenses for tooth decay) ingestion problems. To achieve the purpose of nutrient ingestion popularization, the commonly used carriers internationally are drinking water and edible salt.

External cooperation

Edible salt plus iodine

Taiyen commissioned Professor Xiao, Ning-Xin from the Department of Biochemical Sciences & Technologies of National Taiwan University to implement the “iodine nutrient improvement and monitoring project for group with risk of lacking iodine among nationals,” and the results showed that nationals still lack iodine nutrients.



Iodine is a necessary mineral nutrient for human bodies; however, human bodies cannot produce it; therefore, people are required to ingest sufficient iodine on a daily basis to maintain normal physical functions (i.e., the development, growth, and maturity of the neural system of babies' brains and energy metabolism).

Edible salt plus fluorine

We commissioned Professor Li, Chun-Chang from the Department of Environmental and Occupational Health of National Cheng Kung University to implement a “risk assessment of adding fluorine to edible salt” to assess the safety and hazard of adding fluorine to edible salt. The fluoride ion safety adding concentration was recommended.



It is better to use it at low concentration and high frequency, and the method of using is the same as general edible salt. Adding it to food when cooking can effectively reduce 50% of tooth decay.

Highlight Column | Start from the Health of Tooth to Protect Tooth of All Citizens with “Fluorine”

Adding minor fluoride into edible salt can prevent tooth decay among children

According to the survey of the Health Promotion Administration, Ministry of Health and Welfare, the tooth decay rate of children who are six years old reached 79%, which is way higher than the target of having children's tooth decay rate below 10% of the WHO in 2010. The Ministry of Health and Welfare referred to the recommendations of WHO to add minor fluoride (200 to 250 mg/kg) into edible salt to effectively reduce 50% to 70% of the tooth decay rate and invited the most professional Taiyen Company in Taiwan to respond to its public health policy of adding fluoride to edible salt.

Taiyen cooperated with the children's oral healthcare program of the K-12 Education Administration. For the past seven years, it has sponsored "iodized salt with fluoride" for 20 sessions to root in the concept of tooth healthcare and improve the protection of children's teeth. In 2023, the K-12 Education Administration cooperated with Kaohsiung Medical University to organize six sessions of oral healthcare seminars for teachers, and Taiyen sponsored "iodized salt with fluoride" to support the children's healthcare program and jointly promote tooth protection and tooth decay prevention with local governments.



Funding

NT\$ **113,400**

Number of participants

1,300 persons

5.2 Regional revitalization and culture inheritance

Taiyen duly fulfilled its corporate social responsibility to support the Taiwanese culture to take root in Taiwan and extend to the international society. Taiyen actively participated in local temples' activities. In 2023, it cooperated with Dajia Jenn Lann Temple to organize the blessing rituals with water. Taiyen sponsors 30,000 bottles of "Taiyen Ocean Alkaline Ion Water" with the Dajia Matsu collaboration packaging to use as water for the activity. It also sponsored 5,000 bottles of "Taiyen Small Particle Ocean Water" to Jenn Lann Children's Home for daily drinking. Taiyen provided healthy and premium water for believers and continued to take action to support and extend the Taiwanese religious culture while delivering safety and blessings, extending traditional characteristics and values.

For the "Dajia Matsu Culture Festival" in 2023, Taiyen specially launched the "Taiyen Ocean Alkaline Ion Water" (850ml) with the collaboration design of a cute version of Matsu with "safety and health, prosper in the year of rabbit" printed for the year of the rabbit in the hope of delivering good luck and blessings.



Taiyen donated ten thousand bottles of Taiyen Ocean Alkaline Ion Water to Dajia Jenn Lann Temple for ten consecutive years to support the Taiwanese religious culture.



Taiyen specially launched the "Taiyen Ocean Alkaline Ion Water" with the collaboration design of a cute version of Matsu to deliver good luck and blessings.



In addition, Taiyen has been supporting Baishatun Mazu Pilgrimage activities by Gong Tian Temple for eight consecutive years. In 2023, it sponsored 1,000 cartons of “Taiyen Ocean Generated Water” to use the purest ocean water to support the vitality and health of believers of Matsu nationwide. It has long been supporting the local culture to take root so as to spread the Taiwanese religious culture and the benefits of kindness and positivity.

Taiyen Company donated "Taiyen Ocean Generated Water" as the water for Baishatun Mazu Pilgrimage activities by Gong Tian Temple

Taiyen Company specially donated 1,000 cartons of safe and secure water that was 100% made in Taiwan to fully support the pilgrimage activities and protect the health of workers and participating citizens and wish the activity “smooth sailing!”.



Taiyen Company donated Taiyen Ocean Generated Water as the water for Baishatun Mazu Pilgrimage activities by Gong Tian Temple.



Dajia Matsu Pilgrimage

Sponsorship **35,000** bottles
of Taiyen Ocean Alkaline Ion Water
and Small Particle Ocean Water
Funding Approximately
NT\$ **120** million
Number of participants
Approximately **3** million people

Baishatun Matsu Pilgrimage

Sponsorship **1,000** cartons of
Taiyen Ocean Generated Water
Funding NT\$ **432,000**
Number of participants Approximately
114,000 people

Salt Sculpture Art Festival

The “Salt Sculpture Art Festival” organized by the Southwest Coast National Scenic Area Administration Office under the Tourism Administration, MOTC, in 2023 coincided with the 400th anniversary of the establishment of Tainan City. The office expanded its cooperation with Sanrio to create salt sculptures with Sanrio stars. To support the local tourism of Cigu, Taiyen Company sponsored 280 tons of natural salt for artists to make large salt sculptures and arrange the exhibition. 194,318 people went to see the sculptures during the exhibition period.



Sponsorship of natural salt

280 tons

Funding

Approximately
NT\$ **1,404,480**

Number of participants

Approximately
194,318 people

Cigu Salt Mountain Park

Taiyen drew on the ecology of the salt industry to exhibit the unique salt industry development history in Taiwan, starting from primitive salt drying, salt farm life, and the development of nationals' health and salt made with science and technology. It carefully designed the environmental education course and integrated the ecological change and the inheritance of the culture of the salt industry, which was certified as one out of the only two domestic salt industry environmental education-certified venues. Cigu Salt Mountain Park actively develops salt product tourism practices. Providing detailed salt drying explanations and actual experiences, it allowed tourists to experience the traditional cultural procedures of salt drying and understand the public health education salt product knowledge of iodized salt and iodized salt with fluorine, which not only passed down traditional culture and improved local tourism but also fulfilled the sustainability responsibility of realizing education with entertainment.



■ Salt worker-themed exhibition to experience the culture of the salt industry

Key results in 2023



In 2023, Cigu Salt Plant carried out a customer satisfaction questionnaire survey. The satisfaction of customers of the biotech outlet reached 88.46, and the satisfaction of customers of the coffee department reached 91.

Salt Worker-themed Exhibition – Days Dealing with Salt

Cigu Salt Plant used to be the largest salt drying plant. During the peak period, the most touching characters are salt workers who are stepping on the numerous crossroads of the salt field. The plant planned to adopt “salt workers” as the theme to prepare a themed exhibition. The focus will be on the work and life extensions of salt workers. The design of the exhibition venue possessed both education and interaction to realize education with entertainment and allow tourists to learn more about salt drying and the culture of a salt village by visiting the themed exhibition.

Salt worker-themed exhibition

The exhibition adopted “salt workers” as the theme for extension and designed exhibition areas of “Home. Walk and Read the Village of Salt,” “Work. Salt Workers 1/365,” “Representation. Skills of Salt Workers” for tourists to understand the daily life and work of salt workers through the featured exhibition areas.



“Home. Walk and Read the Village of Salt”

The area exhibited life in a salt village in the past by walking into a wooden house and conveying the living memories of salt workers through old photos of the salt village.

“Work. Salt Workers 1/365”

The “game of turning brine into salt, salt worker labor pinball machines, and the experience of packing salt for weighing” were specially designed, and the interesting games allowed people to feel the toil of salt workers at work and have educational meaning.

“Representation. Skills of Salt Workers”

Tourists experienced the professional skills of carrying salt and moving salt with carts on the site to experience the capabilities of salt workers’ skills in person.



visitors in 2023

216,252 people

Crystal Memories of Salt – Salt Industry Exhibition by the National Archives Administration

The salt drying history of 338 years in Taiwan represents Taiwanese history. Therefore, the plant specifically selected “salt,” which is closely related to life, as the exhibition theme. Selected representative national archives from 1939 to 2010 were adopted to exhibit the course of prosperity, decline, drying suspension, and transformation for the reuse of the salt industry in Taiwan. We promoted regional revitalization and local features to achieve the purpose of sustainability. We hope to make nationals step into the time tunnel through such archives to pass down the value of salt culture to the next generation and hope to improve local development and local recognition through the exhibition.

The exhibition created scenarios that make people feel like they are visiting the exhibition in the sea field. With the simulated salt field and the “salt worker’s home” building, there are colors of blue sky, white clouds, seawater, and salt in the surrounding areas, and the archives, photos, videos, artifacts, and diverse and abundant exhibits cleverly blended in. In addition, we combined App, WebAR, other technological interactions, and hand gears to allow visitors to enjoy the fun of a rich experience.



visitors in 2023

92,022 people

Highlight Column | Realize Education with Entertainment to Convey the Cultural Value of the Salt Industry

By adopting three active and interesting methods, including a tabletop game, outdoor tour guide, and little salt worker, Cigu Salt Plant allowed students to experience the three major themes of “Cigu’s Crystal Memories,” “Cigu Salt Plant Memories,” and “Salt Field? Burning Field? Flooded Field?” The tabletop game adopts the situational simulation of the reclamation and management of a salt field for visitors to experience and understand the effects of the salt industry on local life; the interactive game during the tour guide conveys that the color of a salt mountain may change due to the effects of air pollution. The little salt worker experiences salt harrowing and salt piling to learn the toil of salt workers when drying salt and collecting salt. The course allowed students to understand how Cigu Salt Mountain, which used to be the largest salt drying plant in Taiwanese history, became one of the symbols of Cigu’s culture through realizing education with entertainment and conveying the meaning and value of culture preservation.



The designed environmental education course “Cigu’s Crystal Memories” adopted a tabletop game to simulate the reclamation of a salt field, allowing students to experience the ecology of the salt industry.



sessions organized **9** times

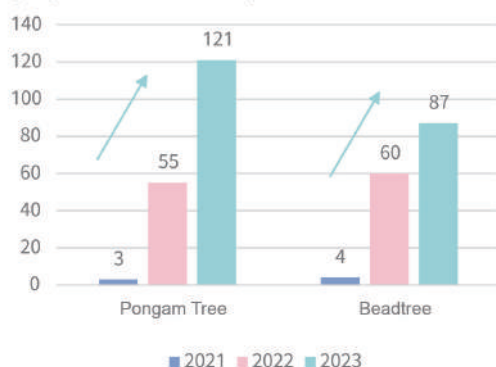


participants **264** people

Salt Field Greening, Soil and Water Conservation, and Planting Plants

Natural scenery is a precious asset of the tourism industry. Cigu Salt Plant often faces typhoons, salt injuries, and other climate issues, resulting in ponding, salt mountain dissolution, and other losses. Therefore, it actively engaged in planting plants that fight against salt injuries and strong wind and achieve soil and water conservation to reduce the effects brought by climate change. Therefore, we paid special attention to environmental conservation. In 2023, we actively cultivated the greening work in different areas of the park and planted 1,023 plants.

Highlight Growth in Quantity of Plants from 2021 to 2023



Actively cultivated the greening work in different areas of the park and planted **1,023** plants.



Planting item	
Type	Quantity (plant)
Cassia Bakeriana	11
Jambolan	3
Lumnitzera	180
Pongam Tree	121
Beadtree	87
Madagascar Almond	1
Silvery Messerschmidia	52
Chinese Pistache	25
Linden Hibiscus	79
Formosan Nato Tree	408
Agave	17
Garlic Vine	39



Figure. Planting and transplanting of Cassia Bakeriana

We also made use of the wisdom of our ancestors to start recycling oyster shells for reuse. They are used in improving the pH value of soil. We made efforts to improve the restoration of wetlands and utilized the greening advantages of the salt field to balance the intertidal ecology. We are committed to protecting the wetland's environmental ecology, providing favorable wetland environments for fiddlers, and actively restoring Kandelia in the mangrove in the park. In the future, we plan to match environmental ecology tour guides for education with the mangrove that is successfully restored.



Taiyen Tung-Hsiao Tourism Park

In December 2011, Tung-Hsiao Electrodialysis Refined Salt Factory transformed into a tourism factory. Combining hi-tech refined salt production and salt industry education, it obtained the certification of Industry Story Hall of Miaoli County. It is the only unique tourism spot that integrates roads, railways, sea scenery, and salted water procedures. The factory is committed to spreading the culture of the salt industry, tour guides, and designed salt knowledge teaching to allow nationals to learn the importance of salt products with iodine. It also provided venue rental for the DIY experience activities of neighboring elementary schools in combination with two major areas of “indoor tour guides in Taiyen Museum” and “production line tour guides.”



5.3 Extend happiness through local care

Taiyen has long been actively participating in environmental conservation and local public welfare activities, and it adopts the concept of “good neighborliness” and deems the happiness of stakeholders as its responsibility. We joined hands with Taiyen Green Energy Co., Ltd. to clean beaches together so as to protect the marine environment. In addition, Taiyen had long-term cooperation with Eden Social Welfare Foundation and supported sports for people with physical disabilities in the hope of bringing a positive return to society through its actions. It also continues to focus on the requirements of different stakeholders to provide diverse services and improve its brand value. In the future, Taiyen plans to promote the volunteer service system and volunteer service platform to carry out social care activities and the promotion of popular science knowledge in combination with social welfare groups and Taiyen's community care stations and visit remote townships to promote salt products so as to create self-working value.

Care for Earth through Sustainability and Contribute to the Marine Environment

Taiyen and Taiyen Green Energy jointly cleaned the beach in Tainan



Taiyen Company joined hands with Taiyen Green Energy Co., Ltd., local enterprises, and environmental protection groups to jointly respond to the spring beach cleaning activity of “Beach Cleaning with No Border, Love Tainan Together” that called upon a thousand people initiated by Tainan City Mayor Huang, Wei-Cher.

Beach cleaning by the volunteer team of Tung-Hsiao Electrodeialysis Refined Salt Factory



Adhering to the concept of implementing corporate social responsibility and the common wellness with communities, Taiyeh's Tung-Hsiao Electrodeialysis Refined Salt Factory jointly organized the "Tung-Hsiao Electrodeialysis Refined Salt Factory Health Improvement, Labor Education and Training, and Beach Cleaning Activity" with the Second River Management Branch under Water Resources Agency of MOEA, Central Branch, CGA, OAC, and other departments. President Chen, Shi-Hui, Vice President Li, Jie-Han, and Factory Manager Liu, Hong-Quan led the Taiyeh's volunteer team to jointly clean the beach to take action to protect the marine environment. During the activity, nearly 200 volunteers joined in beach cleaning together, creating a festive atmosphere for the peaceful seashore in Tung Hsiao. The activity returned the beautiful coastal line to the ocean before winter.



Human resources
invested

40 people



Funding

Approximately NT\$ **5,500**



participants

Approximately

1,071 people

One Day Corporate Volunteer with Eden Social Welfare Foundation

Taiyen and Eden Social Welfare Foundation cooperated for the fundraising and sponsorship project for the 11th time in 2023. President Chen, Shi-Hui led employees of Taiyen to visit Eden Social Welfare Foundation to be one-day volunteers to accompany students with physical disabilities to jointly paint cakes for Mother's Day before Mother's Day to wish all mothers happy Mother's Day. In addition, Taiyen sponsored the "Freshness First – Premium Black Bean Shio Koji Thick Soy Sauce" to serve as gifts for donation under Eden Social Welfare Foundation's project to extend appreciation to Eden Social Welfare Foundation for their contributions to persons with physical disabilities over the years and adopt self-action to invite peers and different sector of the society to join hands with Eden to protect the employment of persons with physical disabilities.



Funding NT\$

70,000



participants Approximately

25 people



Taiyen's "Top Mark Water" Supported Students in Having Good Performance at the Exam

In response to the exam season, Taiyen launched a limited "Top Mark" version of Taiyen Ocean Alkaline Ion Water. In 2023, it particularly cooperated with the Founding Yu-Huang Temple, which has a long history in Tainan City. Students can get the "Top Mark" version of Taiyen Ocean Alkaline Ion Water sponsored by Taiyen with the temple by presenting the admission ticket, wishing they would pass the exam easily and record favorable performances.

Funding Approximately



NT\$

60,000



participants Approximately

2,000 people



“Extend Your Love with Salt” Blood Donation Public Welfare Activity

In 2023, Taiyen organized the “Extend Your Love with Salt” blood donation public welfare activity by using the Zhongshan Blood Donation Car of Taiyen at Tainan Park. President Chen, Shi-Hui led the “Taiyen volunteer team” to respond actively and called upon employees, surrounding residents, and agencies to participate jointly.

Taiyen provided Up Energy Jelly, Siyikang Plant Extract Shampoo (500ml), Freshness First – Premium Black Bean Shio Koji Thick Soy Sauce (450ml), safety birthday noodles of Founding Yu-Huang Temple, discount vouchers for physical stores and From Sea to Wellness, and other souvenirs to give back to blood donors. Favorable performance of gaining a total of 220 bags (250c.c.) of blood donated was recorded. Through the activity, Taiyen encouraged employees to participate in public welfare activities to respond to the circulation of kindness. It will continue to utilize the influence of its brand to realize sustainability.



Support the Development of Sports for Persons with Disabilities in Taiwan

Taiyen has long been supporting national sports games. It supported Zheng, Yi-Jing, the national champion for table tennis, and continued to support Cheng, Ming-Zhi, the national champion for table tennis with physical disabilities, to break through the physical limitations and shine bright in the sports section. Cheng, Ming-Zhi, the national champion for table tennis with physical disabilities, constantly gained favorable performances in international games. According to the data on world ranking announced by the International Table Tennis Federation in 2023, national champion Cheng, Ming-Zhi ranked 3rd in the TT5 level of para table tennis worldwide, becoming the benchmark for athletes with physical disabilities.

Taiyen hopes to duly fulfill its corporate social responsibility, bring positive effects on society, and attract different industries of society to jointly support the field of sports for persons with disabilities through supporting sports for persons with disabilities.





Focus on Giving Back and Community Regeneration

Taiyen actively invested in giving back to society and had long-term cooperation with local governments, public welfare groups, and social welfare institutions to carry out local care activities; relevant practices are as follows:

- ✓ Assisted in the organization of the “2023 Blind Massage Promotion and Music Activity for Persons with Visual Disabilities.”
- ✓ Assisted in the organization of the “Visiting Activity for the 11th Grade Teachers and Students from National Miaoli Special School.”
- ✓ Assisted in the organization of the “Public Welfare Dream Cycling Activity by Bike Angel in Taiwan.”
- ✓ Employed “Summer Part-time Workers under the 2023 Economic Independence Parti-time Job Program by the Youth Development Administration, MOE.”
- ✓ Assisted in the organization of the “Visiting Activity for the 11th Grade Teachers and Students from National Miaoli Agricultural and Industrial Vocational School (students with special education needs).”
- ✓ Sponsored the “Environmental Education Activity of Sinpu Elementary School in Miaoli County.”
- ✓ Organized street artist performance activities for disadvantaged groups (five times with Miaoli County Association for Visually Impaired Persons).



Blind Massage Promotion and Music Activity for Persons with Visual Disabilities



Visiting Activity for the 11th Grade Teachers and Students from National Miaoli Special School



The expenses for cooperating with the Summer Part-time Workers under the Economic Independence Parti-time Job Program by the Youth Development Administration

NT\$ **52,800**

External Associations that Taiyen Participates in

Externally, Taiyen participates in the Taiwan Biotechnology Industry Alliance, Taiwan Cosmetics Industry Association, Health Food Society of Taiwan, Institute for Biotechnology and Medicine Industry, Taiwan Cosmetics GMP Industry Development Association, Total Quality Food Association, Taiwan Chain Stores and Franchise Association, Taiwan Functional Food Industry Association, and other associations.

Appendix

Appendix 1: GRI Standard Index

Use statement	Taiyen has complied with GRI Standards to report the content for the period from January 1, 2023 to December 31, 2023.
GRI1 used	GRI 1: Foundation 2021
GRI industrial standards applicable	N/A

General disclosures

GRI Standards	Disclosure item	Corresponding chapter	Page	Remarks
GRI 2: General Disclosures 2021	The organization and its reporting practices			
	2-1 Organizational details	1.1 Corporate governance	21	
	2-2 Entities included in the organization's sustainability reporting	About the Report	2	
	2-3 Reporting period, frequency and contact point	About the Report	3	
	2-4 Restatements of information	About the Report	3	
	2-5 External assurance	About the Report	3	
	Activities and workers			
	2-6 Activities, value chain and other business relationships	Material issues and stakeholder engagement	16	
	2-7 Employees	4.1 Employee retention and cultivation	91	
	2-8 Workers who are not employees	4.1 Employee retention and cultivation	91	
	Governance			
	2-9 Governance structure and composition	1.1 Corporate governance	21	
	2-10 Nomination and selection of the highest governance body	1.1 Corporate governance	22	
	2-11 Chair of the highest governance body	1.1 Corporate governance	21	
	2-12 Role of the highest governance body in overseeing the management of impacts	1.1 Corporate governance	21	
	2-13 Delegation of responsibility for managing impacts	1.1 Corporate governance	21	
	2-14 Role of the highest governance body in sustainability reporting	1.1 Corporate governance	23	
	2-15 Conflicts of interest	1.1 Corporate governance	23	
	2-16 Communication of critical concerns	Material issues and stakeholder engagement	14	
	2-17 Collective knowledge of the highest governance body	1.1 Corporate governance	22	
	2-18 Evaluation of the performance of the highest governance body	1.1 Corporate governance	22	

GRI Standards	Disclosure item	Corresponding chapter	Page	Remarks
GRI 2: General Disclosures 2021	2-19	Remuneration policies	1.1 Corporate governance	22
	2-20	Process to determine remuneration	1.1 Corporate governance	25
	2-21	Annual total compensation ratio	1.1 Corporate governance	22
	Strategy, policies and practices			
	2-22	Statement on sustainable development strategy	1.3 Strategic development planning	35
	2-23	Policy commitments	Material issues and stakeholder engagement	17
	2-24	Embedding policy commitments	Material issues and stakeholder engagement	17
	2-25	Processes to remediate negative impacts	Material issues and stakeholder engagement	14
	2-26	Mechanisms for seeking advice and raising concerns	Material issues and stakeholder engagement	15
	2-27	Compliance with laws and regulations	1.4 Risk management	40
	2-28	Membership associations	1.3 Strategic development planning	38
	Stakeholder engagement			
	2-29	Approach to stakeholder engagement	Material issues and stakeholder engagement	14
	2-30	Collective bargaining agreements	1.3 Strategic development planning	38

Material topic disclosure

GRI Standards	Disclosure item	Corresponding chapter	Page	Remarks
Material topics				
1. Consumer/customer health and safety				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Material issues and stakeholder engagement	13
	3-2	List of material topics		
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	3.2 Customer service and value chain conveyance	83
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.2 Customer service and value chain conveyance	83
2. Quality management				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Material issues and stakeholder engagement	13
	3-2	List of material topics		

GRI Standards	Disclosure item		Corresponding chapter	Page	Remarks
3. Corporate governance and ethics					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Material issues and stakeholder engagement	13	
	3-2	List of material topics			
4. Corporate brand image					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Material issues and stakeholder engagement	13	
	3-2	List of material topics			
GRI 417 : Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	3.2 Customer service and value chain conveyance	81	
	417-2	Incidents of non-compliance concerning product and service information and labeling	3.2 Customer service and value chain conveyance	80	
5. Employee package and welfare					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Material issues and stakeholder engagement	13	
	3-2	List of material topics			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	4.1 Employee retention and cultivation	92	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1 Employee retention and cultivation	95	
	401-3	Parental leave	4.1 Employee retention and cultivation	96	
6. Operating performance					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Material issues and stakeholder engagement	13	
	3-2	List of material topics			
GRI 201 : Economic Performance 2016	201-1	Direct economic value generated and distributed	1.1 Corporate governance	28	
	201-3	Defined benefit plan obligations and other retirement plans	4.1 Employee retention and cultivation	95	
7. Anti-corruption					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Material issues and stakeholder engagement	13	
	3-2	List of material topics			
GRI 205 : Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	1.4 Risk management	40	There was no corruption in 2023

GRI Standards	Disclosure item	Corresponding chapter	Page	Remarks
8. Occupational health and safety				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Material issues and stakeholder engagement	13
	3-2	List of material topics		
GRI 403 : Occupational Health and Safety 2018	403-1	Occupational health and safety management system	4.2 Comprehensive employee care	104
	403-2	Hazard identification, risk assessment, and incident investigation	4.2 Comprehensive employee care	101
	403-3	Occupational health services	4.2 Comprehensive employee care	105
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.2 Comprehensive employee care	104
	403-5	Worker training on occupational health and safety	4.2 Comprehensive employee care	100
	403-6	Promotion of worker health	4.2 Comprehensive employee care	105
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.2 Comprehensive employee care	105
	403-9	Work-related injuries	4.2 Comprehensive employee care	103
9. Policy and legal compliance				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Material issues and stakeholder engagement	13
	3-2	List of material topics		
GRI 419 : Socioeconomic compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	1.4 Risk management	40
10.Labor-management communication				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Material issues and stakeholder engagement	13
	3-2	List of material topics		
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	4.2 Comprehensive employee care	106

Appendix 2 Sustainability Accounting Standards Board (SASB) Indicator Comparison Table

Taiyen selected two applicable indicators from 11 sectors and 77 industries in the SASB Materiality Map of SASB Standards based on the sector inquiry results on the SASB website for disclosures:

Sector:

Food & Beverage

Industry:

Processed Foods

Disclosure topic	Code	Disclosure indicator	Nature	Description
Energy management	FB-PF-130a.1	(1) Total energy consumed; (2) Ratio of power consumption from the power grid; (3) Ratio of renewable energy	Quantitative	The total energy consumption of Taiyen in 2023 was 462,371.88GJ The power consumption of Taiyen from the power grid was 31.93% Taiyen did not use renewable energy
Water resource management	FB-PF-140a.1	(1) Total water withdrawn (2) Total water consumed; the ratio of each kind of water in areas with high water resource pressure	Quantitative	There was no water resource from areas with high water resource pressure
	FB-PF-140a.2	Quantity of relevant violations	Quantitative	There was no violation in 2023
	FB-PF-140a.3	Describe water resource management risks and discuss the strategies and practices to mitigate such risks	Qualitative	Please see 2.4 Water resource management for details
Food safety	FB-PF-250a.1	The Global Food Safety Initiative (GFSI) Material food safety risk violation rate (1) Non-conformed rate (2) Corrective measure rate related to the (a) primary and (b) secondary non-conformed matters	Quantitative	Taiyen Company complies with the Act Governing Food Safety and Sanitation in Taiwan and encourages the supply chain to obtain and maintain the ISO9001 and ISO22000 certifications. To respond to the trend of international food safety initiatives, it will move toward the recognition of GFSI certification in the future.
	FB-PF-250a.2	Ratio of raw materials from facilities of tier 1 food suppliers passing the recognition of GFSI	Quantitative	Please refer to the preceding paragraph for the description
	FB-PF-250a.3	(1) Total number of food safety violations (2) Ratio of corrections	Quantitative	There was no violation related to food safety in 2023
	FB-PF-250a.4	(1) Number of recalls issued and (2) Total quantity of food recalled	Quantitative	There was no product recall in 2023

Disclosure topic	Code	Disclosure indicator	Nature	Description
Health & nutrition	FB-PF-260a.1	Product income labeling the improvement of health and nutrition	Quantitative	Please see 1.2.2 Operating performance and main products for details
	FB-PF-260a.2	Describe the process of consumers identifying and managing products and ingredients related to health and nutrition	Qualitative	Please see 3.2.1 Customer services and communication for details
Product labeling and marketing	FB-PF-270a.1	Ratio of the number of times that the advertisement is exhibited (1) To children (2) To children and promoting products that comply with dining standards	Quantitative	The data on the ratio of youth who are 12 years old or below is not disclosed. Taiyen's food products are suitable for all groups, and it does not broadcast content that harms children.
	FB-PF-270a.2	Product income (1) Income from products with genetic modification (2) Income from products with no genetic modification	Quantitative	Taiyen does not sell or produce products with genetic modification
	FB-PF-270a.3	Number of events not complying with the labeling in the industry or regulations and/or marketing regulations	Quantitative	There was no violation in 2023
	FB-PF-270a.4	Total monetary losses caused by litigations related to labeling and/or marketing	Quantitative	There was no violation/litigation in 2023
Product packaging lifecycle management	FB-PF-410a.1	(1) Total weight of packaging (2) Ratio of production by recycled and/or renewable materials (3) Describe the strategies	Quantitative	Please see 3.3.1 Business continuity for details Regulations in Taiwan state that renewable plastic materials and recycled plastic materials may not be used as the packaging materials of food.
	FB-PF-410a.2	Describe the strategy to reduce the environmental impacts of packaging throughout the entire lifecycle	Qualitative	Please see 2.1.2 Resource utilization and circulation
Effects of raw material supply chain on the environment and society	FB-PF-430a.1	Ratio of food ingredients that obtained the third-party environmental and/or social standard certifications and ratio based on the standards	Quantitative	Please see 3.3.1 Business continuity for details
	FB-PF-430a.2	Social and environmental responsibility of suppliers Audit (1) Non-conformed rate (2) Corrective measure rate related to the (a) primary and (b) secondary non-conformed matters	Quantitative	Please see 3.3.2 Supplier evaluation for details

Disclosure topic	Code	Disclosure indicator	Nature	Description												
Raw material procurement	FB-PF-440a.1	Ratio of food raw materials from areas with high water resource pressure	Quantitative	No food raw materials are from areas with high water resource pressure.												
				The raw materials for the main food production of Taiyen are from the ocean. It adopts graded management and control for food raw materials procured based on transaction amounts and items. In 2023, please refer to the following table for the main food raw materials and environmental and social risks identified for details:												
				<table><tr><th>Main food raw materials</th><th>Description of procurement risks related to the environment and society</th></tr><tr><td>Pink Himalayan salt</td><td>The supply of imported salt products may become unstable due to local rain season, climate changes, civil wars, large-scale pandemics, and other factors; at present, there are two suppliers or above for each item</td></tr><tr><td>Mediterranean Sea salt</td><td></td></tr><tr><td>Glucosamine</td><td>If a supplier is involved in any violative of terms related to the corporate social responsibility policy in the procurement contract of Taiyen, Taiyen may terminate or cancel the contract at any time</td></tr><tr><td>Bovine collagen</td><td></td></tr><tr><td>Chondroitin</td><td></td></tr></table>	Main food raw materials	Description of procurement risks related to the environment and society	Pink Himalayan salt	The supply of imported salt products may become unstable due to local rain season, climate changes, civil wars, large-scale pandemics, and other factors; at present, there are two suppliers or above for each item	Mediterranean Sea salt		Glucosamine	If a supplier is involved in any violative of terms related to the corporate social responsibility policy in the procurement contract of Taiyen, Taiyen may terminate or cancel the contract at any time	Bovine collagen		Chondroitin	
	Main food raw materials	Description of procurement risks related to the environment and society														
	Pink Himalayan salt	The supply of imported salt products may become unstable due to local rain season, climate changes, civil wars, large-scale pandemics, and other factors; at present, there are two suppliers or above for each item														
Mediterranean Sea salt																
Glucosamine	If a supplier is involved in any violative of terms related to the corporate social responsibility policy in the procurement contract of Taiyen, Taiyen may terminate or cancel the contract at any time															
Bovine collagen																
Chondroitin																
	FB-PF-440a.2	Set out the list of main food raw materials procured and describe the procurement risks triggered by environmental and social factors	Qualitative													
Activity indicator	FB-PF-000.A	Weight of products sold	Quantitative	The total weight sold in 2023 was 263,606 tons Note 1: The source is the 2023 annual report of Taiyen Note 2: Only the total weight of the domestic and foreign sales of salt products is calculated.												
		Quantity of production facilities	Quantitative	Taiyen has three major factories, including Tung-Hsiao Electrodialysis Refined Salt Factory (Tung-Hsiao Factory), Biotech Health Products Factory (Health Factory), and Biotech Cosmetics Factory (Cosmetics Factory).												

SASB Materiality Map: <https://materiality.sasb.org/>

For the SASB website, please refer to <https://www.sasb.org>

Appendix 3: TCFD Index Table

Aspect	Recommended disclosure item	Page
Governance	The supervision of climate-related risks and opportunities by the Board	65
	The management's role in assessing and managing climate-related risks and opportunities	67
Strategy	Short-, mid-, and long-term climate-related risks and opportunities identified	68
	Climate-related risks and opportunities that have impacts on the organization's business, strategic, and financial planning	68-69
	Resilience of the organization strategically, considering different climate-related scenarios	70
Risk management	Identification and assessment procedures of climate-related risks	67
	Management procedures for climate-related risks	67
	Identification, assessment, and management procedures of climate-related risks and the entire risk management system that is integrated with the organization	67
Indicators and targets	Indicators used by the organization when assessing climate-related risks and opportunities	71
	Scope 1, Scope 2, and Scope 3 (if applicable) GHG emissions and relevant risks	52
	Targets used by the organization in managing climate-related risks and opportunities and the performance to realize such targets	66

Appendix 4: Independent Auditor's Assurance Report



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Independent Auditor's Assurance Report

The Board of Directors and Shareholders of Taiyen Biotech Co., Ltd.

Scope of assurance

We are appointed by Taiyen Biotech Co., Ltd. (the "Taiyen Company") to perform the "limited assurance cas" as defined in the assurance standards issued by the Accounting Research and Development Foundation of the R.O.C. and issue a report based on the sustainability performance information (the "target information") selected in the 2023 ESG Report.

Target information and its applicable basis

The details of Taiyen Company's target information and its applicable basis are set out in Attachment 1.

Management's Responsibilities

The management of Taiyen is responsible for the preparation of the target information in accordance with "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Report by TWSE Listed Companies," with reference to appropriate basis, including GRI Standards issued by the Global Reporting Initiatives (GRI) in 2021 and disclosure standards issued by Sustainability Accounting Standards Board (SASB) for the food processing industry. The management of Taiyen Company shall select an applicable basis and be held responsible for the report whether that basis is applicable in all material aspects. Such responsibilities include establishing and maintaining internal control related to the preparation of target information, maintaining appropriate records, and making relevant estimations to ensure that the target information is free from material misstatement due to malpractices or errors.

Our responsibilities

We are responsible for making a conclusion based on the target information we obtained.

We planned and conducted our assurance work in accordance with the Statements of on Assurance Engagements Standards 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation of the Republic of China to discover whether any correction is required for the material aspects of the target information if the applicable basis was not used and issue the limited assurance report. We determine the nature, time, and scope of the assurance procedures based on our professional judgments, including the assessments of material misstatement risks due to malpractices or errors.

We believe that we have obtained sufficient and adequate evidence to serve as the basis for the conclusion of limited assurance.



Our independence and quality management

We and the organization that we belong to comply with requirements related to independence and other ethical specifications in the Norm of Professional Ethics for Certified Public Accountants of the Republic of China. The basic principles of the Norm are integrity, just, objectivity, professional capability, professional care, confidentiality, and professional practices.

We comply with the Standards on Quality Management 1 “Quality Management for Accounting Firms.” The Standards specify the design, implementation, and execution of the quality management system, including policies or procedures related to compliance with the Norm of Professional Ethics, professional standards, and applicable laws and regulations.

Description of the procedures implemented

The nature and time of the procedures implemented in a limited assurance case are different from those applicable to a reasonable assurance case, and the scope is far smaller; therefore, the level of assurance obtained in a limited assurance case is materially lower than those obtained in a reasonable assurance case. We designed the procedures to obtain limited assurance and make the conclusion thereof, and we do not provide all evidence necessary for reasonable assurance.

We have considered the effectiveness of the internal control of Taiyen Company when determining the nature and scope of the assurance procedures; however, the assurance case is not to express any opinion on the effectiveness of the internal control of Taiyen Company. The procedures we implemented do not include test control or the implementation and inspection of procedures related to the compilation or calculation of data in the IT system.

The limited assurance case includes making inquiries, primarily making inquiries with personnel who are responsible for preparing the target information and relevant information, and applying analysis and other appropriate procedures.

Procedures we implemented include:

- Have interviews with personnel of Taiyen Company to understand the overall circumstances of the business and performance of sustainable development of Taiyen Company and the ESG reporting procedures;
- Understand the expectations and requirements of major stakeholders and stakeholders of Taiyen, concrete communication channels between both parties and measures adopted by Taiyen Company to respond to such expectations and requirements through interviews and inspection of relevant documents;
- Have interviews with personnel associated with Taiyen Company to understand relevant procedures used in collecting, compiling, and reporting target information;
- Examine whether the calculation standards are accurately applied based on the methods summarized in the applicable basis;
- Carry out analytical procedures for selected sustainability performance information; collect and evaluate other supportive evidence and data and the statement of the management obtained; if necessary, carry out tests through sampling;
- Identify and test the assumptions that support the calculation;
- Adopt sampling to test relevant documents of the source information to examine its accuracy;
- Read the ESG Report of Taiyen Company to ensure that it is aligned with the overall performance circumstances of sustainable development that we obtained.

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Inherent restrictions

As non-financial information in the ESG Report is affected by measurement uncertainties, the selection of different measurement methods may result in material differences in performance measurement. The assurance work is performed by sampling, and any internal control has inherent restrictions; therefore, we may not be able to find all existing material misstatements, whether due to malpractices or errors.

Conclusion

Based on the evidence obtained after the procedures were implemented, we have not found circumstances that require material corrections of target information due to the failure in preparing based on the applicable basis.

Ernst & Young (Taiwan)

CPA: Roger Tseng /with seal/



August 22, 2024

Attachment 1:

No.	Page	Title	Target information	Applicable basis	Other descriptions
1	80	3.2 Customer service and value conveyance	In 2023, Taiyen Company received a total of 104 customer complaint cases, including a total of 99 customer complaints related to skincare products, cleaning products, food, salt products, and packaging water and five non-product customer complaints. Regarding customer complaints for skincare products, cleaning products, food, and packaged water in terms of quality, packaging, and individual factors, Taiyen continues to require relevant departments to make improvements, and the scope of relevant improvements covers 100% of Taiyen's self-owned products.	Customer complaints in 2023 calculated by Taiyen Company according to customer complaint operation, material customer complaint operation, guidelines for personal data processing, and other internal operating regulations.	Paragraph 1 in Table 1 of Article 4 of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Report by TWSE Listed Companies" – Evaluations and improvements made in terms of practitioners, operating venues, health management of facilities, and the quality assurance system to improve food hygiene, safety, and quality, main product and service categories, and ratios.
2	83	3.1 Customer health and safety 3.2 Customer service and value conveyance	In 2023, there was no violation of food safety regulations; there was no food recall; there are descriptions for the punishment of one violation of the Health Food Control Act. Applicable regulations of Taiyen are mainly the Act Governing Food Safety and Sanitation, enforcement rules, and other laws and regulations announced by the Food and Drug Administration of the Ministry of Health and Welfare; please refer to https://www.fda.gov.tw/TC/laws.aspx?cid=62 for regulations related to food safety and health management that we comply with.	Taiyen calculated its punishment records based on the official documents received from the Ministry of Health and Welfare and public health bureaus nationwide.	Paragraph 2 in Table 1 of Article 4 of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Report by TWSE Listed Companies" – Categories and number of events violating health and safety regulations related to products and services and not complying with information and labeling regulation of products and services, number of times products being removed from the shelf, and the total weight of products being removed from the shelf.
3	87	3.3 Supplier management	At present, Taiyen Company has no supplier or foundry with product responsibility standards being internationally recognized.	The list of suppliers and foundries of Taiyen Company with product responsibility standards being internationally recognized.	Paragraph 3 in Table 1 of Article 4 of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Report by TWSE Listed Companies" – The ratio of those with product responsibility standards that are internationally recognized to the overall procurement and the division based on the standards.
4	75 81-82	3.1 Customer health and safety	- Beauty and skincare products: Products produced by Biotech Cosmetics Factory 100% comply with the ISO 9001 quality management system verification, ISO 22716 cosmetics GMP verification, voluntary cosmetics GMP certificate from the Ministry of Health and Welfare, and the CNS mark for toothpaste from the Bureau of Standards, Metrology and Inspection, MOEA. - Cleaning products: Products produced by Biotech Cosmetics Factory 100% comply with the ISO 9001 quality management system verification. - Capsule healthcare food: Products of the Biotech Health Factory 100% comply with the ISO 9001 quality management system verification, ISO 22000 (including HACCP_ food safety management system verification, and the TQF verification system. - Healthcare food: Products of the Biotech Health Factory 100% comply with the ISO 9001 quality management system verification. - Medical devices: Products of the Biotech Health Factory 100% comply with the ISO 9001 quality management system verification, medical device GMP specifications, and the medical device license permit for the manufacturing industry.	Certification of different product categories obtained by Taiyen Company and the ratio of products produced.	Paragraph 4 in Table 1 of Article 4 of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Report by TWSE Listed Companies" – Ratio of products produced by factories that comply with the standards of the food safety and management system as verified by an independent third party.
5	85-87	3.3 Supplier management	Taiyen Company carried out the supplier evaluation regularly based on background qualification, product quality, delivery capacity, price standards, and level of cooperation in 2023. [Biotech Cosmetics Factory] In 2023, audits were performed for a total of six foundries, and the audit rate was 3.92%. [Biotech Health Factory] In 2023, audits were performed for a total of three suppliers, and the audit rate was 9.85%. [Tung-Hsiao Electrodialysis Refined Salt Factory] In 2023, audits were performed for a total of seven suppliers, and the audit rate was 21.88%.	The evaluation results and compiled data of regular supplier evaluations annually of Taiyen Company based on the notice for supplier management, guidelines for supplier management, and other internal operations.	Paragraph 5 in Table 1 of Article 4 of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Report by TWSE Listed Companies" – Number of suppliers who were audited and ratio, audit items, and results.

6	82-83	3-2 Customer service and value conveyance	To improve self-management and improve the quality of food health and safety, Taiyen has registered the data on the food manufacturing and processing industry, import industry, F&B industry, and sales industry of its subordinated departments on the "Must Track" platform of food companies by the end of December 2023 according to the schedule stated by the Food and Drug Administration. All products produced by Tung-Hsiao Electrolysis Refined Salt Factory are uploaded to the "Must Track" platform.	Taiyen has registered the data on the food manufacturing and processing industry, import industry, F&B industry, and sales industry on the platform according to the requirements of the Food and Drug Administration.	Paragraph 6 in Table 1 of Article 4 of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Report by TWSE Listed Companies" – Circumstances of product traceability and traceability management according to legal requirements or voluntarily and the ratio of relevant products to all products.
7	78-79	3.1 Customer health and safety	In 2023, the laboratory of the analysis and test group in the R&D Division of Taiyen Company passed the TAF certification. In 2023, the annual test results complied with the health specifications of Taiyen Company and the competent authority. The R&D laboratory of Taiyen Company assisted different departments in testing the following items: ● Marker constituents – curcumin ● Healthy iodized salt with fluoride – fluoride and iodine. ● Food – Heavy metals (arsenic, lead, copper, cadmium, and mercury) and *microorganisms (total plate count and E. coli). ● Cosmetics – *Heavy metals (arsenic, lead, cadmium, and mercury), *microorganisms (total plate count and E. coli), antimicrobial effectiveness testing, and preservatives. ● Salt products – *Heavy metals (arsenic, lead, copper, cadmium, mercury, and iron), sodium chloride content, particle diameter, water content, water-insoluble solid, and sulfuric acid. ● Water – Heavy metals (arsenic, lead, copper, cadmium, mercury, and zinc), microorganisms (total plate count), and minerals. In addition, the total expenditures of the food safety laboratory of Taiyen Company in 2023 was NT\$22,568,557, accounting for 0.66% of the Company's operating income. Note: * refers to testing items with TAF certification. Taiyen also obtained certification items of E. coli and coliform groups for food.	Taiyen Company assisted in testing different ingredients according to relevant health specifications, and products may hit the shelf after complying with the standards.	Paragraph 7 in Table 1 of Article 4 of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Report by TWSE Listed Companies" – Circumstances of the food safety laboratory established according to legal requirements or voluntarily, testing items, testing results, relevant expenditures, and the ratio of them to net operating income.
8	48-89 126	2.2 Energy and GHG Appendix 2: SASB Indicator Comparison Table	Total energy (natural gas, gasoline, and diesel) consumed, ratio of purchased electricity, and consumption rate of renewable energy in 2023.	Data on energy consumption of different factories calculated by Taiyen Company based on the natural gas bills and power bills.	Paragraph 8 in Table 1 of Article 4 of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Report by TWSE Listed Companies" – Total energy consumption, ratio of purchased electricity, and consumption rate of renewable energy.
9	58 126	2.4 Water resource management Appendix 2: SASB Indicator Comparison Table	Total water withdrawal (tap water, well water, and seawater) and total water consumption in 2023.	Total water withdrawal of tap water, well water, and seawater of different factories compiled by Taiyen Company according to the water bills and the daily production statements and the data on water discharge of different factories compiled based on the bills for sewage processing.	Paragraph 9 in Table 1 of Article 4 of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Report by TWSE Listed Companies" – Total water withdrawal and total water consumption
10	128	Appendix 2: SASB Indicator Comparison Table	Weight of products (salt products) sold and quantity of production facilities/venues in 2023.	The production volume (ton) recorded by Taiyen Company is based on the production and sales volume and value statement and product production capacity statistical statements.	Paragraph 10 in Table 1 of Article 4 of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Report by TWSE Listed Companies" – Weight of products sold and quantity of production facilities/venues.

