

2024 SUSTAINABILITY REPORT



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Chairman's Message

Global volatility and increasingly frequent climate events have created unprecedented challenges for businesses, reshaping how companies make decisions and allocate resources. At YFY Consumer Products, we believe that prudent risk management and sustainable transformation are not separate tracks, but essential principles for long-term resilience. To thrive long-term, companies must turn challenges into opportunities, build operational resilience, and deliver tangible value that can be shared by all stakeholders. In doing so, we build trust and amplify our positive impact toward a more sustainable future.

YFY Consumer Products is deeply rooted in Taiwan. Our brands Mayflower, Delight, and Orange House are part of everyday life for millions of Taiwanese households, delivering peace of mind, health, and quality of life. In a domestic market dominated by multinationals across multiple consumer product categories, YFY Consumer Products is one of the few large-scale Taiwanese companies. This gives us not only a closer connection to local needs, but also a stronger sense of responsibility to lead industry transformation and social progress. We are committed to delivering safe, high-quality products while actively responding to the rising call for sustainable development. Through a systematic approach, we embed our values into operations and report ESG performance with transparency. From energy and emissions reduction to circular packaging, responsible sourcing, employee well-being, and community engagement, we are steadily advancing our commitments and laying the groundwork for a more resilient future.

As a leading innovator in Taiwan's household paper market, our products are found in homes and public spaces across the country; virtually everyone in Taiwan has used our products.

In the face of growing climate challenges, we hold ourselves to high standards, driving both energy transition and process upgrades to strengthen our operational resilience. At our Chingshui Mill, we converted to LPG for boiler fuel in early 2024. With the completion of our new natural gas boiler system by year-end, we will transition to natural gas in early 2025, significantly reducing carbon emissions. In parallel, we continue to modernize our production lines by introducing high-efficiency paper machines and advanced converting equipment, lowering energy intensity and embedding sustainability at the core of our product and process innovation.

2024 marks the centennial of YFY Group. In celebration, Mayflower launched Taiwan's first 100% paper-packaged soft-pack interfold toilet paper, a breakthrough in both sustainability and consumer experience. Meanwhile, our popular "Thick" and "Sensitive Thick" series introduced new eco-conscious packaging featuring transparent, single-color designs printed on outer film made from 100% recycled plastic, enabling consumers to make sustainable choices with greener products easily accessible on store shelves.

Steady progress, built on what we've already achieved, has always been our principle. Each year, we strive to improve on the last, enhancing sustainability across raw materials, packaging, and carbon emissions. YFY Consumer Products uses more FSC-certified sustainable fiber than any other local household paper manufacturer in Taiwan. We are also steadily increasing our use of recycled plastic, refining packaging design, and pursuing product-level carbon footprint certifications, ensuring that environmental responsibility is embedded from the source through to every item we bring to daily life.

Since 2021, we have proudly supported the “Tree Finder” initiative, bringing together community volunteers and academic research to document Taiwan’s tallest trees while promoting youth awareness of native plant species and biodiversity. We are proud to see the project continuing to break national records with new discoveries each year, while engaging more people and expanding its social impact through growing public interest. This aligns with our belief in supporting self-sustaining efforts that spark positive cycles of impact, generating a virtuous cycle of participation and environmental awareness.

We encourage our employees to participate in community initiatives and in local giving, volunteering in support of schools, nonprofits, and families in our community. These grounded, consistent actions have helped our team internalize sustainability and translate values into action. In recognition of our progress, YFY Consumer Products was recognized in 2024 with the Gold Award (Category I) for Sustainability Reporting and named one of Taiwan’s Top 100 Sustainable Companies at the 17th Taiwan Corporate Sustainability Awards.

True sustainability is not about rules, regulations, or resources. We believe corporate sustainability should be a self-sustaining force, from belief to action, to lasting impact. When conviction leads to meaningful action and deeper commitment, it creates a positive cycle that reinforces itself over time. This is the kind of momentum we want to build, and the kind of impact we hope to continue expanding.

A company’s ability to generate impact beyond the individual lies in its power to bring people together, to organize talent, build connections, and unite around shared values. Decades before “corporate social responsibility” became a common term, the founder of YFY declared that “a company is an instrument of the public.” That belief continues to guide us today. Fulfilling our responsibility as a company isn’t about reporting or appearances; it’s about using our capabilities and resources to maximize our positive contribution to society, give what is ours to give, earn what we deserve, and minimize our environmental footprint, while creating long-term value for our shareholders.

Every employee at YFY Consumer Products is a driving force behind this belief. We strive to create a workplace where people feel committed, understood, and empowered to do meaningful work. These efforts have been recognized by HR Asia, naming YFY Consumer Products as one of Asia’s Best Companies to Work for four consecutive years, and the Sustainable Workplace Award in 2024. These accolades reflect our team’s genuine engagement in shaping the culture we believe in.

Looking ahead, we will continue deepening our efforts across all dimensions of environmental, social, and corporate governance, making sustainability not just an extension of how we do business, but a shared path we walk with society. As long as we stay true to our purpose and keep positive impact in motion, we can move forward together toward a safer, healthier, and more fulfilling life for all.

何英達



Accelerate Energy Transition: Invest in Low-Carbon Equipment

Launch fuel replacement in two stages: Implementing low-carbon manufacturing

Stage 1

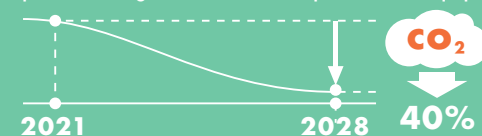
Since 2024, the Qingshui plant, the main production facility in Taiwan, has started using LPG and biofuel.

Stage 2

In the first quarter of 2025, the construction of a new natural gas boiler was completed and put into operation, replacing existing coal-fired boilers for steam supply. This transition has greatly reduced carbon emissions from the production process.

Carbon Management

Expected to achieve a reduction of **40%** in carbon emissions by 2028 through fuel conversion and the process integration of efficient production equipment.



End of January 2025:

The construction of a new natural gas boiler was completed.





Continue to invest in new paper machines: Setting new industry standards for low-carbon processes

No. 11 paper machine



Low carbon emissions



Low energy consumption



Low water consumption

Stock Preparation System

Use cutting-edge conical refiners to replace traditional disc refiners, reducing energy losses during refining.

Dehydration for Formation

Adopt large-diameter suction rolls and hydraulic systems to press the paper web, increasing dryness and reducing energy costs.

Drying System

Introduce large steel cylinders and open hoods to reduce steam consumption per ton of paper to the lowest level in the industry.

Safe, Healthy, and Beautiful Life

Promote good life goals: Implementing SDGs in daily life

As a leading player in Taiwan for healthy and natural cleaning products, Orange House continues to pioneer sustainability trends by introducing more easily recyclable mono-material packaging, ranging from bottles to refill packs. Extending the mission from safeguarding your family's health to a broader commitment to caring for the Earth's environment, let's practice a sustainable lifestyle together effortlessly with every choice we make in our daily lives.



Good Life Goals

Using paper to reduce plastic



The outer packaging is designed to increase the utilization of storage space, facilitating transportation and distribution while reducing carbon emissions generated from transporting fossil fuels.

Reducing plastic in packaging materials by **91%**

Reducing water resource usage in the production process by **94.7%**

Orange House's laundry detergent pods are made with the goal of sustainable environmental protection. We aim to create green cleaning products that are friendly to the Earth throughout the entire process, from production to distribution and consumer usage. Therefore, Orange House developed a super-concentration technology that breaks the traditional water usage limit in laundry detergent production, reducing water resource usage by 94.7%. Additionally, the paper box design with reduced plastic usage compared to regular laundry detergent bottles reduces plastic usage by 91%.

Bottle Recycling 2.0

Expanding coverage of the largest source of recycled plastics
White, transparent white bottles with recycling mark No. 2

The number of recycling products increased by about **6.8 times**

After professional treatment, these bottles will become raw materials for recycled containers used in Orange House's color changing foaming hand soap.





Boldly Thick Toilet Paper

The packaging is innovated by reducing the use of printed ink on the outer packaging and adopting 30% recycled plastics. YFYCPG's commitment to environmental protection is evident in every aspect—from the use of FSC-certified raw materials and low-carbon processes to 100% recyclable packaging.



100%
recyclable



Low-carbon
process



30% recycled plastics
in the outer packaging



FSC certified

Launch of full-paper toilet paper The first in Taiwan

YFYCPG is dedicated to fusing innovation in environmental protection, designing high-quality and safe products in response to consumer demand. The newly unveiled "Mayflower Boldly Thick Interfold Toilet Paper in 'Full Paper Packaging'" combines exclusive patented tear-resistant paper and hot stamping technology, making it 100% recyclable and aiming to foster a new eco-friendly and sustainable lifestyle.



100%
recyclable



Tear-resistant
paper



Hot stamping
technology



Giant Tree Map Completion



Taiwan Champion Trees Team

Dr. Rebecca Hsu & Prof. Chi-kuei Wang

“Giant trees are not just giant trees. Apart from serving as irreplaceable habitats for other forest species, they also provide effective solutions for slowing down climate change.”

Taiwan is a subtropical island that still preserves a cloud forest environment capable of nurturing giant trees at least 70 meters in height in East Asia, famously known as the “Giant Tree Island.” YFYCPG has been supporting the “Taiwan Champion Trees - Giant Tree Map Project” since 2021, contributing to the protection of native giant trees and facilitating the establishment of a homeland-level forest database. Through Light Detection And Ranging (LiDAR) and field exploration, the team has successfully located 941 giant trees at least 65 meters in height and continues to update the giant trees website at <https://no1tree.tw/> to promote ecological education.

Completion of the giant tree survey in Taiwan

Among the 941 locations where giant trees were previously identified, it has now been confirmed that 51 locations (5.4%) of these giant trees have either disappeared or died. In addition to the 31 new giant tree locations discovered in the Mt. Benya region in 2024, a total of 921 giant tree locations have now been reported across Taiwan. The average height of giant trees continues to grow.

Project Achievements Together We Can!

2019 Project kick-off

Launched the “Taiwan Champion Trees - Giant Tree Map Project” and rolled out the analysis of airborne LiDAR data across Taiwan

Discovered the first batch of giant tree locations and established a preliminary database

2020 Discovery of Taoshan Sacred Tree

Located in the valley of Shei-Pa National Park
Measured at **79.1** meters in height

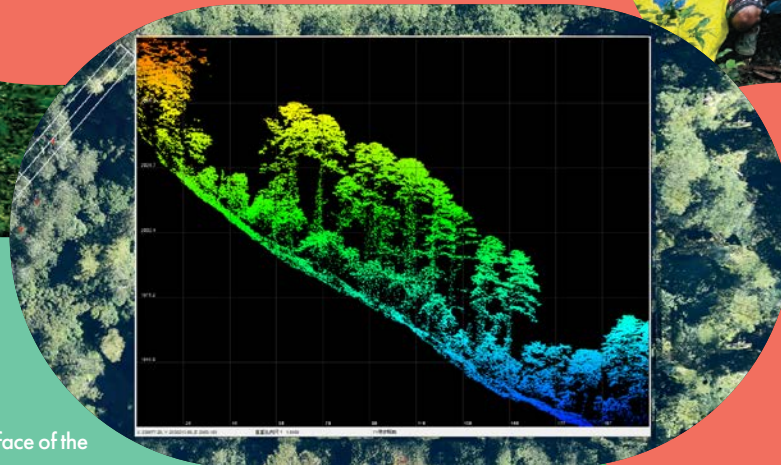
2021 YFYCPG on board

Taiwanian “Xi Shi” Giant Tree discovered, **73.7** meters in height
Companies joined forces to protect giant tree assets

Discovery of 31 new giant tree locations in 2024

High-density LiDAR scanning completed in the Mt. Benya region, adding 31 new giant tree locations: High-density LiDAR scanning in the Mt. Benya region discovered 11 new giant trees in an area of 3 hectares, with the potential to set a new world record for carbon storage.

i Giant trees over 70 meters tall are extremely rare in the world. Broadleaf giant trees are typically found in Borneo's pristine rainforest, the Amazon in Brazil, and Australia's Tasmania in the Southern Hemisphere. In 2024, the Taiwan Champion Trees Team completed high density LiDAR scanning in the Mt. Benya region and carried out field tree climbing and exploration, discovering a world-class cluster of giant trees.



Exploring Taoshan Sacred Tree Valley: An investigation into forest carbon storage

The carbon storage density of the Taoshan Sacred Tree Valley is estimated at 1384.5 Mg/ha.

i The world's highest forest carbon storage density is reported at 1867 Mg/ha (Keith et al., 2009). The results of this study are comparable to those of eucalyptus regnans in Tasmania (1312 Mg/ha, Sanger and Ferrari, 2023) with a similar tree composition. However, this study conducted precise terrestrial LiDAR surveys in the sample area and found that the volume formula used underestimated carbon storage by about 2/3. This finding indicates that the actual carbon storage density of the Taoshan Sacred Tree Valley could be higher than the results of this study.

Launch of the upgraded mobile version of the Giant Tree Map website

The revamped mobile version optimized the mobile interface of the giant trees database, improving public accessibility for inquiries and making it easier to learn about the distribution and height structures of native giant trees in Taiwan, while expanding the influence of data disclosure and educational outreach.

- • • **2022 Ka'alang Giant Tree** • • •
Hidden in Central Mountain Range—Southern Section
Measured at **82** meters in height
- **2023 New record: Heavenly Sword Giant Tree** • •
Discovered in Da'an River, estimated to be 700-800 years old
84.1 meters in height
Currently recognized as **the tallest known giant tree in East Asia**
- **2024 Discovery of new giant tree clusters: Better protection**
• High-density LiDAR scanning discovered 31 new giant trees, most of which exceed **65** meters in height.
The initial estimate for the total forest carbon storage is **1384.5** tons per hectare, comparable to world-class giant tree forests.
Mobile version of the Giant Tree Map website was revamped to promote parent-child and public exploration.

2024 Natural Science Camp

YFYCPG X Taiwan Champion Trees Team

Deepen science and environmental education among young people

Starting from YFYCPG's emphasis on environmental conservation, exercising corporate social responsibility, enhancing the quality of nature education, and deeply cultivating high school students and the general public to work together for the conservation of biodiversity in this land.



Through both in-person and online platforms:
Enabling the public to better understand
Taiwan's giant trees
Value biodiversity and support sustainable
environmental actions



 **2024.8.1-8.2**

Natural Science Camp at Basianshan Nature Education Center

YFYCPG continues to promote environmental education by organizing a two-day, one-night nature science camp at the Basianshan Nature Education Center in Guguan, Taichung, for junior high and high school students from across Taiwan. This event attracted nearly 100 students from 11 counties and cities across Taiwan, reaching a broader area than ever before. The event also reserved spots for children from relatively disadvantaged families, ensuring equity in education.

Through a combination of theoretic courses and hands-on practices, we hope to inspire participants to understand and value environmental conservation. After the event, many parents wrote in to express their appreciation, highlighting that their children had learnt a lot from the event and were deeply inspired.

Dynamic activities

Tree-climbing experience

Static activities

Indoor lectures and LiDAR hands-on experience

Experts and scholars from forestry and surveying fields were invited to teach. By explaining complex knowledge in simple and engaging terms, they inspired students to develop an interest in ecological conservation and scientific research.

Course 1 Unlocking Biodiversity from Giant Trees

Lecturer: Dr. Rebecca Hsu, Taiwan Forestry Research Institute of the Ministry of Agriculture

The course revolved around giant tree survey and canopy research, guiding participants to understand the role of giant tree ecosystems in supporting biodiversity. Additionally, the course introduced Taiwan's giant tree exploration results and comparative international case studies, aiming to broaden students' global perspectives and foster their empathy and awareness of environmental issues.





📍 **2024.12.7**

“Taiwan Champion Trees - Giant Tree Map Project” The sixth annual results presentation meeting

As the local brand using the largest amount of FSC-certified pulp in Taiwan, YFYCPG has been supporting the Taiwan Champion Trees Team since 2021. By combining LiDAR surveys and field inspections, the team has discovered multiple precious giant trees in Taiwan. A results presentation is held every year through face-to-face exchanges and online live streams, bringing together research teams, geology experts, and developers of the Giant Tree Map website to share annual achievements and reflection. Experts from different sectors join forces, applying their expertise and strengths to protect Taiwan’s natural ecology and to create a safe, beautiful, and sustainable future.

Course 2

From Ground to Sky – Uncovering the Mystery of Giant Trees Through LiDAR

ft. LiDAR Experience Camp **2024 New!**

Lecturer: Prof. Chi-kuei Wang, Department of Geomatics, National Cheng Kung University
Prof. Wang analyzed LiDAR data to look into the giant tree mortality and disappearance in Taiwan over the past decade and discussed their correlation with geological conditions. The course also included a hands-on LiDAR session, where students got to experience giant tree search and tree height measurement, enriching their knowledge of this scientific method.



01



About This Report



Editorial Principles

About This Report

This Report is a compilation of the activities and detailed results of Yuen Foong Yu Consumer Products Co., Ltd. (hereinafter referred to as “the Company” or “YFYCPG”) in 2024 in terms of its corporate governance, environmental protection, employees, and social welfare. The contents of the Report include the head office in Taiwan and subsidiaries in Mainland China. The financial data are obtained from all entities included in the Annual Report and the Consolidated Financial Statements. Please refer to the 2024 Annual Report of Yuen Foong Yu Consumer Products Co., Ltd.

Reporting Period

From January 1, 2024 to December 31, 2024

Scope

Taiwan

- Yuen Foong Yu Consumer Products Co., Ltd. (The head office)
- Yangmei plant, Yuen Foong Yu Consumer Products Co., Ltd.
- Qingshui plant, Yuen Foong Yu Consumer Products Co., Ltd.
- Ever Growing Agriculture Biotechnology Co., Ltd. (Taoyuan plant of Ever Growing Agriculture Bio-tech Co., Ltd)

Mainland China

- YFY Investment Co., Ltd. (Shanghai Office)
- YFY Consumer Products (Yangzhou) Co., Ltd. (Yangzhou plant)
- YFY Family Care (Kunshan) Co., Ltd. (Kunshan plant)

Basis of Report

The data information and statistics disclosed in this report are all annual data. The contents have been prepared in accordance with the GRI Universal Standards 2021 issued by the Global Reporting Initiative (GRI) and the Generic and Sustainability Accounting Standards Board (SASB) disclosure standards. Additionally, this report adheres to international guidelines and standards, including: the United Nations Sustainable Development Goals (SDGs) and the Task Force on Climate-related Financial Disclosures (TCFD). By adopting these internationally recognized standards, the disclosed information in this report is more focused.

To enhance the credibility of this Report’s information, external assurance has been conducted through BSI Taiwan, complying with the AA 1000 Assurance Standard v3, which falls under the Type 2 moderate level of assurance.

Issuance

The Company has issued its Sustainability Report each year starting from 2022 and the Report is published on the Corporate Social Responsibility section of the Company’s website (<https://www.yfycpg.com>).

- Publication date of this issue: August 2025

Contact Information

If you have any questions or suggestions, please contact us directly.

Senior Director Julia Ou, ESG Office, Yuen Foong Yu Consumer Products Co., Ltd.

Address: 16F, No. 51, Section 2, Chongqing South Road, Taipei City, 100409

Tel: (02)2192-1022

Website: <https://www.yfycpg.com/>

1.1

Promotion of Sustainable Management

YFYCPG's mission is to provide consumers with a safe, healthy, and beautiful life. The direction and strategy of sustainability and the pursuit of growth should be consistent. Therefore, while improving business performance, the impact on the environment must be minimized. We have improved resource utilization in the manufacturing process and strive to make our factory production greener and more environmentally friendly. We develop products and services that support sustainable lifestyles, gradually connecting them to the United Nations Sustainable Development Goals (SDGs), expanding our influence, and bringing more positive energy to society. We envision a sustainable future for "us."

E

- Efforts in resource management include reducing energy consumption internally, increasing water reuse rates, and effectively managing waste.
- We use green energy and increase coal substitution rates to reduce greenhouse gas emissions.
- We use environmentally friendly raw materials to reduce the use of virgin plastics, protecting ecosystems, and ensuring sustainable production models.

G

- Through diversification, technological upgrading, and innovation, we enhance economic productivity. We pursue sustainable business operations to provide employees with a high-quality working environment.
- We actively care for disadvantaged families.
- We promote the sustainability concept throughout the supply chain, working together for a better future step by step.
- We continue to innovate and develop high-quality products, striving to provide the public with a healthy, safe, and beautiful life.

S

- Starting from the factory as the core, we bring together resources with employees to give back to the community and assist NGOs, with sustainability as the aim. We turn our core values into substantial positive energy and coexist with society.
- Through collaboration with professional organizations, we instill environmental protection concepts in the new generation through big data and nature education. Through the Good Life Goals initiative, we encourage everyone to change their daily behaviors to support an eco-friendly environment.
- We consider people as the Company's most valuable asset, from caring for employees during the pandemic to career planning, and strive to create a happy workplace.

Safe, Healthy, and Beautiful Life

E



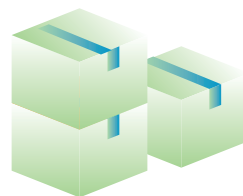
- Environmental compliance
- GHG emissions management
- Energy management
- Recycling of waste
- Green procurement
- Climate-related financial information disclosure
- Water resource management



S



- Public welfare support (Taiwan Champion Trees - Giant Tree Map Project)
- Care for the disadvantaged
- Employee welfare
- Occupational health and safety
- Good Life Goals Initiative



G

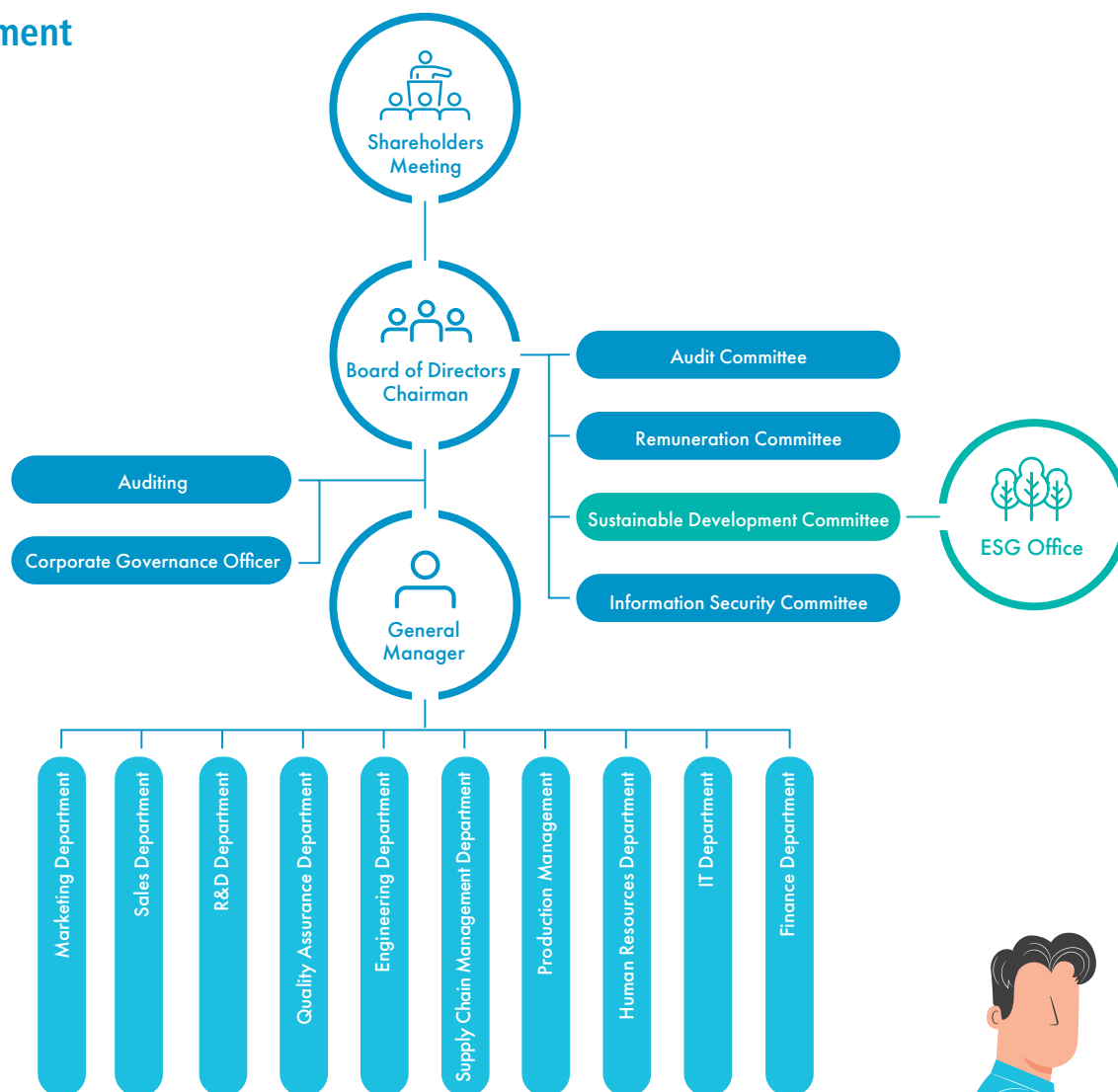


- Compliance
- Transparency and disclosure
- Supply chain management
- Product liabilities
- Risk management
- Develop green products

1.2

Corporate Sustainable Development Organizational Structure

YFYCPG upholds the philosophy of sustainable operations and is committed to strengthening corporate governance and sustainable development. In 2024, the Board of Directors passed a resolution to establish the Sustainable Development Committee as a functional committee under the Board of Directors. The committee is responsible for comprehensively strengthening the planning, promotion, and supervision mechanisms of sustainability strategies. The Sustainable Development Committee operates under the Board of Directors, with the Chairman serving as the committee chairperson, the General Manager as the deputy chairperson, and three independent directors as committee members responsible for direct oversight. The ESG Office serves as the executive unit, assisting the committee chairperson in leading the committee's operations. Through cross-departmental collaboration, the committee strengthens the governance, supervision, and promotion of sustainability progress and outcomes. Dedicated task forces have been set up targeting different sustainability dimensions, including product sustainability, green products, employee care, corporate governance, and risk management. Each task force is composed of representatives from various units (Finance, production plants, R&D, Marketing, Supply Chain, Sales, Administration, Occupational Safety, Human Resources, Foreign Investor Relations, Internal Control, and Legal Affairs), selected by senior executives. Regular meetings are held to jointly plan and implement the annual ESG plans. The committee reviews and reports periodically to the Chairman and the Board of Directors on the achievements and potential improvement areas. By continuously optimizing its sustainability management framework and practices, the Company aims to improve the overall operational resilience and corporate responsibility, creating long-term value.





Date of Report to the Board of Directors and Key Supervisory Focus in 2024

2024/3/13

- Report on the implementation of phased goals of the greenhouse gas inventory and verification schedule plan.

2024/5/8

- Report on the implementation of phased goals of the greenhouse gas inventory and verification schedule plan.

2024/8/12

- Report on the implementation of phased goals of the greenhouse gas inventory and verification schedule plan.
- Report on the Company's 2023 Sustainability Report.
- Establishment of the Sustainable Development Committee and formulation of the "Sustainable Development Committee Charter" and the "Sustainable Development Committee Operation and Management Regulations."
- Formulation of the Company's "Risk Management Policies and Procedures."

2024/11/12

- Report on the implementation of phased goals of the greenhouse gas inventory and verification schedule plan.
- Report on the Company's communication efforts with its stakeholders in 2024.
- Report on the implementation status of the Company's risk management in 2024.
- Formulation of the "Procedures for Handling Sustainability Information."

Additional sustainable report information related to the Board of Directors is disclosed in the "Board of Directors Operating Status" section of the Company's Annual Report, which covers corporate governance operations.

1.3

Stakeholder Identification and Engagement

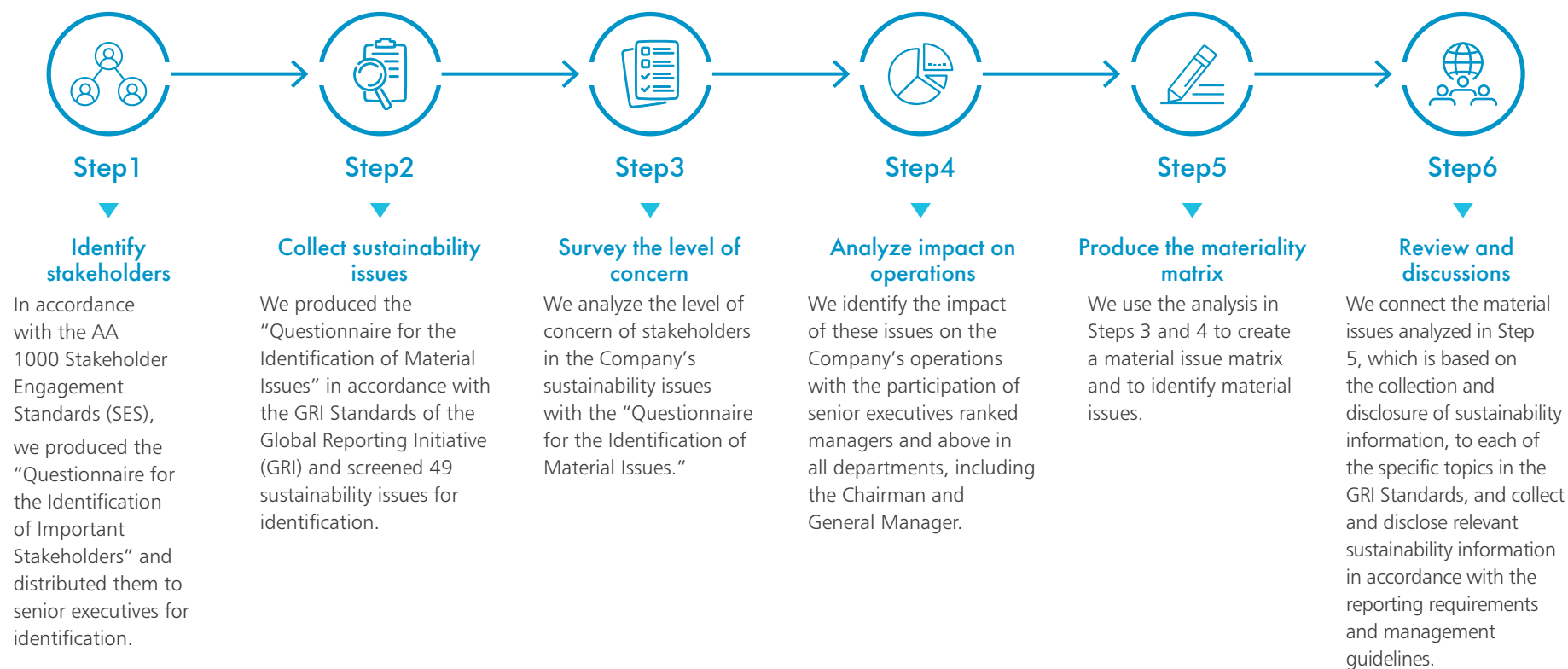
Stakeholder	Topics of concern		Communication channels/frequency	
Government	<ul style="list-style-type: none"> Ethical corporate management Compliance Air pollution management 	<ul style="list-style-type: none"> Water resource and effluent management Waste management Occupational health and safety 	<ul style="list-style-type: none"> Correspondence/irregular Meetings/irregular Government routine or surprise inspections/irregular 	
Employees	<ul style="list-style-type: none"> Remuneration, benefits, and employee care Employment diversity and equal opportunities Training and talent development 	<ul style="list-style-type: none"> Labor rights and employee relations Safe and healthy working environment and employee health 	<ul style="list-style-type: none"> Employee communication meetings/quarterly Employee Welfare Committee/annually Labor-management meetings/quarterly Employee training/irregular Digital learning platform/real-time Internal announcements/irregular Internal digital platform/real-time 	<ul style="list-style-type: none"> Performance evaluation/annually General Manager's mailbox/irregular Employee communication hotline/irregular Employee EAP hotline/irregular Occupational Safety and Health Committee/quarterly
Customers/consumers	<ul style="list-style-type: none"> Corporate brand and image management Product quality and accountability 	<ul style="list-style-type: none"> Customer relations management Customer health and safety Compliance 	<ul style="list-style-type: none"> Customer service hotline/real-time Real-time online customer services/real-time Business visits/irregular 	<ul style="list-style-type: none"> Technical and business exchanges/irregular Customer meetings/irregular Business exhibitions and seminars/irregular
Suppliers/contractors	<ul style="list-style-type: none"> Ethical corporate management Procurement practices 	<ul style="list-style-type: none"> Supplier regulations and assessment Product quality and accountability 	<ul style="list-style-type: none"> "Honesty and Integrity Declaration"/real-time Negotiation meetings/irregular 	<ul style="list-style-type: none"> Supplier exchanges and visits/irregular Supplier counseling/irregular
Shareholders/investors	<ul style="list-style-type: none"> Ethical corporate management Operational and financial performance Compliance 	<ul style="list-style-type: none"> Sustainable development strategy Market presence Risk management 	<ul style="list-style-type: none"> Shareholders' meeting/annually Investor conferences/quarterly Board meetings/quarterly 	<ul style="list-style-type: none"> Financial statements/quarterly Corporate Website/irregular Material announcements on the Market Observation Post System/irregular
Media	<ul style="list-style-type: none"> Market presence Product quality and accountability Strategic cooperation and strategic alliances 		<ul style="list-style-type: none"> Press conferences/irregular Ads/irregular Press releases/irregular 	<ul style="list-style-type: none"> Shareholders' meeting/annually Requests for interviews: phone, communication software, and e-mail/irregular

1.4

Analysis of Material Issues

The Company conducts a scientific identification of material topics each two year, and collects the opinions of senior executives and internal and external stakeholders. The identified topics are arranged in sequence based on their influence on stakeholders and impact to the organization. We focus on key issues and provide explanation in the Sustainability Report for detailed disclosure.

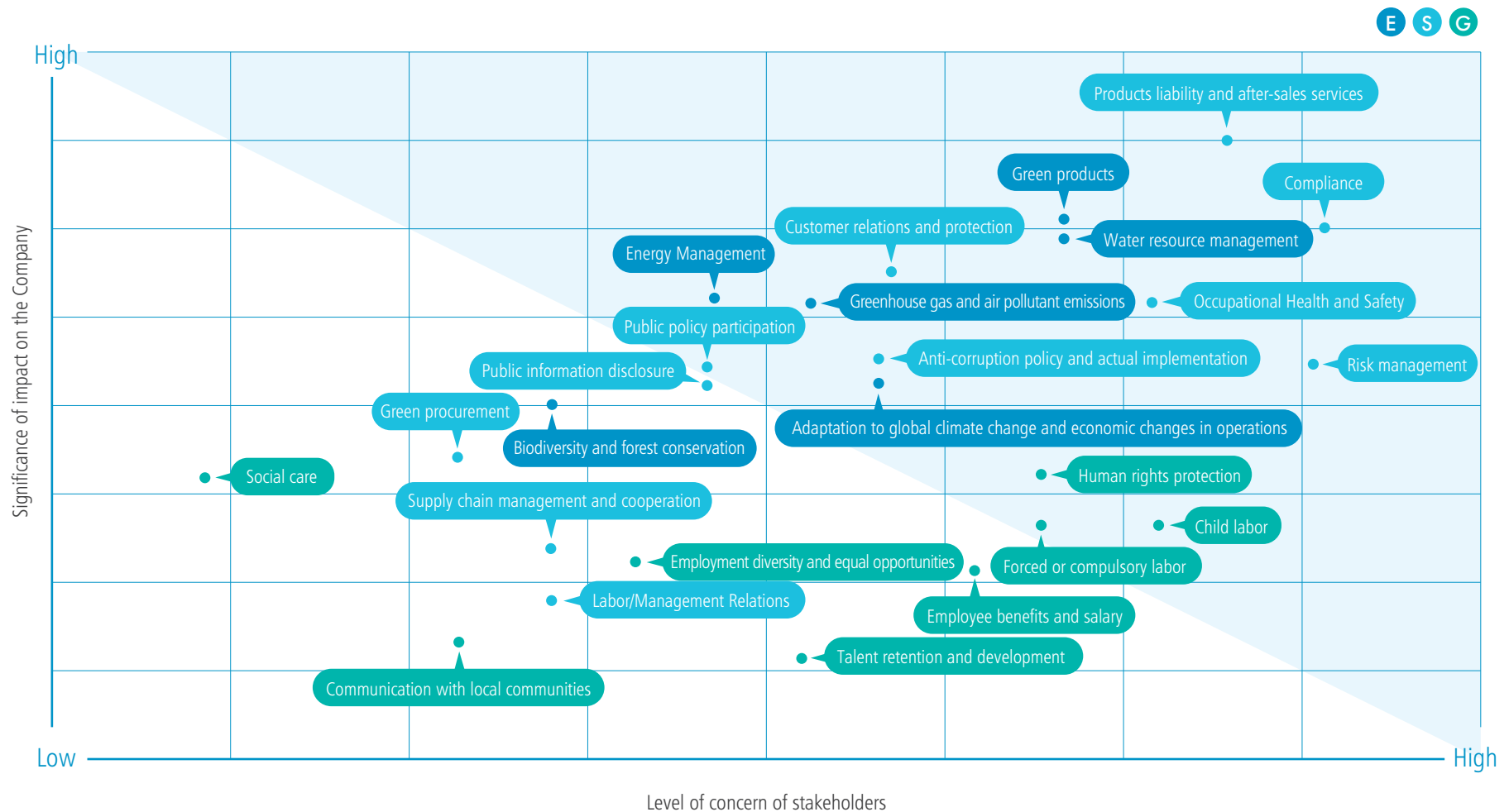
1.4.1 Procedures for Determining Material Issues



1.4.2 Stakeholder Concerns and Materiality Analysis Results

Through the participation of senior managers in discussions and identifications, there have been no major changes in the Company's internal operating model and external environment during the reporting year. In addition, the major themes identified in the previous period require long-term attention and response. Therefore, the major issues in this reporting year are The theme basically follows the previous identification results to ensure that the Company maintains consistency and coherence in the corresponding sustainability goals.

Material topics in 2024



1.4.3 List of Material Sustainability Topics

▲ Direct Impact △ Indirect Impact

Positive and Negative Price Direction	Material Issue	Impact on YFYCPG	Management Approach in the Corresponding Chapter	GRI Standards Index	Value Chain Impact Positions		
					Supplier/contractor	Employees/Shareholders	Customers/consumers
+	Products liability and after-sales services	Accurate product labeling with full information as well as fair and responsible marketing communications that help consumers obtain information about the composition of the product and promote a healthy and positive impact.	3.4 Customer Satisfaction and Product Services	GRI 417	△	▲	▲
+	Compliance	Compliance with social and economic regulations, monitoring international trends and market changes, and focus on the development of a sustainable social environment.	3.6 Socioeconomic Compliance 4.8 Environmental Compliance	Reference to material issues set up by industry G2-27	△	▲	▲
-	Risk management	Establish related management regulations compliance by all units in accordance with the law and internal management requirements. Business risks are diversified and managed by each subsidiary according to their respective functions, and the management of company matters is coordinated by respective functional units.	3.3 Risk Assessment and Management	Reference to material issues set up by industry	△	△	△
+	Occupational Health and Safety	We take the protection of workers' safety as our top priority and we care for the physical and mental conditions of employees. We provide necessary facilities and educational training and increase their safety awareness to ensure safety in the work environment.	5.1.6 Employee safety and health	GRI 403	▲	▲	△
+	Green products	Green products are environmentally friendly products that are energy efficient, non-toxic or have low toxicity, and recyclable.	4.3 Raw Material Usage 4.4 Energy Management	GRI 301 GRI 302 GRI 416	▲	▲	▲
+	Water resource management	Water is the most important medium in the production of consumer goods. It is responsible for the cycle of fiber and energy in the system. The most critical management targets in the paper making process are ensuring product quality, meeting consumer safety requirements, and optimizing the use of water resources as well as water treatment.	4.7 Water resource management	GRI 303	△	△	△

▲ Direct Impact △ Indirect Impact

Positive and Negative Price Direction	Material Issue	Impact on YFYCPG	Management Approach in the Corresponding Chapter	GRI Standards Index	Value Chain Impact Positions		
					Supplier/contractor	Employees/Shareholders	Customers/consumers
-	Greenhouse gas and air pollutant emissions	With stronger environmental regulations, controlling greenhouse gas and air pollutant emissions has become a challenge for companies. With increasingly stringent emission limits and environmental standards to protect air quality and minimize climate change, companies are adopting energy-saving and emission reduction measures to comply with environmental regulations and ensure the environmental friendliness of their products.	4.4 Energy Management 4.5 Emissions	GRI 305	△	△	▲
-	Adaptation to global climate change and economic changes in operations	Changes in the environment caused by climate change such as rising temperatures and extreme weather events may have an impact on operations such as the acquisition of resources and business activities, which in turn may have an impact on the Company's finances and employee health and safety.	3.3 Risk Assessment and Management 4.1 Climate Change Risks and Opportunities	Reference to material issues set up by industry	▲	△	△
+	Energy Management	The renewable energy cycle is a critical step in the energy transformation of the consumer product industry. We must reduce our dependence on fossil fuel and support renewable energy technology development.	4.4 Energy Management	GRI 302	▲	△	△
+	Human rights protection	Full protection of human rights in the work environment is a key part of business sustainability.	3.5 Supplier management 5.1.4 Employee communication and rights and benefits	Reference to material issues set up by industry	▲	▲	▲
+	Customer relations and protection	Customer experience and feedback can be used for future new product upgrades and development plans. The consumer feedback we obtained is used for internal quality management and related units work together to review and develop future improvement strategies. It is the key for continuous improvement of the quality of our products and services.	3.4 Customer Satisfaction and Product Services	GRI 416	▲	▲	▲

Note: The List of Material Sustainability Topics is ranked based on the analysis results of the materiality matrix

"Good Life Goals" start with you, implement SDGs in your daily life

YFYCPG is committed to assisting all consumers in achieving SDGs in their daily lives through the Good Life Goals action plan.

Every day, when consumers use YFYCPG's products in their daily lives, they are practicing Good Life Goals.



4 Education and Learning

Teaching children to wash their hands correctly by rubbing the hands together for enough seconds until the bubbles turn white

6 Water Conservation

Promoting water-saving in product manufacturing and laundry processes

12 Better Living

Enjoy a better life that is good for your skin and has zero environmental impact

14 Clean our oceans

Clean up our oceans by replacing plastic packaging with paper!

15 Love Nature

Support ecological conservation and natural sustainability, love our planet!



Orange House Color Changing Foaming Hand Soap



Orange House Eco Laundry Detergent Pods

Develop green products that reduce plastic and carbon emissions initiative on product packaging Good Life Goals

Create a friendly environment and practice the concept of sustainability!

YFYCPG joins hands with consumers to create a safe, healthy and beautiful life



Scan the QR code for a recap of our Good Life Goals at "GVM Green Action" event.



02



Company Profile

2.1

Company Profile



YFY began operations as a paper mill and began the production of a new generation of toilet paper in the Neiwei mill in Kaohsiung in 1946 with professional paper making technologies to enter the household paper product market. We created the toilet paper brand “Mayflower” in 1968 which began YFY’s development of the household products in Taiwan. We developed the first patterned toilet paper in Taiwan in 1972 and established the Consumer Products Division in 1986. Yuen Foong Yu Consumer Products Co., Ltd. was officially established.

We actively expanded our business by merging Qingshui Plant of Procter & Gamble Home Products Co., Ltd. in February 2004, and adding two brands — “Tender” and “Delight”. We thus became the largest consumer paper product manufacturing plant in Taiwan and consolidated our leading position in market in Taiwan. To achieve vertical integration of production and sales, we merged Yuen Foong Yu Paper Manufacturing (later renamed: YFY Inc.) and certain household products departments in October 2007.

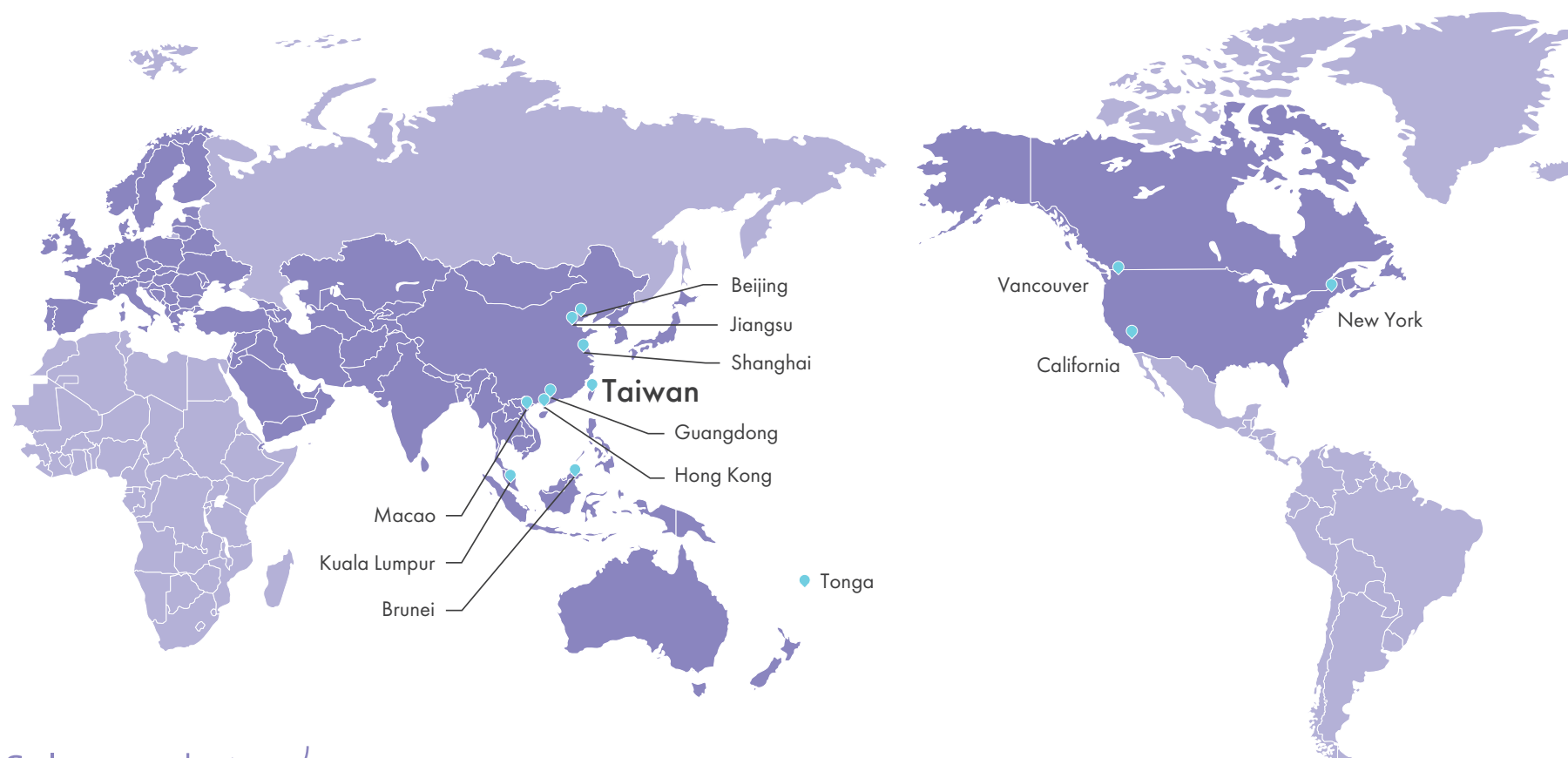
We launched the “Orange House” product series in 2009 to develop environmentally friendly green products. YFYCPG is a leading brand of household consumer products in Taiwan and our production and sales span both sides of the Strait. We have five major production sites and our sales channels include retail, business, and e-commerce business models. We currently focus on the production, design, sales, and distribution of household paper products and cleaning products.

Company Basic information

Name of Company	Yuen Foong Yu Consumer Products Co., Ltd.
Chairman	Felix Ho
Date of establishment	October 29, 1986
Current paid-in capital	NT\$2.671 billion
Number of employees	1,309
Head office address	16F, No. 51, Section 2, Chongqing South Road, Taipei City

Main businesses	Production, design, sales, and distribution of household paper products and cleaning products
Main brands	Household paper: Mayflower, Delight, Tender Cleaning products: Brands such as Orange House, Fresh Sense, Delight, and Fresh
Production sites	5 plants in Taiwan and China
Production volume	Household paper: Approximately 173,865 metric tons Cleaning products: Approximately 7,278 metric tons

Sales locations



Sales markets

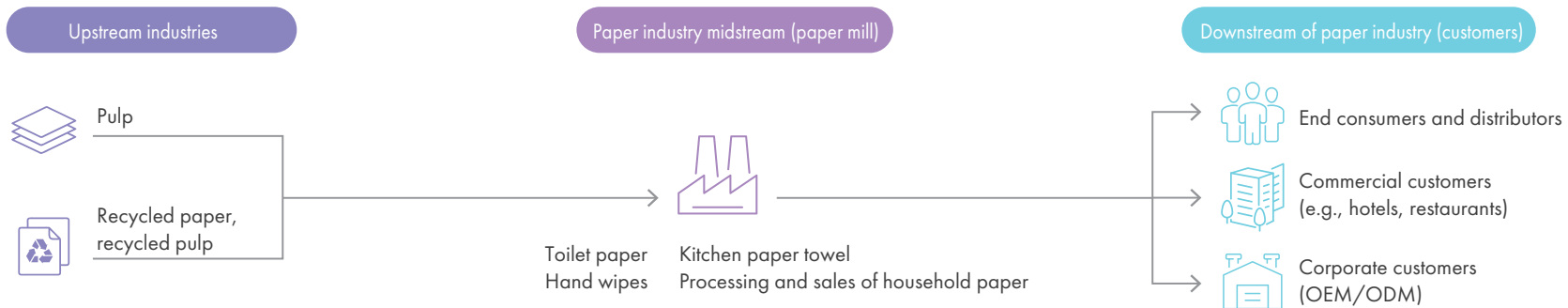
Household and domestic consumables are provided for the daily needs of the public and they are mostly sold in domestic sales. The Company's brands hold leading positions in the market. In terms of household paper products, we have met the diverse needs of consumers through product differentiation successfully gained a strong market share by focusing on different customer segments. In terms of cleaning products, we established a brand with the natural and efficient "Orange House"

brand and continuously launched high-quality products that are safe for consumers. We also developed new brands such as "Fresh Sense" and "Delight" to expand our reach, attract more consumers, and gain a solid foothold in the cleaning products market. We will also expand overseas markets for cleaning products based on our existing capabilities.

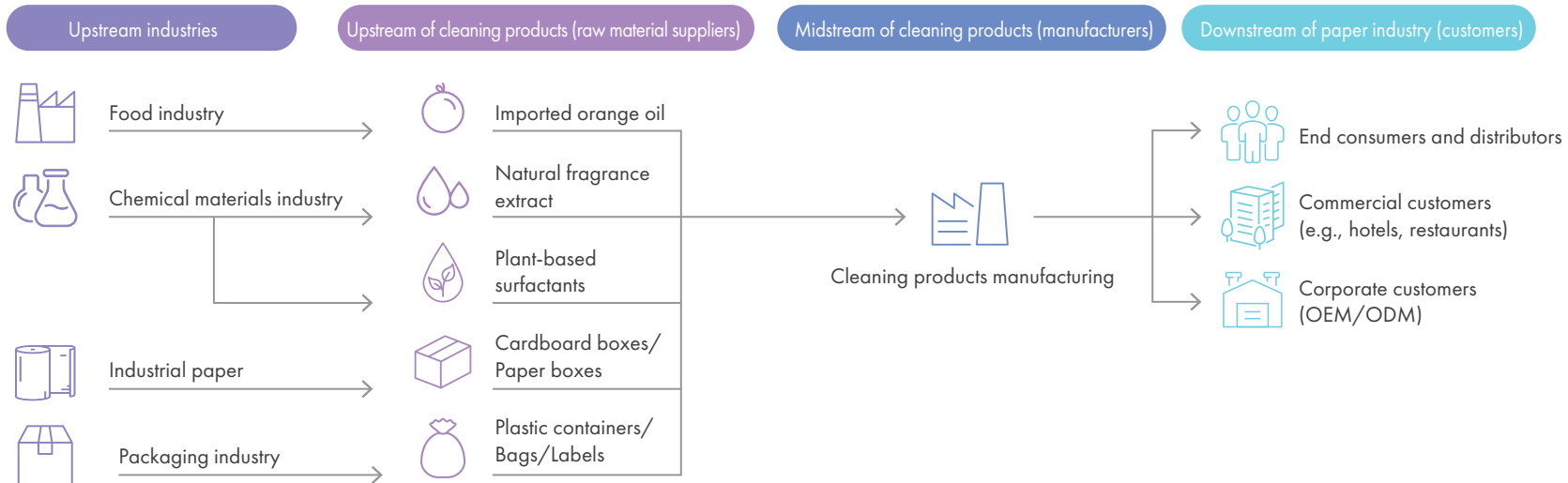
Relationships with upstream and downstream companies

The Company's supply chain comprises upstream manufacturers of household paper who import short-fiber paper pulp and downstream vendors, distributors, and end consumers. The upstream manufacturers of cleaning products are the raw material suppliers of special ingredients (e.g., orange oil, natural fragrance) and downstream vendors, distributors, and end consumers. The relationships with upstream, mid-stream, and downstream companies of the industry are shown below:

Paper products



Cleaning products



Strategic goals

The Company's growth strategy is based on "providing consumers with a healthy, safe, and beautiful life." Our R&D plan mainly follows market demand for products and our operation plans with business development targets for the development of marketable products with potential for future development.

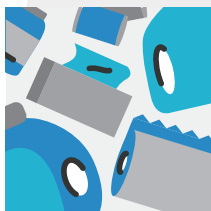


Vision, mission, and values



Vision

Become a global leader in domestic products with leading technologies and environmental protection, and always remember our corporate social responsibility.



Mission

Build a safe and beautiful life for consumers, provide trustworthy products and services, and create the highest value for people.



Values

Integrity, trust, and innovation, treat things the way we treat people.



Production sites

Taiwan	Year of establishment	Quality certification
Taoyuan plant of Ever Growing Agriculture Bio-tech Co., Ltd (Cleaning products)	2017.03.21	ISO 9001:2015, ISO 22000:2018 (HACCP), ISO 22716:2007 cosmetics GMP
Qingshui Plant (paper products)	1990.03.03	ISO 9001:2015, FSC COC CNS (toilet paper and tissue paper)
Yangmei plant (paper products)	1986.10.16	ISO 9001:2015, ISO 22000:2018 (HACCP), FSC COC CNS (toilet paper, hand wipes, and paper towels)



Taoyuan plant of Ever Growing Agriculture Bio-tech Co., Ltd



Qingshui Plant



Yangmei plant

Mainland China	Year of establishment	Quality certification
Yangzhou plant (paper products)	2011.11.18	ISO 9001 Quality Management Systems certification, FSC China Ecolabeled Products certification
Kunshan plant (paper products)	2004.12.28	ISO 9001 Quality Management Systems certification, FSC China Ecolabeled Products certification



Yangzhou plant



Kunshan plant

2.2

Competitive Niche

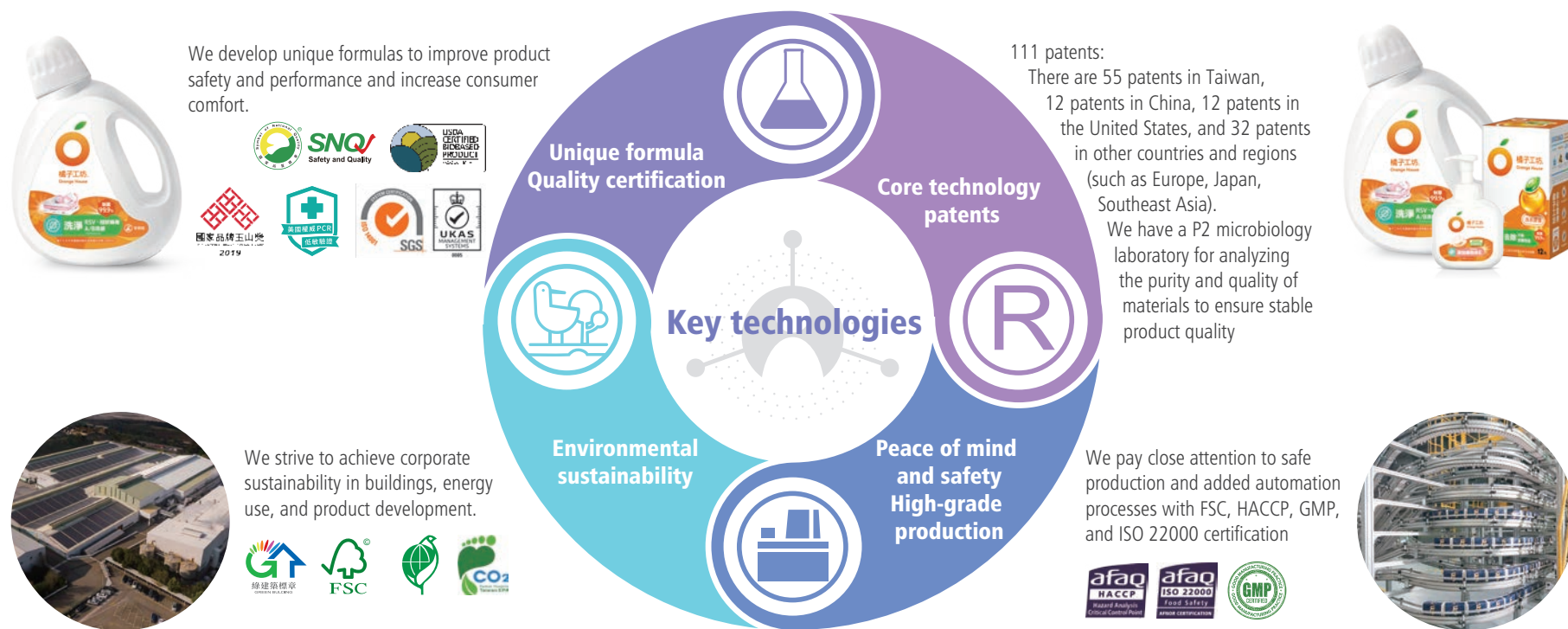
Overview of Technology and R&D

The Company has mastered the core technology of household paper and cleaning product manufacturing and continues to invest in the research and development of niche and innovative products. At present, the Company continues to focus on optimizing equipment, processes, formulations, applications, and supporting production units for energy conservation and recycling of available resources, and actively researches and develops high value-added applications such as biobased specialized materials, and progressively utilizes paper by-products and process residuals for resource diversification to realize the belief in economic cycles.

R&D Outcome

The Company has obtained several patents and passed FSC, HACCP, GMP, ISO 22000, Environmental Protection Label, and Green Building Label certifications. In terms of household paper products, interfold toilet paper currently accounts for the majority of the offering. One of the Company's revolutionary products, Mayflower Thick Toilet Paper, has achieved an impressive consumer satisfaction rate of 98%. Following the launch of the "Mayflower Interfold Paper Towel" in 2023, which meets consumer demands for ease of use, complies with U.S. FDA standards, and is food grade safe, the product has been well-received by consumers. Building on this success, the Company launched the classic edition of Mayflower Boldly Thick Interfold Toilet Paper in Full Paper Packaging in 2024, which is Taiwan's first to meet the new environmental protection standards and utilize exclusive patented technology. This product embodies the philosophy of replacing plastic with paper, with each box of the toilet paper in full paper packaging containing 180.7g CO₂e of forest carbon sinks. If converted to the annual usage per person in Taiwan, the net carbon absorption is equivalent to the size of 21 Da'an Forest Parks, effectively reducing the environmental burden while aligning with latest global understanding of sustainability. Moreover, each pack contains 30% recycled plastic in its outer packaging, truly realizing a Better Choice milestone of "100% product recyclable," creating another high-quality green trademark in Taiwan's consumer product market. In the field of cleaning products, we continue to optimize the product strength of orange-shaped laundry capsules and have applied for related patents in multiple countries. The cleaning products produced by the Company make it easy for consumers to tackle various stains in life, so that busy modern people can complete cleaning tasks more efficiently. The R&D team has also been actively developing multi-purpose cleaning agents and all-in-one auto-dispensing dishwasher detergents. At the same time, to meet consumer demand for automatic dishwashing, the Company successfully launched a revolutionary three-in-one enzyme dishwasher tablet that features cleaning dishes, softening limescale, and leaving behind a shiny surface. In addition, we have successfully developed paper products in eco-friendly packaging materials that contain recyclable components for single and multipack toilet paper to reduce the environmental burden caused by plastic bags and containers that do not decompose easily in the soil, and meet the environmental protection and resource recycling requirements. For cleaning products, we have also continued to develop eco-friendly bottles of various sizes made with recycled materials, which can significantly reduce the burden of plastic pollutants on the earth.

Competitive Niche and Development of Key Technologies



Regarding the outlook for 2025, YFYCPG continues to focus on sustainable development and implements Environmental, Social, and Corporate Governance (ESG) principles. A positive brand image and corporate vision will help foster talent and cultivate diverse innovation dynamics, providing consumers with a reliable, healthy, and enjoyable living experience. Our team will continuously innovate and upgrade products, achieve breakthroughs in multiple industry initiatives, optimize the

production and sales structure, enhance investment efficiency, continuously improve the supply chain's cost optimization, and expand domestic and overseas sales bases. We will enhance contingency capability and strengthen operational performance. We continue to develop new business opportunities in the post-pandemic economy, the stay-at-home economy, and the green economy, and strive to maximize profits.

Future R&D Programs and Investments

1. Future R&D Programs

The Company's growth strategy is based on "providing consumers with a healthy, safe, and beautiful life." Our R&D plan mainly follows market demand for products and our operation plans with business development targets for the development of marketable products with potential for future development. The main development directions are as follows:

A. Natural Health and Hygiene Care: In the paper product category, we are developing functional cleaning products. In the hygiene care category, we are upgrading natural antibacterial and pandemic prevention products and expanding our product range to include personal hygiene products and home pandemic prevention products.

B. Green Business Opportunities and Environmental Sustainability: In the paper product category, we are researching and innovating green products and developing environmentally friendly packaging materials. In the hygiene care category, we are using concentrated reduction technology to reduce water and plastic usage, minimize process water emissions, and utilize renewable sources (such as plants, fermentation, and paper packaging) to achieve environmental sustainability.

C. High-Efficacy Cleaning and Active Protection: We are researching special active protection technology to maintain stable efficacy in various systems and fully unleash the cleaning effect.

2. Projected R&D Investments

For 2025, YFYCPG plans to invest approximately NT\$51,315,000 in research and development. Future research and development investments will be allocated based on the progress of new product and technology development. As consumer demands in the market continue to change, we will gradually increase research and development expenditures to accelerate research and introduce new products to support future development plans. In addition to purchasing research and development-related software and hardware equipment, we will continue to recruit experienced and creative research and development talents to enhance our research and development capabilities, thereby increasing our competitive advantages.

International certification obtained for the production regulations necessary for different products:

Plant	Certificates and Accreditation Programs	Validity Date
Yangmei plant	ISO 9001 Quality Management Systems	2026/09
	ISO 14001 Environmental Management System	2025/11
	ISO 50001 Energy Management System	2027/12
	ISO 45001 Occupational health and safety management systems	2027/01
	TOSHMS Taiwan Occupational Safety and Health Management System	2027/01
	ISO 22000 /HACCP Food Safety Management System	2028/02
	FSC™ COC Forest Stewardship Council (FSC) Chain of Custody certification	2029/07
Qingshui Plant	Greenhouse Gas Emission Verification Statement	Yearly
	ISO 14001 Environmental Management System	2028/03
	ISO 9001 Quality Management Systems	2026/05
	ISO 50001 Energy Management System	2027/12
	ISO 45001 Occupational health and safety management systems	2028/07
	TOSHMS Taiwan Occupational Safety and Health Management System	2028/02
	FSC™ COC Forest Stewardship Council (FSC) Chain of Custody certification	2029/07
Taoyuan plant of Ever Growing Agriculture Bio-tech Co., Ltd	Greenhouse Gas Emission Verification Statement	Yearly
	ISO 14001 Environmental Management System	2026/10
	ISO 9001 Quality Management Systems	2028/02
	ISO 22000/HACCP Food Safety Management System	2026/12
	ISO 22716 Cosmetics - Guidelines on Good Manufacturing Practices	2026/08
	Green Building	2027/09
	Greenhouse Gas Emission Verification Statement	Yearly
Yangzhou plant	ISO 45001 Occupational health and safety management systems	2026/08
	ISO 9001 Quality Management Systems	2026/08

Plant	Certificates and Accreditation Programs	Validity Date
Yangzhou plant	ISO 14001 Environmental Management System	2026/08
	Health License for Manufacturing Disinfection Products	2026/06
	PEFC certification	2028/01
	Greenhouse Gas Emission Verification Statement	Yearly
	ISO 45001 Occupational health and safety management systems	2026/11
	ISO 9001 Quality Management Systems	2026/11
Kunshan plant	ISO 14001 Environmental Management System	2026/11
	Greenhouse Gas Emission Verification Statement	Yearly
	FSC™ COC Forest Stewardship Council (FSC) Chain of Custody certification	2028/01
	Health License for Manufacturing Disinfection Products	2027/08

Other Certifications

Certificates and Accreditation Programs	Name of award	Validity Date
Carbon Footprint Verification Declaration	Mayflower Comfort and Allergy Prevention Thick Toilet Paper 86 packs	2025/12/20
	Orange House Natural Concentrated Detergent - Anti-Virus Properties 1800ml	2025/12/20
	Mayflower Premium Interfold Toilet Paper 94 Sheet	2025/12/19
	Mayflower High-Absorbency Folded Paper Towel 200 Sheet	2026/10/06



2.3 Economic Performance

YFYCPG has demonstrated resilience and innovation in response to the challenges posed by rising costs and market changes. With the efforts of our team and colleagues, our consolidated revenue reached NT\$10.9 billion, with an after-tax net profit of NT\$0.92 billion in 2024. The net profit after tax attributable to the Company's owners amounted to NT\$0.74 billion, with an earnings per share of NT\$2.78. For more financial information, please refer to the Company's 2024 consolidated financial report.

Unit: NT\$1,000

	Year		2024
Paid-in capital	2,671,290	Cash dividends	801,387
Operating revenue	10,896,652	Income tax	198,232
Salary and benefits	1,234,980	Retained earnings	1,831,986

2.4 External Participation

YFYCPG actively participates in activities of related industry and trade associations for discussions or policy advice, promotes dialog between industries, learns about the latest international developments, related risks, and opportunities. YFY Consumer Products Co., Ltd. is a member of the following industry associations:

- Taiwan Paper Industry Association
- Taipei Cosmetics Industry Association
- Taipei Department Store Association
- Taipei Pharmacist Association
- Taiwan Cleaning Product Association
- Monte Jade Taiwan Science & Tech Association
- Epoch Foundation

2.5

Award Records

Environmental Protection Achievements

- Yangmei plant - acknowledged for its outstanding performance in green procurement by the Taoyuan City Government (for 6 consecutive years).
- Received the 2023 Private Enterprise and Organization Green Procurement Award from the Ministry of Environment (presented in September 2024).
- Qingshui plant received commendation from Taichung City Government for actively supporting green consumption in Taichung City in 2023.
- Taoyuan plant of Ever Growing Agriculture Bio-tech Co., Ltd was granted the Green Building Label (valid from 2022 to 2027).

績優單位頒獎典禮



▲ YFYCPG's Qingshui plant and Yangmei plant received the Private Enterprise and Organization Green Procurement Award in 2023 from the Ministry of Environment

Social Engagement Achievements

- Qingshui plant, Yangmei plant, and Ever Growing actively collaborated with local community leaders and police stations to launch the "Giving Warmth in Winter" event. During the year-end season, we provided warmth to society by donating our branded household paper products and disinfectant products to local disadvantaged families, hoping to bring cleanliness and comfort to their holiday season.
- In 2024, the headquarters, Yangmei plant, Qingshui plant, Taoyuan plant of Ever Growing Agriculture Bio-tech Co., Ltd, Yangzhou plant, and Kunshan plant collectively donated over 1,700 boxes of household paper products and various disinfectant products to support social welfare organizations caring for vulnerable communities and local disadvantaged families.

- Starting from 2021, YFYCPG has supported the Taiwan Champion Trees Team to jointly search for the tallest tree in Taiwan. While the team continues to expand the information on giant trees, it simultaneously promotes youth science and citizen environmental education. For the third consecutive year, it has organized a "Natural Science Camp" in Nan'ao Township, Yilan, and the Basianshan Education Park in Heping District, Taichung, for children aged 12 to 18. It is hoped that valuable science knowledge and the enthusiasm of the Taiwan Champion Trees Team will be understood and learned by the children.

Governance Achievements

- Won the 17th TCSA "Corporate Sustainability Reporting Awards - Class I Gold Award" and "Taiwan's Top 100 Sustainable Companies Award" under the Premier Sustainability Performance Award category in 2024.
- Named 2024 Best Companies to Work For in Asia by HR Asia (for 4 consecutive years) and won the Sustainable Workplace Award.
- Participated in the CDP climate change questionnaire assessment and achieved the Management (B) level for "Climate Change."
- Achieved TIPS A-level Certification in 2024, demonstrating the Company's commitment to intellectual property rights as well as improved patent quality and R&D performance.
- Qingshui Plant received the "2024 Happy Workplace Award" from Taichung City Government.
- Qingshui Plant received the "Excellent Healthy Workplace - Vitality Award" from the Health Promotion Administration, Ministry of Health and Welfare.
- The head office, Qingshui plant, and Yangmei plant received the "Sports Enterprise Certification" from the Sports Administration of the Ministry of Education.
- The head office and Yangmei plant received the "Health Promotion Label" certification from the Health Promotion Administration of the Ministry of Health and Welfare.
- Qingshui plant and Yangmei plant received the "AED Safe Workplace" certification from the Ministry of Health and Welfare and the Department of Health of local governments.

YUEN FOONG YU
CONSUMER PRODUCTS CO., LTD

YFYCPG recognized as the Best Companies to Work for in Asia for the fourth consecutive year and won the Sustainable Workplace Award

Governance



03



Corporate Governance and ESG Evaluation Performance

Won the 17th Taiwan Corporate Sustainability Awards

- ★ Corporate Sustainability Reporting Awards - **Class I Gold Award**
- ★ Taiwan's Top 100 Sustainable Companies Award

11th Corporate Governance Evaluation in 2024

Ranking among listed companies:

top **6~20%**, a significant leap in total evaluation score

Intellectual Property and R&D Management

Passed the TIPS (Taiwan Intellectual Property Management System)

certification **A-level Certification**

demonstrating the effectiveness of intellectual property management and R&D efforts



Supplier Audits and Evaluations

Annual audits: we regularly audit the implementation status of quality processes, environmental protection, occupational health and safety, and labor rights to ensure that the products and services provided by suppliers meet the Company's requirements.

- 📌 In 2024, 163 supplier evaluations were completed, with all 163 being qualified, achieving a pass rate of 100%.

We convene quality and business review (QBR) meetings with quality assurance and procurement teams, as well as suppliers, carrying out coaching and continuous improvement activities based on the performance evaluation results.

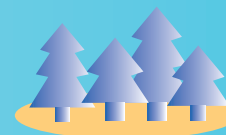
Establishment of the Sustainability Committee

Percentage of independent directors **>50%**

For key **ESG issues** relevant to company operations, team members and committee members jointly review them and submit periodic reports to the Board of Directors.



Realizing Green Procurement



Taiwan brand that procures

the largest amount of **FSC-certified pulp**

Qingshui plant was commended for 4 consecutive years, and Yangmei plant for **5 consecutive years** by the Ministry of Environment.

Expanding GHG Management Boundaries

In 2024, for the Company's operational locations in Taiwan, **advancing Scope 3 GHG inventory and third-party verification**

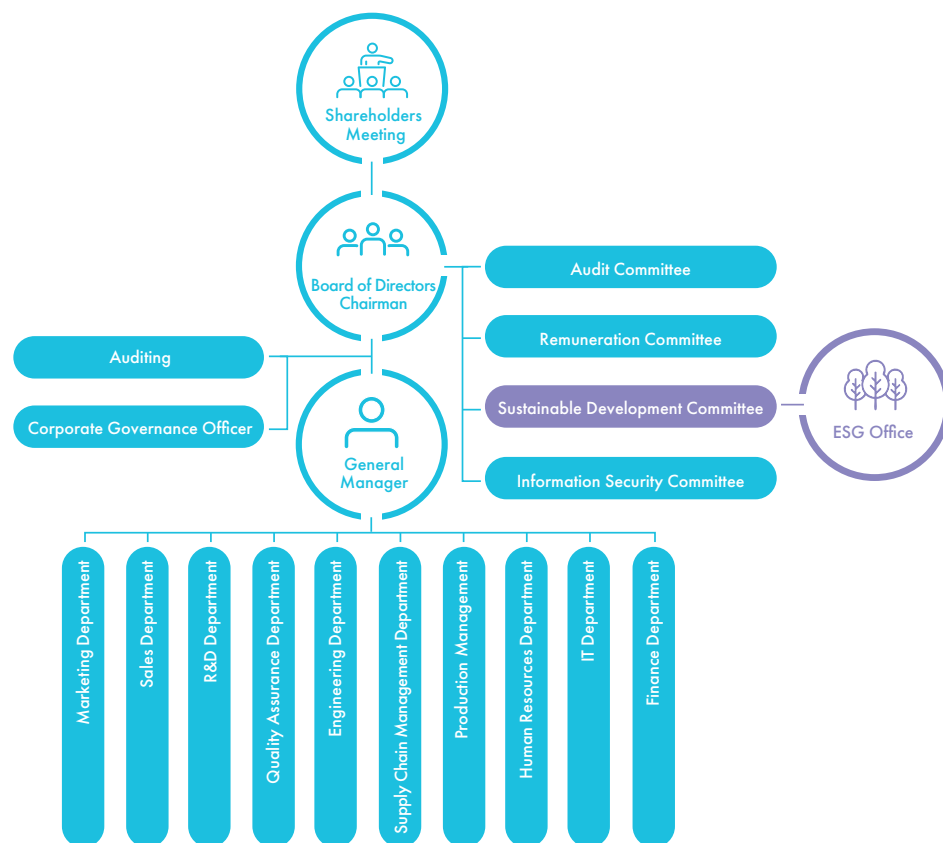


3.1

Board of Directors

The Board of Directors is the highest governing body of YFYCPG and its main responsibilities include guiding the Company's strategies, supervising the management, and being accountable to the Company and shareholders.

The Company maintains sound corporate governance based on the spirit of integrity, compliance with the law, adherence to transparency in operations, and emphasis on shareholders' rights and interests. The corporate governance framework is as follows:



Professionalism and Independence of the Board of Directors

To implement good corporate governance and fulfill the strategic guidance function, the composition of the Board of Directors is based on the Company's business nature and development needs. The nomination and election of Board members are pursuant to the regulations prescribed in the Company's Articles of Incorporation. A candidate nomination system is adopted in accordance with the "Regulations Governing the Election of Directors" and "Corporate Governance Best Practice Principles" to ensure the diversity and independence of board members. According to Article 19 of the Company's Corporate Governance Best Practice Principles, directors should possess the necessary knowledge, skills, and qualifications to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors as a whole should possess the following capabilities:



Diversity of the Board of Directors

To strengthen corporate governance and promote a sound development of the composition and structure of the Board of Directors, the Company's Corporate Governance Best Practice Principles were established at the 4th meeting of the 14th session of the Board of Directors meeting on August 14, 2020. The Principles stipulate the diversification policy for the composition of the Board in Article 19 under Chapter 3 titled "Composition and Responsibilities of the Board of Directors." The content is as follows:

The composition of the Board of Directors should be based on diversification and related policies such as:

- I. Company managerial officer ratio: Directors who serve concurrently as managerial officers should not exceed one third of the Board of Directors.
- II. Basic requirements: A certain degree of diversity in terms of gender and age.
- III. Professional knowledge and skills: A certain degree of diversity is required for their professional backgrounds (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Currently, the Board of Directors consists of 7 members. In 2024, there were 2 directors with employee status (29%), 3 independent directors (43%), and all directors are distinguished individuals from the academic and business sectors. The Company emphasizes gender equality in the composition of the Board of Directors and aims to increase the proportion of female directors to at least one-third (33%). In 2024, male directors accounted for 71% (5 members) and female directors accounted for 29% (2 members). In terms of age distribution, 43% of the directors were aged 41-50 and 57% aged 51-60. The Company is committed to increasing the number of female directors to attain its target in the future.

Board diversity

Title	Chairman	Director			Independent director		
Name	Felix Ho	David Lo	Ronald Lee	Shien Xie	Chih-Chien Lin	Sherry Hsieh	Carol Su
Gender	Male	Male	Male	Male	Male	Female	Female
Age	41-50	51-60	51-60	51-60	41-50	51-60	41-50
Concurrent position(s) at YFYCPG			✓	✓			
Professional backgrounds							
Industry experience	✓	✓	✓	✓	✓		
Business	✓	✓	✓	✓	✓	✓	
Finance		✓					✓
Business management	✓	✓	✓	✓	✓	✓	✓
Professional knowledge and skills							
Ability to make operational judgments	✓	✓	✓	✓	✓	✓	✓
Business management ability	✓	✓	✓	✓	✓	✓	✓
Crisis management ability	✓	✓	✓	✓	✓	✓	✓
An international market perspective	✓	✓	✓	✓	✓	✓	✓
Ability to make policy decisions	✓	✓	✓	✓	✓	✓	✓

Note: According to Article 17 of the Company's Articles of Incorporation, the Company's Board of Directors shall consist of 5-7 directors, each serving for 3 years. For the 16th Board of Directors of the Company, 4 directors and 3 independent directors were elected at the 2023 Annual General Meeting. Their term of office is from June 28, 2023 to June 27, 2026.

Note: The Chairman serves as the chair of the highest governance body. The General Manager is responsible for the execution of operations and provides periodic reports to the Chairman. This mechanism helps prevent the concentration of power and potential conflicts of interest.

The attendance in meetings of the Board of Directors in 2024 was good with a 97.1% attendance rate. Directors have continued to take courses in fields other than their professional backgrounds and they have attended related courses on corporate governance as well as environmental, social, and governance (ESG) courses. The performance evaluation of the Board of Directors in 2024 was conducted through internal self-assessment. For relevant information, please refer to the Company's annual report.

The Company has established corporate governance regulations. In addition to specifying the duties and powers of the Board of Directors in the Articles of Incorporation, the Company also established the "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles," "Code of Conduct," "Sustainability and Social Responsibility Guidelines," and "Standard Operating Procedures for Processing Requests Filed by Directors" to strengthen the operations of the Board of Directors and improve corporate governance.

Nomination and Election of Board of Directors

The Board of Directors is the highest governing body of the Company, establishing and complying with various laws and regulations in accordance with relevant laws, regulations, and powers of authority granted during the shareholders' meeting. It is responsible for formulating, supervising, and approving the Company's overall sustainability strategies and ESG reporting.

The nomination and election of Board members are conducted pursuant to the Company Act and the Company's Articles of Incorporation, adopting a candidate nomination system. Additionally, the processes are carried out in accordance with the "Procedures for Director Election" and "Corporate Governance Best Practice Principles" to ensure diversity and independence of Board members. The qualifications and appointment of independent directors comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and the selection is conducted in accordance with Article 21 of the Company's Corporate Governance Best Practice Principles. Director candidates are nominated and selected in accordance with the Company's Corporate Governance Best Practice Principles based on the following criteria (1. Ability to make operational judgments. 2. Ability to perform accounting and financial analysis. 3. Business management ability [including subsidiary management] 4. Crisis management ability. 5. Knowledge of the industry. 6. An international market perspective. 7. Leadership. 8. Ability to make policy decisions. 9. Risk management knowledge and skills.) The Company evaluates whether candidates possess the knowledge, skills, and quality required to perform their duties. To ensure diversity and compliance with governance requirements, the Company also considers the proportion of managers, gender, age, professional background, and academic experience.

To avoid conflicts of interest within the highest governance body, the Company has designated the Human Resources Department to assist the Board of Directors and

management in formulating and supervising the implementation of the ethical management policy and code of conduct. The department is required to provide periodic reports (at least once a year) to the Board of Directors on the status of compliance, assisting the Board of Directors and management in auditing and evaluating the effectiveness of preventive measures established to practice the ethical management principles. Under directors' compliance with high ethical standards and comprehensive mechanisms, no incidents of conflict of interest violations have occurred since the Board's establishment.

The Company has included conflict-of-interest provisions in its Board of Directors Meeting Procedures, as well as in the organizational charters of functional committees such as the Audit Committee, Remuneration Committee, Sustainable Development Committee, and Information Security Committee. If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that agenda item. Furthermore, they shall recuse themselves from the discussion and voting sessions on that agenda item and may not act as a proxy for another director or committee member to exercise voting rights on that matter. The names of involved directors or committee members, important details, and their recusals are documented in the meeting minutes.

In addition, the Company has established the Ethical Corporate Management Best Practice Principles, Ethical Corporate Management Operating Procedures and Code of Conduct, and Code of Ethical Conduct, which expressly specify the procedures for avoiding conflicts of interest and their implementation. The implementation status of ethical management is reported to the Board of Directors. To facilitate communication with stakeholders, the Company has set up a dedicated stakeholder section on its website, disclosing relevant regulations and information in detail. For controlling shareholders, directors, suppliers, customers, and other stakeholders, the Company has established the Procedures for Transactions with Related Parties, as well as the Operating Procedures for Transactions with Group Enterprises, Specific Companies, and Related Parties and Procedures for Transactions with Related Parties. These documents outline the procedures and regulations that must be followed when engaging in transactions with related parties. There are currently no undisclosed conflicts of interest. The Company also has appointed a spokesperson and created an email box managed by dedicated personnel to handle inquiries and suggestions from stakeholders.

The professional backgrounds of the Company's Board members include expertise in industry, management, as well as finance and accounting. According to the list of members of the 16th Board of Directors in 2024, those with leadership, the ability to make operational judgments, ability of crisis management, industry knowledge, and an international market perspective include directors Felix Ho, David Lo, Ronald Lee, and Shien Xie.



The independent members of the Board of Directors include Chih-Chien Lin, a university professor; Sherry Hsieh, Vice President of the Taiwan Health Foundation; and Carol Su, a CPA and an independent director of other listed companies.

In 2024, the Company's Board of Directors comprised 2 directors who are employees of the Company and 3 independent directors. There are **2 female** independent directors.

Board Performance Evaluation and Implementation Status

On December 28, 2020, the Board of Directors approved the "Board of Directors Performance Evaluation Guidelines," which stipulate that the Board of Directors and functional committees must conduct internal performance evaluations every year and engage external independent institutions or experts/scholars to conduct evaluations at least once every three years. If an external evaluation has been conducted in a given year, the internal self-assessment for the year may be waived.

The Taiwan Investor Relations Institute was engaged to conduct 2023 performance evaluations for the Board of Directors, functional committees, and individual director, meeting the requirement for external evaluations every 3 years. The next external evaluation will cover the performance in 2026, with results expected to be reported to the Board of Directors in the first quarter of 2027. In addition, the Company has completed its internal performance evaluations for 2024 in the first quarter of 2025, with results reported to the Audit Committee, Remuneration Committee, Information Security Committee, Sustainable Development Committee, and the Board of Directors on March 13, 2025. These evaluation results will serve as a reference for director and committee member nominations and term renewals, strengthening governance quality and enabling continuous improvement.

The performance assessment and reasonableness of remuneration for the Company's directors and executives are subject to regular evaluations and reviews by the Remuneration Committee and the Board of Directors each year. The evaluations take into account individual performance, contributions to the Company, overall operational performance, future industry risks, development trends, and compliance with relevant laws. The remuneration system is periodically reviewed based on the Company's actual operating conditions and corporate governance trends to strike a

balance between sustainable management and risk control. The actual remuneration for directors and executives in 2024 was determined by the Board of Directors after the deliberation of the Remuneration Committee. For more information, please refer to the Company's website or annual report.



3.2 Operating Status of the Functional Committee

Audit Committee

The Company's Audit Committee is composed of 3 independent directors. The Committee's purpose is to verify the fair presentation of the Company's financial statements, oversee the hiring or dismissal of CPAs, evaluate their independence and performance, evaluate the effectiveness regarding implementation of the Company's internal control system, ensure compliance with relevant regulations and rules, and monitor the Company's control of existing or potential risks. The Committee exercises its powers in accordance with Article 14-5 of the Securities and Exchange Act and the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.

The Audit Committee consists of all 3 independent directors, each possessing independence and professional backgrounds. In 2024, it held 4 meetings with a 100% attendance rate. For more detailed information about the Audit Committee, please refer to the Company's website.

Information Security Committee

The company's Information Security Committee consists of three members and aims to assist the Board of Directors in promoting the implementation of information security management to strengthen corporate governance and enhance the security of business operations. The committee is comprised of 3 professional members and held 1 meeting in 2024, with a 100% attendance rate.

Remuneration Committee

The Remuneration Committee consists of all 3 independent directors, each possessing independence and professional backgrounds. The committee meets at least twice a year, and 2 meetings were held in 2024 with an attendance rate of 100%. Remuneration reviews are conducted based on market remuneration survey data provided by third-party advisory firms (such as Will Towers Watson) to ensure alignment between external benchmarks and internal structures.

After being reviewed and approved by the Remuneration Committee, the items included in remuneration package for senior executives are submitted to the Board of Directors for final approval. The committee is involved in the design of the remuneration system, which covers the salary structure, performance indicators, and long-term incentive mechanisms, ensuring that the system is motivating and fair while supporting the Company's sustainable development strategies.

The Company has established diverse feedback mechanisms to regularly collect employees' opinions on the remuneration system through employee satisfaction surveys, supervisor discussions, and grievance channels. Additionally, the Company gathers suggestions from external stakeholders through shareholders' meetings, investor conferences, and investor relations channels. These suggestions serve as a basis for reviewing and optimizing the system. Performance indicators for the Company's senior executives incorporate ESG issues, including energy efficiency, innovative R&D of green products and packaging materials, carbon emission control, corporate governance, and social engagement. The performance indicators are developed based on annual sustainability goals and operational responsibilities. They are reviewed annually and revised on a rolling basis using a diverse approach—evaluating both quantitative performance and qualitative outcomes—to strengthen the measurability and substantial impact of ESG indicators. For more information on the Remuneration Committee, please refer to the Company's official website.

Sustainable Development Committee

The Sustainable Development Committee governs and oversees the effectiveness of sustainable development. Its scope of work includes the development of environmentally friendly products, green and environmentally friendly production practices, response to climate change, employee development and occupational health and safety, corporate governance and ethical management, sustainable supply chain development, stakeholder communication and social inclusion, operational risk and opportunity management, as well as the promotion and execution of sustainable tasks performed by the risk management task forces and other task forces under the committee. The Sustainable Development Committee was established in August 2024, following approval by the Board of Directors. It has developed the "Sustainable Development Committee Charter" and "Sustainable Development Committee Operation and Management Regulations." In 2024, the committee convened 1 meeting, achieving a 100% attendance rate.



3.2.1 Comprehensive information disclosure

The Company is committed to increasing the speed and transparency of information disclosure. In addition to the regular statutory information disclosure, the Company actively participates in investment forums and institutional presentations organized by domestic and foreign securities firms. These events provide explanations on financial figures, business performance, and other relevant information, strengthening investors' understanding of the Company's financial and operational data.

Information transparency and disclosure channels

Setup of the spokesperson and acting spokesperson system

The Company appoints a spokesperson (and acting spokesperson) to communicate with the media, shareholders, and investors.

Material information announcements

The announcements help investors and the general public understand the Company's latest developments.

Company website platform

We have set up an investors' section on the website to disclose the progress of business development and update financial information and corporate governance information so that investors can learn about the Company's latest news.

Investor seminars and domestic (foreign) investor forums

From time to time, we participate in investor seminars and domestic and (foreign) investor forums held by securities firms to explain the Company's operations, financial overview, strategic development, and business policies.

Information transparency and disclosure milestones

- We set up a website in Chinese/English to disclose business development information and update financial information and corporate governance information.
- We publish the Company's production and sales volume information on the website every month.
- The Company voluntarily publishes the operating profit and earnings per share on the Market Observation Post System and the Company's website each month.
- The proposals of shareholders' meetings are processed by electronic voting and case-by-case voting. The results of the votes are published on the "Market Observation Post System" and the Company's website.
- The Company attends at least one investor conference each quarter and publishes the presentation deck on the Company's website.

3.2.2 Integrity and compliance

The Company has established the "Ethical Corporate Management Operating Procedures and Code of Conduct" and "Code of Ethical Conduct" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies." The Board of Directors and management fully understand and actively implement related operating regulations in internal management and external business activities.

The Company performs regular analysis and assessment of business activities with a higher risk of unethical conduct within the scope of business and implement programs to prevent unethical conduct. The programs are provided below:

- 1 Prevention of dishonest behavior and the prohibition of bribery acceptance: Detailed information about disciplinary actions and the reporting system are listed in Chapter Four: "Service Regulations" of the Work Rules.
- 2 Protection of intellectual property rights: We ensure protection by requiring employees to sign the "Intellectual Property Rights, Personal Information Protection, and Business Strife Limitation Agreement" as well as the employment contract.
- 3 Employee Code of Conduct: Established to implement the Company's core values, maintain high ethical standards, provide employees with standard compliance requirements when performing their daily duties and tasks,

protect the Company's reputation, and earn the respect and trust of our clients, vendors, and other individuals.

- 4 Ethical Corporate Management Operating Procedures and Code of Conduct: They contain 17 operational regulations and stipulate whistleblowing systems and handling procedures.

The Company's Human Resources Department is responsible for handling the drafting, amendment, and implementation of the "Ethical Corporate Management Operating Procedures and Code of Conduct". It also reports the implementation status to the Board of Directors on a regular basis.

Article 5 of the Ethical Corporate Management Operating Procedures and Code of Conduct states the methods for assessing corruption risks and includes standard operating procedures for the prohibition on offering or accepting improper benefits, procedures for handling improper benefits, prohibition of facilitation fees, political contributions, charitable donations or sponsorships, and avoidance of conflicts of interest.

To ensure ethical management, the Company has established an effective accounting system and internal control system. The Company's accounting system is based on the Securities and Exchange Act, Company Act, Business Entity Accounting Act, Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, and interpretations and explanations approved by the Financial Supervisory Commission, and the regulations are established based on the actual operations of the Company. The internal control system is established based on the "Regulations Governing Establishment of Internal Control Systems" by Public Companies for implementation. The audit department also regularly audits the compliance of the accounting system and internal control system. They report results to the Board of Directors and the Audit Committee.

To ensure the smooth operations of the Company and help all employees actively implement corporate social responsibility and moral ethics, the Company requires all employees to sign the "Professional Ethics, Integrity, and Non-Child Labor Statement" on the day they report for duties and issue employee handbooks to provide one-on-one explanation and ensure that all employees understand the Company's Code of Conduct.



The Company provides all employees with online learning through the LMS (Learning Management System). The Company also offers more comprehensive training courses to Board directors, corporate governance officer, managerial officers, and employees in specific positions, aiming to continue to implement specific measures for the Company's ethical management policies and prevent unethical conduct (including anti-corruption). In 2024, 767 people participated in online and in-person courses and total man-hours amounted to 767 hours.

As of the end of 2023, the Company recorded a total of 2 environmental-related administrative penalties. By the end of 2024, the cumulative total reached 5 cases. However, no significant penalties exceeding NT\$1 million were imposed by administrative authorities. For more details, please refer to Chapter 4 "Environmental Compliance."

3.3 Risk Assessment and Management

Risk identification and audit system



- Each department of the Company conducts self-assessment and risk identification procedures each year in accordance with the "Self-Assessment Procedures of the Internal Control System," and the Auditing and Compliance Office compiles the internal control self-assessment information, prepares the statement of internal control system, and submits it to the Audit Committee and the Board of Directors to ensure the healthy operations of the Company.
- The Auditing and Compliance Office formulates/adjusts the annual audit plan in accordance with regulations and the conclusions of the internal control self-assessment, and reports results to the Audit Committee and the Board of Directors for approval.

- We perform risk-based financial/business/operational/management system audits in accordance with the annual audit plan approved by the Audit Committee and the Board of Directors as well as the "Internal Audit Implementation Guidelines." We also assist in setting up systematic and preventive control points/reviews to streamline operational processes and ensure compliance with legal regulations and continuous process optimization. The Auditing and Compliance Office implements routine audits in accordance with the annual audit plan and implements special audits when necessary to ensure that possible deficiencies in the internal control system are immediately identified and make recommendations for improvement. We regularly report related implementation conditions or results to the Audit Committee and the Board of Directors.
- The Auditing and Compliance Office continues to track the improvement status based on the improvement plans and improvement deadlines provided by the audited units, and provide periodic reports on the tracking status and results to the Audit Committee and the Board of Directors.



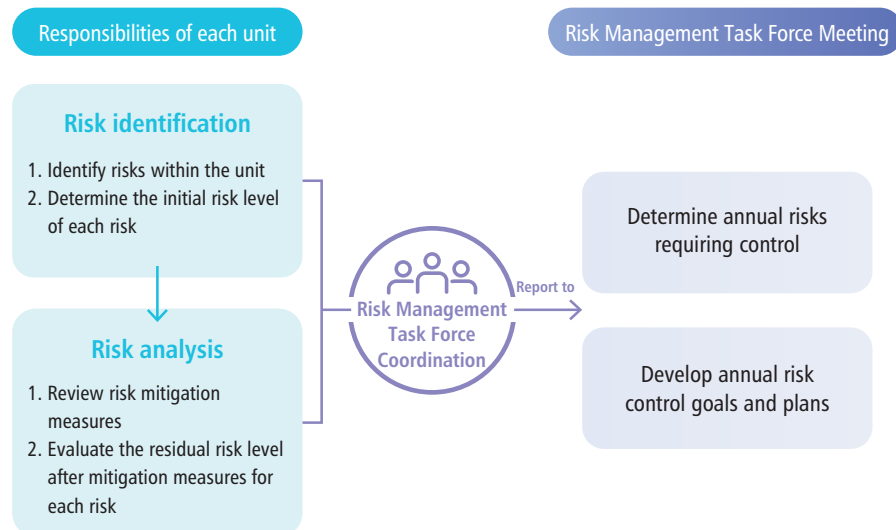
The Company has established the “Risk Management Policies and Procedures” to develop a comprehensive risk management framework, controlling the Company’s operational risks, thereby achieving the goals of stable business operations and sustainable corporate development.

According to the “Risk Management Policies and Procedures,” the Sustainable Development Committee is responsible for determining the prioritization and risk levels of risk management, ensuring that the risk management mechanisms adequately address the Company’s risks, reviewing the implementation of risk management, proposing necessary recommendations, and reporting to the Board of Directors on a regular basis (at least once a year).

Risk registration training was conducted during the second half of 2024. The Risk Management Task Force under the Sustainable Development Committee convened team

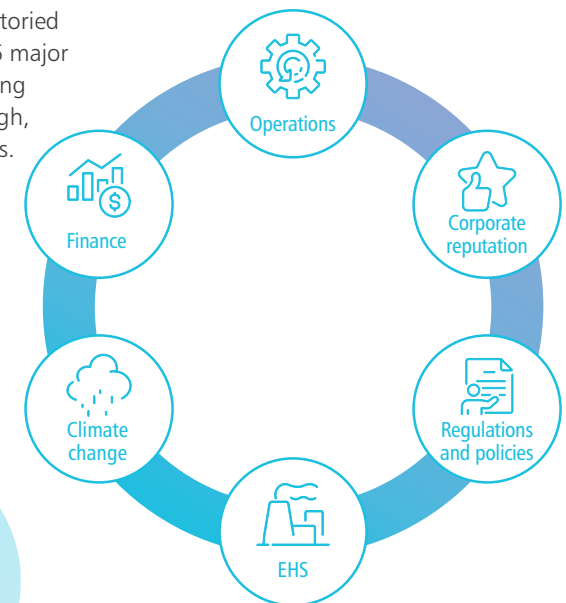
meetings, completing risk identification and risk analysis. The team meeting on October 9, 2024 discussed the risks identified and proposed by each unit as well as response controls. The 1st session of the 1st-term Sustainability Committee meeting reviewed the Risk Management Task Force’s meeting agenda, discussed risks, and their proposed response controls on November 12, 2024. The committee then categorized risks into 6 major classifications, identifying a total of 17 risks at high, medium, and low levels. After consultation with all attending committee members, the meeting chair agreed to select 1 high risk (carbon fee collection, coal restriction policy), 2 medium risks (human resources management, environmental safety), and response measures as key risk control and action items for 2025. These decisions were subsequently reported to the Board of Directors on the same day.

Risk identification



Risk inventory

The 5 task forces inventoried categorized risks into 6 major classifications, identifying a total of 17 risks at high, medium, and low levels.



Main Risk	Sub-Risk	Risk Description	Potential Impact	Countermeasures
Climate change	<ul style="list-style-type: none"> Carbon fee collection Coal restriction policy 	<ul style="list-style-type: none"> Carbon fees increase each year. When existing coal-burning permits expire, the permitted amount of coal will be reduced. 	Increased operating costs	<ul style="list-style-type: none"> Transition to energy alternatives Process optimization Addition of new equipment Upgrade to natural gas boilers Adoption of new technologies
Operations	Quality control	<ul style="list-style-type: none"> Poor product quality may result in consumer complaints. Media coverage on such consumer complaints could amplify the issue, leading to irrational customer returns at retail stores. Product quality and safety 	<ul style="list-style-type: none"> Goodwill impairment High damages Losses incurred from product withdrawals, recalls, and returns, as well as lawsuits and other legal and regulatory penalties 	<p>Launch crisis management mechanisms (product recalls, adjustment of promotional materials, media monitoring)</p> <ul style="list-style-type: none"> Promptly retrieve products subject to customer complaints for inspection (and reply with updates in a timely manner) Provide supporting evidence through third-party inspection reports Provide employee training Implement production quality control mechanisms
Operations	Human resource management	<ul style="list-style-type: none"> Increasing difficulties in local recruitment Annual base pay adjustments Changes to foreign technician-related policies 	<ul style="list-style-type: none"> Labor shortage Increased costs 	<ul style="list-style-type: none"> Carry out industry-academia collaboration and develop diverse recruitment channels Give annual pay raises to new hires Track laws and regulations related to foreign technicians and make necessary adjustments to stay compliant with these laws and regulations
Corporate reputation	Brand building	<ul style="list-style-type: none"> Product issues False or exaggerated labeling and claims, along with negative perceptions of consumer products associated with high carbon emissions or excessive water consumption, could harm the Company's image. This may result in customers shifting to other products or adopting paperless policies, ultimately leading to reduced demand and revenue. 	<ul style="list-style-type: none"> Violation of the Commodity Labeling Act or the Fair Trade Act Administrative penalties Changes to packaging or advertising materials Product discontinuation 	<ul style="list-style-type: none"> Implement new product review mechanisms Implement advertising production review mechanisms Prepare blueprints for new product development
Corporate reputation	Competitors	Imitation of new products	<ul style="list-style-type: none"> Product launch delays Stagnant product sales Increased additional expenses and loss of profits 	Implement Tips management mechanisms (intellectual property protection, internal confidentiality control)
EHS	Environmental safety	Fire incidents	<ul style="list-style-type: none"> Downtime losses Losses in inventory and plant equipment 	<ul style="list-style-type: none"> Ensure firefighting equipment is properly maintained Conduct regular fire drills Ensure adequate insurance coverage
Finance	Raw materials procurement	International instability, natural disasters, and other non-market factors could cause price increases and supply shortages for pulp, energy, and other raw materials.	<ul style="list-style-type: none"> Impact on operations and long-term profitability Sales drop due to production disruption 	<ul style="list-style-type: none"> Pay close attention to the global economic situation, adjust procurement and pricing strategies in a timely manner, and take contingency measures Continue to develop new suppliers to diversify supply sources, and request suppliers to increase their safety stock

Main Risk	Sub-Risk	Risk Description	Potential Impact	Countermeasures
Regulations and policies	Industry policies	New products' impact on existing markets	<ul style="list-style-type: none"> To C: Consumers tend to choose products with carbon footprint certifications or other environmental-friendly certifications. To B: Government bodies take the lead in *mandating* the use of circular materials in products for public bids. (Paper products: Recycled paper; Clean products: 100% recycled bottle) 	Strengthen environmentally friendly product upgrades and new product development; collaborate with suppliers on the R&D of raw and packaging materials to strike an optimal balance between environmental protection and consumer experience
Regulations and policies	Industry policies	Increasingly stringent regulations	<ul style="list-style-type: none"> Product formula and label adjustments Inventory levels of finished products, formulas, and packaging materials must be reduced to avoid obsolescence and waste. Product withdrawals or recalls 	<ul style="list-style-type: none"> Work closely with industry unions to participate in early discussions on issues of concern Implement inventory control
Corporate reputation	R&D	New product development process risks intellectual property and patent infringement.	New products cannot be launched.	<ul style="list-style-type: none"> Ensure all new products undergo searches and evaluations for intellectual property and patents Conduct patent avoidance and preventative actions Apply for patents
Operations	Procurement and supplies	Purchased equipment fails to meet inspection and acceptance standards.	High annual losses, for example, if energy consumption exceeds the standard by 0.2T/TP, it could result in an annual loss of NT\$6 million.	<ul style="list-style-type: none"> Require the Procurement Department to modify procurement contract terms, updating acceptance payments from 10% to 20% to motivate suppliers to make improvements Do not close any cases that fail to meet acceptance standards, requiring suppliers to continue improvements until standards are met
Operations	Suppliers	Suppliers stop or reduce production, or even go bankrupt due to poor management.	Fines incurred due to supply chain disruptions	<ul style="list-style-type: none"> Through supplier evaluations, reduce high-risk suppliers from being part of the supply chain Conduct regular audits and visits to suppliers to monitor their financial standing Review supply and distribution backup plans to develop contingency measures early
Finance	New business venture performance	Performance falls short of expectations due to market fluctuations, production quality, and other macroeconomic factors.	Failure to meet expected goals	Continue to monitor changes in market demand and make timely adjustments through internal evaluation mechanisms to maximize benefits
EHS	Employee safety	Major occupational accidents of factory personnel	Compensation claims, fines, downtime losses	<ul style="list-style-type: none"> Improve safety awareness in the workplace Ensure equipment safety protections are properly maintained
Operations	System security	System information - factory production management system failures, Oracle system failures	<ul style="list-style-type: none"> Factory production process digitization failures Digital operations for production orders are halted and financial reports cannot be sent. 	<ul style="list-style-type: none"> Confirm the procedures for adopting manual operation. Determine the methods for data import after system recovery Evaluate the feasibility of implementing paper-based processes Evaluate the possibility of adding redundancy to the Oracle system

Main Risk	Sub-Risk	Risk Description	Potential Impact	Countermeasures
Operations	System security	System security - leakage of sensitive and confidential documents and personal data	<ul style="list-style-type: none"> Leakage of sensitive and confidential internal information Damages and administrative penalties 	<ul style="list-style-type: none"> Regularly review the access to sensitive and confidential documents, as well as monitor user access Evaluate encryption and access logging systems Develop personal data management regulations; use forms, such as Personal Data Collection Form and Personal Data Use Form, to control personal data flow Conduct annual personal data inventories Provide employee training Outsourced prize draws/80% (e.g., consumers' personal data leaks due to prize draws)
Regulations and policies	Legal aspects	A growing number of alleged workplace bullying and sexual harassment disputes	Labor disputes	<ul style="list-style-type: none"> Conduct training for new hires to raise awareness Provide board directors and supervisors with educational courses to raise senior management's awareness Conduct awareness-raising training for all employees each year

3.4

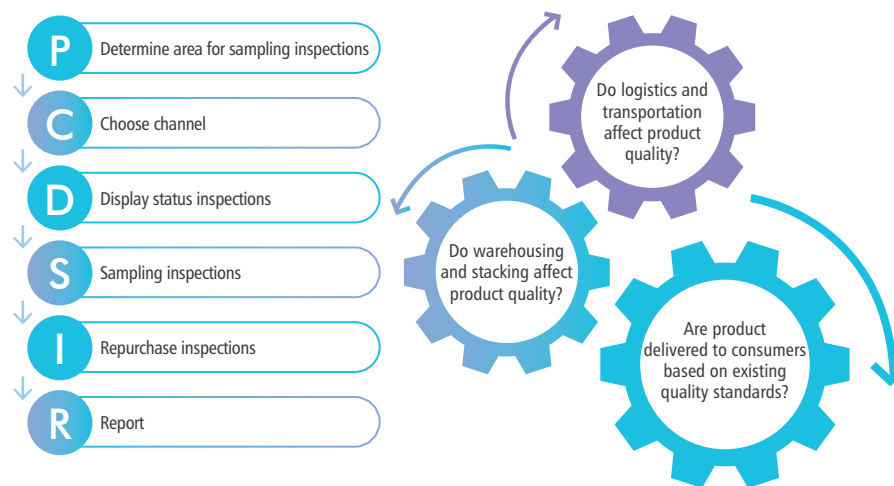
Customer Satisfaction and Product Services

3.4.1 Product safety and regulatory compliance

The specifications on the labels of the Company's products meet national regulations and international standards (e.g., FSC™ certification, HACCP Food Safety Control System, and ISO 22000 Food Safety Management System). We provide accurate product labeling with full information as well as fair and responsible marketing communications that help consumers obtain information about the composition of the product so that consumers have comprehensive product information and have access to safe and high-quality products.

The Company also set up a consumer service hotline and established the "Operating Procedures for Customer Complaints and Consultation Services" to provide real-time consultation services and comprehensive complaint procedures to ensure that consumer interests are protected and continue to provide customers with better products and experience.

The Company regularly performs the quarterly "cleaning products market distribution sampling inspection procedures" to conduct independent assessment and inspections of product quality. The inspection items include the actual status of product displayed on shelves, packaging specifications, physical and chemical inspections,



microbiological, and endurance tests. This procedure helps the Company view whether there are operational quality risks in the logistics and storage of products after they are shipped from the factory, so that we can correct them in advance during product design. It also verifies all the tests conducted by the R&D team during development and the actual conditions of the product. It ensures that the product quality is maintained by means of repeated and endurance tests.

3.4.2 Customer health and safety

Customer satisfaction rate and product labeling

To ensure that customers have a good experience with products, YFYCPG set up the Customer Relations and Market Research Division dedicated to the customer satisfaction survey of its brands. We also use the experience and feedback from customers in our future product upgrades and development plans to continue to provide high-quality products and services to each customer.

YFY also values the opinions of all consumers. We use the customer service hotline, online real-time customer service, business visits, and corporate social responsibility questionnaires to obtain consumer feedback, which is used for internal quality management and related units work together to review and develop future improvement strategies to continuously improve the quality of our products and services for customers.

YFYCPG's brands include "Mayflower," "Delight," "Tender," "Orange House," and "Fresh Sense." All specifications on the labels of YFY products meet regulatory requirements so that customers fully understand product information and can choose products that meet their needs. They can also feel safe in the use of the products.

Personal data management

YFYCPG strictly complies with the relevant provisions of the "Personal Data Protection Act" regarding the collection, processing, and use of personal data. We protect the privacy of consumers' personal data with rigorous organization, management systems, and control mechanisms. YFYCPG also established the "Personal Data Protection and Management Organization" in accordance with requirements in the "Personal Data Protection Act". The Organization informs the consumers of the method of collection, processing, and use of consumers' personal data in the collection, processing, and use of personal data to comply with laws and protect consumers. The Company strictly complies with the relevant provisions of the Personal Data Protection Act regarding the collection, processing, and use of consumers' personal data. We have established a "Personal Data Protection Management Organization" to protect the privacy of consumers' personal information with rigorous organization, management systems, and control mechanisms.



Product liabilities

To ensure that customers have a good experience with products, the Company set up the Customer Relations and Market Research Division, which uses the customer service hotline, online real-time customer service, business visits, and corporate social responsibility questionnaires of the ESG Office to obtain consumer feedback on their product experience.

Customer satisfaction surveys are conducted on a regular basis each year to evaluate consumer satisfaction (scores are given on a scale of 1 to 7) for the Company's brands, including Mayflower and Delight. We implement improvement plans for unsatisfactory items (those with an average score below 3 points) to ensure that the product experience of each brand meets consumer expectations.

According to the 2024 survey results, 344 customers satisfied with the "Mayflower" brand, accounting for 97.7% of the total number of customers interviewed.

Promote a safe, healthy and beautiful life: The Company's four major products passed carbon footprint verification

Product carbon footprint is an important indicator to measure the greenhouse gas emissions produced by a product during its lifecycle. It considers the stages and impact patterns of various environmental impacts in the product lifecycle. Through these analyses, we hope to identify and reduce carbon emissions during product production, transportation, use and disposal, thereby understand the impact hotspots of products on the environment. This way, we can develop best resource management practices to reduce the impact on the environment.

According to the standards of product carbon footprint, up to now, we have three key products that have completed product carbon footprint analysis, and all have passed product carbon footprint verification. For details, please refer to the management system list.

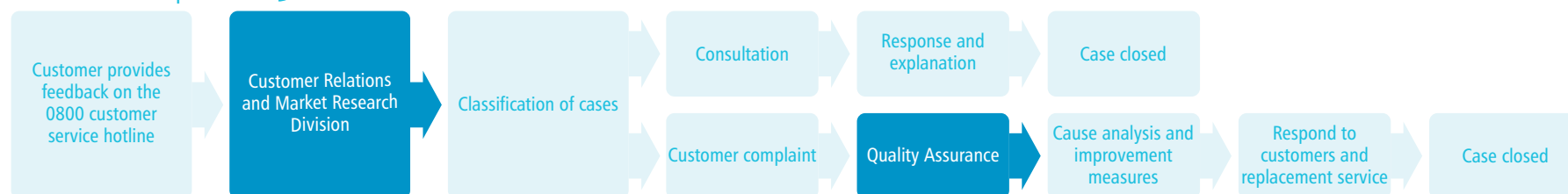
The Company will continue to develop green products to reduce environmental impact and respond to consumer expectations, providing products that better enable sustainable living.



Customer satisfaction survey and product labeling

The health and safety of customers and consumers is our greatest responsibility. Their opinions and feedback help us develop product upgrades and development plans. We will continue to invest in new product development, master the market of epidemic prevention, Lohas, and middle-aged people as well as green products, and satisfy different markets in the post-pandemic era by developing a series of household, personal, and commercial products.

Customer service procedures



Customer satisfaction survey procedures



(Satisfaction score is from 1-7)

3.5 Supply Chain Management

There has been no significant change in the Company's supply chain in 2024.

The Company engages in the R&D and manufacturing of household paper products. The main suppliers in the supply chain provide pulp, film packaging materials, and cartons. To effectively implement environmental protection and green procurement policies, the Company sources from local suppliers in Taiwan as well as from suppliers in South America for their forest-friendly-certified pulp, aiming to improve the sustainability of the use of raw materials. The main raw material required for the Company's household paper products is wood pulp, of which 33% is sourced locally¹ and the other 67% is imported.

Supply status of primary raw materials for household paper products

Primary markets of products and services	Taiwan, Asia, and North America
Distribution method	Distributors and direct marketing
Main material(s)	Wood pulp
Main source(s) of material(s)	Overseas procurement
Supply of material(s)	Stable supply

Supplier risk identification and audit system

The Company engages in business operations and implements corporate social responsibility based on the values of integrity, trust, and innovation. When engaged in business operations, the Company upholds the values of integrity, trust, and innovation, practices corporate social responsibility, and aims to establish a long-term and stable supply chain. It also formulates clear supplier management measures to specify the environmental and professional requirements of suppliers. requirements on issues such as safety and health or labor rights, and implement inspections and implementation status.

New suppliers are required to undergo selection according to the implementation details of the supplier management regulations, and then the suppliers will be evaluated. Only after the supplier is deemed to be qualified can they proceed with subsequent procurement cooperation.

¹ The scope of data consists mainly of the main production sites of paper products in Taiwan.

New suppliers are assessed based on the supplier evaluation process on "operational management capabilities," "production and technical capabilities," and "quality system capabilities." In response to the growing global focus on environmental and social sustainability, we have implemented and requested suppliers to uphold environmental protection, safety and health, and human rights to fulfill corporate social responsibility together.

The supplier performance evaluation regularly reviews the supplier's performance results in aspects such as "quality," "cost," "delivery," and "service." We convene quality and business review (QBR) meetings every quarter, with the Quality Assurance Department and Procurement Department, and suppliers, carrying out coaching and continuous improvement activities based on the performance evaluation results.

Annual supplier audits include regular inspections of the implementation status of the quality process, environmental protection, occupational safety and health or labor rights, to ensure that the products and services provided by suppliers meet the Company's requirements. A total of 93 QBR meetings were conducted in 2024. The Procurement Department, Quality Assurance Department, and suppliers jointly participated and completed a total of 21 supplier management and coaching activities. In addition, the Company held large-scale training sessions on environmental protections and occupational health and safety, with 46 participants from 22 suppliers attending. These activities and training aim to encourage suppliers to continuously upgrade their quality system features while raising their awareness of their responsibilities regarding environmental protection, safety and health, and occupational hazard prevention.

2024 supplier management activity pass rate

In 2024, 6 new supplier evaluations were completed, with 5 being qualified, achieving a pass rate of **83%**.

In 2024, 163 supplier evaluations were completed, with all 163 being qualified, achieving a pass rate of **100%**.

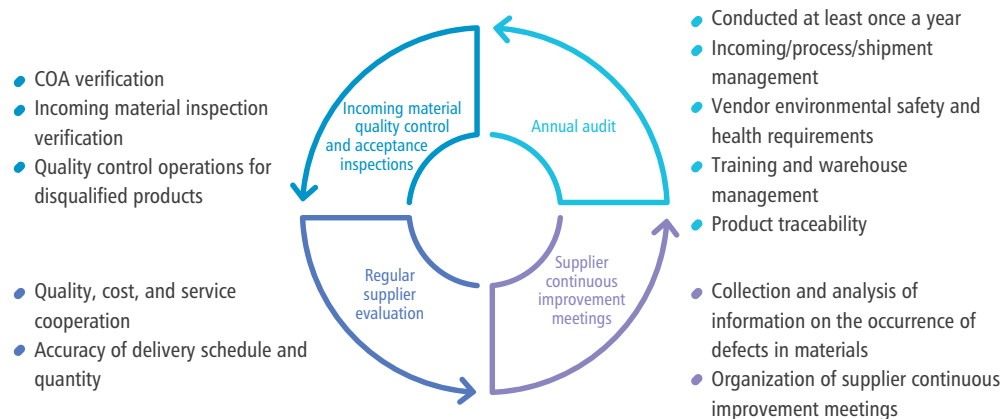
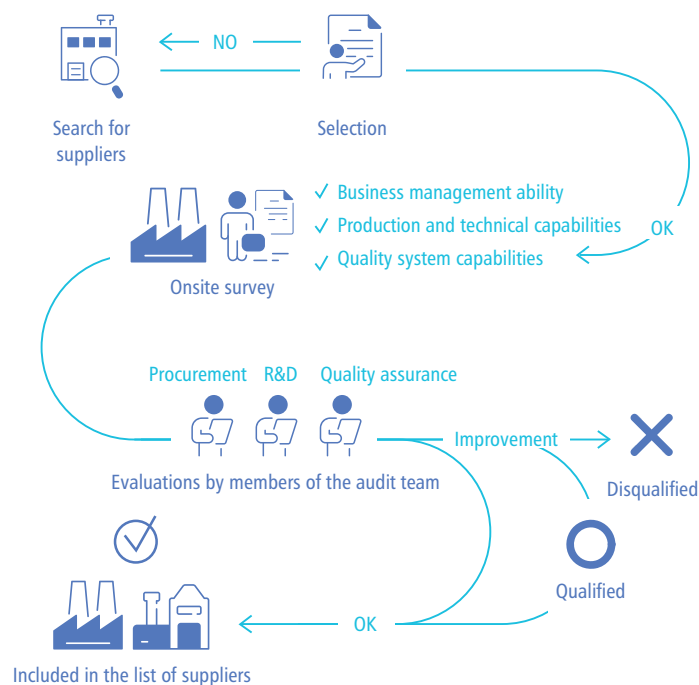
Additionally, 24 suppliers underwent annual audits in 2024, with all 24 being qualified, achieving a pass rate of **100%**.

3.5.1 Procurement practices and supplier audit management policy

Qualified suppliers are audited for "management capabilities," "production and technical capabilities," and "quality system capabilities" in the first supplier evaluation process. The Company considers the technical capabilities, quality, delivery schedule, and price competitiveness of suppliers. In response to the growing global focus on environmental, governance, and social sustainability, we have implemented and requested suppliers to uphold environmental protection, safety and health, and human rights to fulfill corporate social responsibility together.

In terms of regular supplier audits and evaluations, we seek to implement effective supplier management and we have established standards for new supplier selection. After a supplier becomes a qualified supplier, the Quality Assurance Department and Procurement Department perform annual audits or reviews of raw materials, packaging materials, and general spare parts and hardware. Audits are conducted either by document review or onsite inspections. Suppliers with significant non-compliance items in audits and evaluations are classified as Level C² suppliers. If it is unable to meet the Company's requirements after continuous assistance, we may cancel the partnership to ensure that the products provided by the supplier meet the Company's requirements.

New supplier selection and evaluation procedures



Supplier Management Regulations

	Management Regulations	Methodology	Basis and Standards
Economy	<ul style="list-style-type: none"> Material specifications. Contracts and confidentiality agreements. Survey and evaluation of suppliers' basic information. Supplier audit and evaluation. 	<ul style="list-style-type: none"> Regular audits of suppliers to ensure that the quality of materials, delivery schedule, prices, and services provided by suppliers meet requirements. Provide consultation and training from time to time to increase the competitiveness of suppliers. 	ISO 9001
Environment	<ul style="list-style-type: none"> Control requirements for toxic or banned substances. Environmental compliance requirements. 	<ul style="list-style-type: none"> Submit and review SDS contents. Signature of suppliers' payment request forms. Supplier evaluation and annual audits and ratings. 	National laws and regulations
Society	<ul style="list-style-type: none"> Commitment to honesty and integrity. Compliance requirements for labor laws and regulations. Requirements for child labor ban. Compliance requirements for fire safety as well as occupational safety and health laws and regulations. 	<ul style="list-style-type: none"> Signature of suppliers' payment request forms. Suppliers must comply with the ethical commitment as well as national laws and regulations to create positive and good work relationships. Supplier evaluation and annual audits and ratings. 	National laws and regulations

² Annual audit level definition: Level A: 85% and above; Level B: 84%~70%; Level C: Below 69%; Performance rating level definition: Level A: 145-130 points (100%~90%); Level B: 129-115 points (89%~80%); Level C: 114 points or less (below 79%).

3.5.2 Supplier environmental assessment

The Company prioritizes procurement from suppliers with FSC and ISO 14001 environmental protection certification based on customers' product requirements. We request suppliers to present valid certificates during procurement. If the certificates they present are invalid or expired, we immediately cease procurement and switch to other suppliers. We use the "Supplier Code of Conduct and Accountability Statement" to ensure suppliers understand that environmental protection is the responsibility of all companies. The suppliers must minimize the negative impact on communities, the environment, and nature in the production process and protect the health and safety of the public. Suppliers' industrial waste must be monitored regularly and disposed in accordance with the law and must meet local regulatory requirements.

3.5.3 Supplier social assessment

The Company requests all new suppliers to sign the "Supplier Code of Conduct and Accountability Statement." When suppliers provide an application form for remittances, we request them to abide by their honesty and integrity commitments. It comprises the commitments and concrete actions with regard each supplier's corporate social responsibility, including compliance with the principles of honesty, trustworthiness and integrity, ethical principles for anti-corruption, labor laws, environmental protection principles, human rights commitments, and default liabilities and compensation. All contracts between the Company and its suppliers require both parties to comply with the ethical corporate management policy. If the supplier is involved in any dishonest activity, the Company may immediately terminate transactions/contracts or refuse to provide transactions and services.

3.5.4 Supplier occupational safety and health assessment

To ensure the safety and health of suppliers' work environments, the Company incorporates occupational health and safety aspects into supplier management and evaluation mechanisms. Additionally, the Company encourages suppliers to establish a sound internal occupational safety and health system.

All services, products, or manufacturing processes provided by suppliers to the Company during negotiations and transactions must comply with the environmental protection as well as occupational health and safety laws and regulations of the country where they are registered.

3.6

Socioeconomic Compliance

In 2024, YFYCPG committed no violations of social or economic regulations (see Note) and did not have or receive complaints regarding child labor, anti-competitive practices, customer health and safety, human rights, rights of indigenous peoples, customer privacy, marketing and labeling, incidents of discrimination, or forced labor.

In terms of the suppliers that had transactions with YFYCPG, the Company uses related management systems and contract regulations to require their compliance with social and economic regulations. We also help suppliers improve their work environment and enhance the management of agreements and organization. To ensure that all suppliers meet social and economic laws and regulations, we require all suppliers to sign the "Supplier Honesty and Integrity Declaration" and the "Supplier Code of Conduct and Accountability Statement" to ensure that they abide by and perform their obligations for ethical corporate management, thereby protecting the labor rights and safety of all workers. In 2024, the labor rights audit of raw material suppliers also achieved 100% compliance.

Note: Material violations of regulations are cases with penalties in excess of NT\$1 million or consecutive penalties.



Environment



04



Accelerating the transition to low-carbon fuels

Increase low-carbon energy

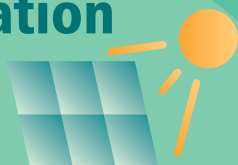
In 2024, approximately **17,685** metric tons of coal consumption was replaced with clean, low-carbon energy, reducing **33,509** metric tons of CO₂ equivalent.

Overall fuel share increased by **17%** with Qingshui plant adding over **144,000 GJ** of LPG



Solar power generation

Since the end of 2023, part of the Company's solar power generation was adjusted to a self-generation, self-consumption model, integrating it into operational electricity use.



In 2024, a total of **949,664 kWh** was self-generated and self-consumed, being granted **789** green electricity certificates

Water resource management

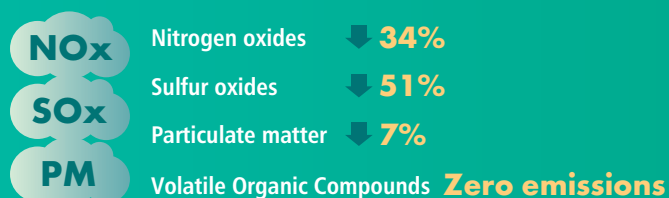


Achieved a process water reuse rate of **90%**



Water consumption per ton of paper
Achieved the target of using less than **10** metric tons of water

Key air pollutant reduction



Carbon Management



Carbon reduction results

Greenhouse gas emissions intensity



All products ↓ **8%**

Main paper products in Taiwan ↓ **9%**

Participation in the Carbon Disclosure Project (CDP)

Disclose information through the **CDP** to better understand the Company's environmental impact and conduct impact management.



The Company upholds the parent company's "circular economy" philosophy and is committed to obtaining the optimal balance between product development and the ecology. We actively manage and monitor environmental issues such as raw materials use, energy planning, gas emissions, and water resource utilization to minimize the environmental impact of our operations. Environmental management personnel continuously monitor operational data and make real-time adjustments to align with environmental protection goals, demonstrating our commitment to environmental protection.

4.1

Climate Change Risks and Opportunities

TCFD Climate-Related Financial Framework Disclosure

The Company follows a climate risk and opportunity management framework, where each department conducts self-assessment and risk identification procedures each year in accordance with the "Self-Assessment Procedures of the Internal Control System", and the Auditing and Compliance Office compiles the internal control self-assessment information, prepares the statement of internal control system, which is submitted to the Board of Directors. This includes climate change risks. We analyze and monitor relevant risks within our organization to ensure the effectiveness of risk control mechanisms and procedures. Initiated by the ESG Office, each production site across the regions worked together to identify the financial impacts of climate change under the Nationally Determined Contribution Pledges (NDCs) and RCP6.0. Representatives from relevant internal organizations and external experts are invited to consider the internal and external environmental changes in the areas of policy, regulation, market, technology, reputation, and physical risks, and to assess the likelihood of occurrence and the degree of financial impacts. We assessed the short-, medium-, and long-term risk exposures based on the likelihood of occurrence and the degree of financial impact, and formulated response strategies to reduce the risks and identify potential opportunities. We identified 5 major transition risks, 1 physical risk, and 3 climate-related opportunities, calculated the short-, medium-, and long-term risk exposure to the Company, and formulated response strategies and action plans to strengthen the management of climate change risks.



Adhering to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we have integrated climate-related financial disclosure into our management framework. This includes disclosing short, medium, and long-term risks and opportunities related to climate change, accelerating low-carbon development and adaptation strategies, and making climate change strategies a key competitive advantage. We actively seek solutions to mitigate climate change, strengthen sustainable operations and our supply chain and assets, and promote climate change management and related information disclosure.

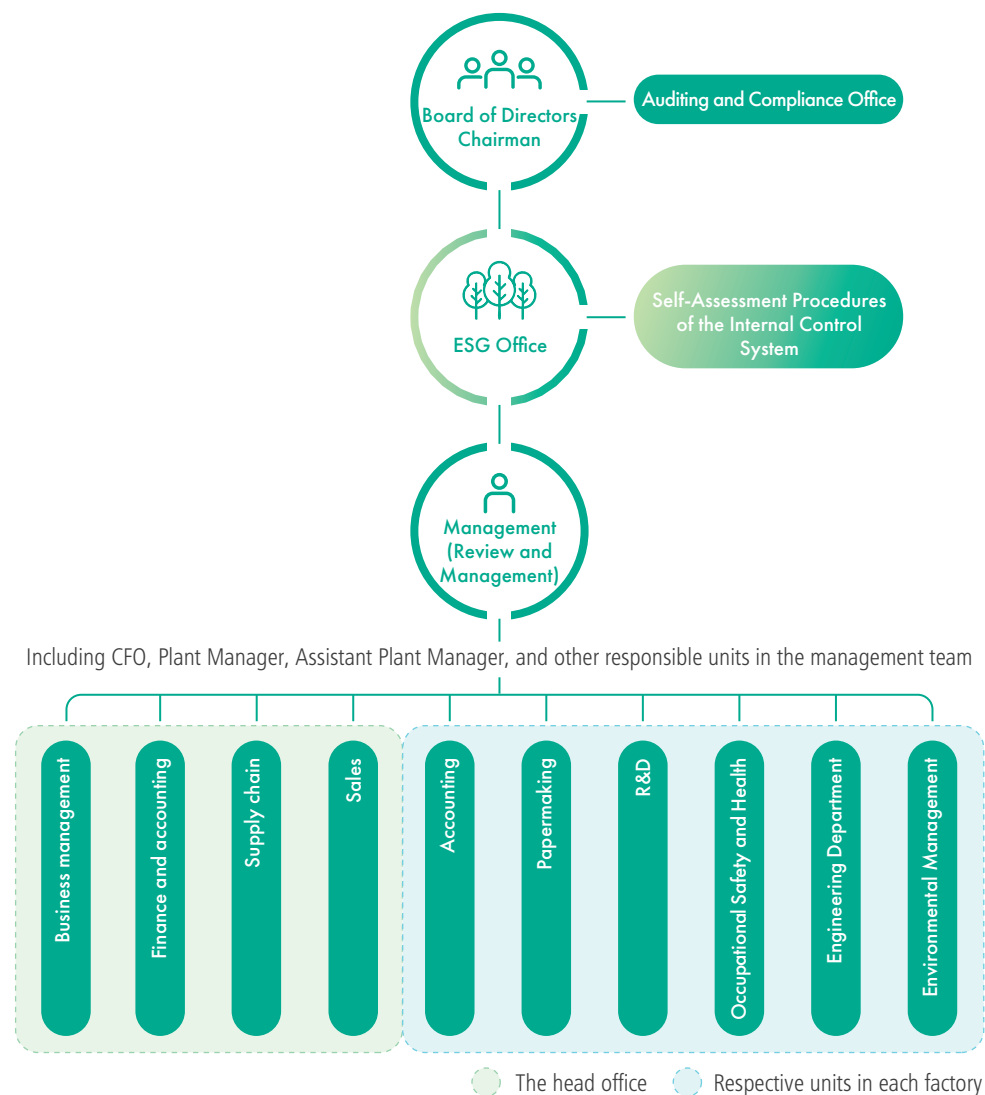
Core Elements of Climate-Related Financial Information Disclosure



Governance

The Board of Directors established the ESG Office to ensure effective climate change risk management. Each department conducts self-assessment and risk identification procedures each year in accordance with the “Self-Assessment Procedures of the Internal Control System”, and the Auditing and Compliance Office compiles the internal control self-assessment information, prepares the statement of internal control system, which is submitted to the Board of Directors. In the “Sustainability and Social Responsibility Guidelines” established in 2020, it is stipulated that the Company should fully consider the impact on the environment when engaging in operational activities and executing business operations, as well as minimize the negative impacts of corporate operations on the environment (especially climate change), and that it should formulate strategies, establish goals, implement action plans, and review them on a regular basis.

Climate Risk and Opportunity Management Framework



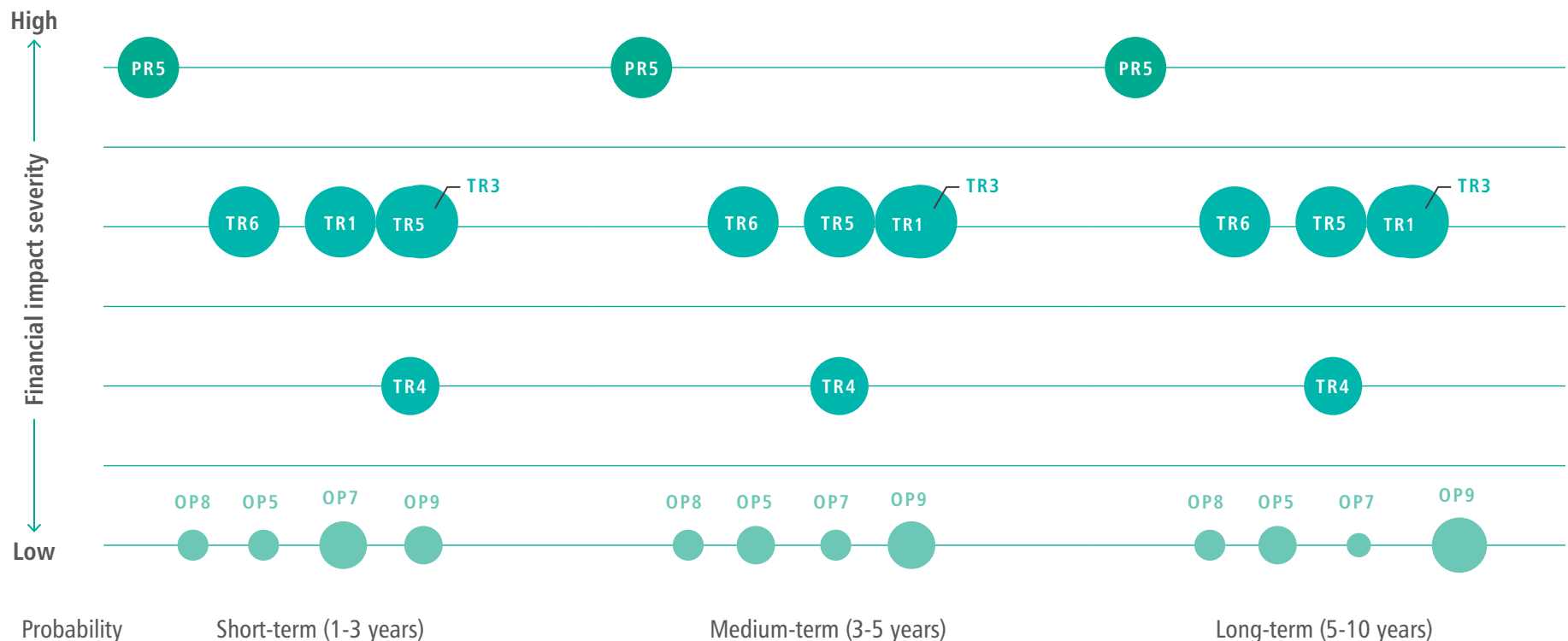
Strategy

YFYCPG integrates climate change risks and opportunities into our operational strategy, referencing domestic and international research institutions, climate events, industry trends, regulations, and policies. We use matrix analysis to evaluate the probability and financial impact of risk and opportunity events and establish quantifiable formulas as risk measurement indicators. We identify short, medium, and long-term climate-related risks and opportunities relevant to our company to understand the financial impact of climate change. Following the United Nations Sustainable Development Goals' guidelines for sustainable consumption and responsible production, green and sustainable products, including innovative green products and environmentally friendly packaging materials for paper products, are essential to our sustainability strategy. For hygiene care products, we use concentrated reduction technology to reduce water and plastic usage, minimize process water emissions to achieve environmental sustainability. We are also actively developing renewable energy, energy management, greenhouse gas management, water resource management, and air pollution waste management as part of our climate adaptation actions.

Risk management

The Company adopted a scientific and systematic approach to implement the TCFD climate change risk and opportunity identification process. We refer to research from authoritative international institutions, third-party reports, and benchmark companies both domestically and internationally to select transformational and physical risks and opportunities relevant to the daily consumer goods manufacturing and sales industry. Through cross-departmental discussions across all regions, we assess the financial impact and probability of climate-related risks and opportunities, formulate significant climate-related risks, opportunities, management strategies, and response measures, and execute response action plans related to our business operations and climate (as illustrated below). The process for managing climate-related risks and opportunities is coordinated by the ESG Office and integrated into the Company's risk management procedures. Operational risks are managed by various departments according to their functions, with the Audit Office regularly analyzing and monitoring the implementation of regulations, systems, and procedures in various departments.

Major Climate Change Risk and Opportunity Matrix



	Issue	Potential financial risks	Response strategies and management policies
Transitional risk	TR1 Carbon Fee and Total Greenhouse Gas Control	Increased operating costs due to carbon fees.	<ul style="list-style-type: none"> ● Use unit energy consumption as an added production indicator, hold regular reviews, and include it in the mid- to long-term plan for equipment renewal. ● Production plant energy-saving measures, energy system tracking and management, improve plant energy-saving measures and energy system tracking and management to improve energy efficiency. ● Continue to expand the use of biomass fuels, natural gas, and SRF to replace coal and renewable energy, with "coal replacement" as the core task. ● Continue to implement the promotion of circular economy.
	TR3 Energy saving target for energy users with contracted electricity capacity exceeding 800 watts, with an average electricity-saving rate of 1% or more	Increased operating costs due to equipment replacement.	<ul style="list-style-type: none"> ● Production plant energy-saving measures, energy system tracking and management, improve plant energy-saving measures and energy system tracking and management to improve energy efficiency.
	TR4 Compliance with boiler air pollution emission standards	Increased operating costs due to equipment upgrades.	<ul style="list-style-type: none"> ● Plan related air pollution control equipment based on trial calculations and management that are higher than existing emission standards. ● Increased frequency of testing versus increased investment in upgrading emissions equipment in energy replacement programs.
	TR5 Manufacturing sector's 2030 zero-net transformation path increases the proportion of low-carbon energy in the paper industry	Increased operating costs due to rising SRF fees.	<ul style="list-style-type: none"> ● Plan energy equipment updates for fuel changes. ● Increased frequency of testing versus increased investment in upgrading emissions equipment in energy replacement programs. ● Looking for more sources of biomass SRF.
	TR6 Tightening of air quality and total emission control	Increased operating costs due to equipment upgrades.	<ul style="list-style-type: none"> ● Plan related air pollution control equipment based on trial calculations and management that are higher than existing emission standards. ● Increased frequency of testing versus increased investment in upgrading emissions equipment in energy replacement programs. ● When planning future energy plans, include relevant equipment to cope with rising emission standards.
Physical risk	PR5 Drought and water shortage, long-term rainfall or flooding	As periods of drought and water shortage increase, water usage costs and additional water consumption fees increase operating costs.	<ul style="list-style-type: none"> ● Monitor groundwater levels and issue early warnings. ● Improve water recycling and usage. ● Develop products that are relatively less dependent on water.

	Issue	Potential financial risks	Response strategies and management policies
Opportunities	OP5 Develop or increase the growth, R&D and innovation of low-carbon goods and services	Because the papermaking industry has a solid foundation, is sensitive to consumer demands, and has positive interactions with the channel end, it is conducive to promoting new forms of products.	<ul style="list-style-type: none"> Continue to increase the proportion of pulp certified by FSC and PEFC. Invest in the innovation of product and packaging materials and develop new green products.
	OP7 Promote water recycling and water conservation measures, and install additional water recycling systems	Improve water resource efficiency and strive for preferential schemes.	<ul style="list-style-type: none"> Set water resources-related goals. The plant formulates and implements water-saving plans Improve water recycling and usage. Reduce product water consumption. Develop products that are relatively less dependent on water.
	OP8 Consumer environmental sustainability awareness/Customer behavior changes	Adjusting the Company's products or improving products according to consumer preferences will increase investment costs.	<ul style="list-style-type: none"> Purchase FSC- and PEFC-certified pulp for the plants and complete product certification on a regular basis. Apply for carbon footprint products and strive to reduce the carbon footprint of product production. Continuously develop innovative low-carbon and green products. (Plastic reduction, full paper) Increase green procurement.
	OP9 Participation in carbon trading market and incentive policies	Invest in carbon offset projects to accumulate carbon rights required for future carbon emission offsets.	<ul style="list-style-type: none"> Planning and implementation of energy saving plans. Participate in green power development projects.



Indicator and Goal

Based on the matrix of climate change risks and opportunities, in which the probability of occurrence and the degree of financial impact are multiplied by each other to determine significance, resulting in a total of ten risks and opportunities. The Company will continue to monitor and manage environmental performance from the perspectives of energy management, water management, emissions, and waste management to work towards our long-term 2050 net-zero goal.

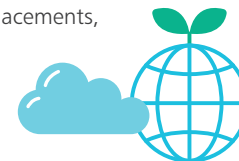
Action Plan

Goal 2025

Energy Management

- GHG Emission Reduction (2024 GHG emissions reduced by 0.61% compared to the previous year)
- Set an annual power saving target (achieving a power-saving rate of at least 1.9% by 2024)
- Increase the use of alternative fuels in response to the Manufacturing Sector's Path to Net-Zero Transformation by 2030 (in 2024, 17,685 metric tons of coal-fired energy reduced and transitioned to clean and low-carbon energy, equivalent to a reduction of approximately 33,509 tons of CO₂ emissions)
- Promotion of low-carbon/energy-efficient transformation technology for green production (same as above)
- Initiate carbon footprint product application (A total of 4 products applied for their carbon footprint certification by 2024)

- Implementation of ISO14064 greenhouse gas inventory at the factory sites
- Strive to achieve a 5% reduction in GHG emission density (base year: 2018)
- Through energy-saving and carbon-reduction measures such as production processes and motor replacements, achieve a 1%³ reduction in electricity consumption
- 20% substitution rate of alternative fuels
- Three carbon footprint-certified products



Water Management

- Active promotion of water resource improvement project (2024 water withdrawal increased by 16% compared to the previous year)
- Improve water recycling treatment efficiency (reuse rate of process water reached at least 90% in 2024)
- Add water-saving measures (achieved the target of using less than 10 metric tons of water per ton of paper in 2024)

- Improve processes, conduct pipeline inspections, enhance recycling technologies to achieve a 10% reduction in water consumption by 2025

Emissions and Waste Management

- Ensure compliance with boiler air pollutant emission standards (2024 air pollution emissions complied with regulations after improvements were made)
- Resource recycling and reuse (2024 recycled process waste¹ reached 5,177 metric tons)

- Update and invest in new equipment and strictly monitor compliance with emission standards
- 90% recycling of waste²



The scope of data consists mainly of the main production sites of paper products in Taiwan.

¹ Refers to pulp and paper sludge.

² Refers to process waste.

³ Annual electricity consumption target for Qingshui plant is 1.5%.



Goal 2030

Goal 2050

Energy Management

- Strive to achieve an 8% reduction in greenhouse gas emission density (base year: 2018)
- Maintain an annual electricity saving rate of at least 1%
- Enhance the substitution rate of alternative fuels to 25%
- Continuous development of green products



- Net-zero emissions
- Continue to work towards an annual electricity saving target of 1%
- Increase the substitution rate of low-carbon alternative fuels to 30%



Water Management

- Continuously promote water resource improvement projects to achieve a 20% reduction in water consumption

- Achieve a 30% reduction in water consumption



Emissions and Waste Management

- Update and invest in new equipment and strictly monitor compliance with emission standards
- 95% recycling of waste



- Update and invest in new equipment and strictly monitor compliance with emission standards
- 100% recycling of waste



4.2

Environmental Sustainability Expenditures

YFYCPG considers environmental sustainability as an important consideration in business investments. Energy saving is seen as a necessary project in new equipment investments. We also conduct improvements to existing energy equipment to enhance process efficiency while considering emission standards.

The total expenditure in 2024 was approximately NT\$288 million, mainly driven by investment in energy-conservation optimization and production line upgrade plans, clean energy, and environmental governance.

2024 Environmental Sustainability-Related Management Expenditure

Investment items	Energy conservation optimization and production line upgrade plans	Clean energy and environmental governance	Total
Investment amount (unit: NT\$1,000)	275,099	12,740	287,838

Investment in energy-conservation optimization and production line upgrade plans

We continue to implement ISO 50001 energy management for continuous energy saving and promote the use of biomass alternative fuels to achieve green and low-carbon production. The total expenditure in 2024 was approximately NT\$288 million. Energy efficiency will be improved by investing in new energy-saving paper machines, introducing vacuum turbines, increasing ORC power generation, and transforming waste heat and waste cold recovery technology and other related equipment optimization projects. A total of 665 metric tons of CO₂ equivalent GHG emissions were reduced in 2024.

Clean energy and environmental governance

To ensure a sustainable production model, the Company adheres to the concept of circular economy, promoting sustainable resource reuse and enhancing waste management to ensure resource recycling. We transform process residues into alternative fuels and promote the project of using low-carbon fuels in boilers, achieving the dual purpose of reducing fossil fuel consumption and waste volume. We invested approximately NT\$12,740 thousand in clean energy and environmental governance actions in 2023, and reduced 17,685 metric tons of coal consumption in 2024, transitioning to clean and low-carbon energy. This transition represented a reduction of approximately 33,509 tons of CO₂ equivalent emissions.

The Company also allocated capital expenditures and included ESG indicators as one of the criteria for review and judgment. This allows the management team to consider both investment and sustainable operations, guiding us toward the right goals.

Biodiversity

Through supporting the “Taiwan Champion Trees - Giant Tree Map Project” our company is committed to conserving Taiwan's biodiversity. The project aims to identify giant trees in Taiwan and create a comprehensive giant tree map to promote conservation efforts in cloud forest ecosystems. We recognize that this land is home to numerous unique species and rich biodiversity, and the cloud forest is a crucial habitat for these organisms. Through the Giant Tree Map Project, we are dedicated to protecting these precious biological resources and promoting biodiversity conservation in Taiwan.

The scope of the project includes surveys, documentation, and monitoring of giant tree distribution, along with corresponding protective measures. We are collaborating with the Taiwan Forestry Research Institute and the Department of Geomatics at National Cheng Kung University to drive the implementation of this project. Through these efforts, we hope to contribute to the preservation of Taiwan's unique biodiversity, maintain ecological balance, and leave a beautiful and thriving natural environment for future generations.

For more information on our efforts and results achieved in biodiversity conservation, please refer to the “Giant Tree Map Completion” section on page 9-12 of the Sustainability Report.



4.3

Raw Material Usage

YFYCPG upholds the ideals of a circular economy. The main materials used for household paper and cleaning products, such as pulp and surfactant, are all renewable materials. Alkalies, salts, and fragrance are non-renewable materials. The Company's supply chain comprises upstream manufacturers of household paper who import short-fiber paper pulp and downstream vendors, distributors, and end consumers. The upstream manufacturers of cleaning products are the raw material suppliers of special ingredients (e.g., orange oil, natural fragrance) and downstream vendors, distributors, and end consumers.

Usage of main raw materials - Paper products Unit: air dry metric ton/year

Year	Total pulp consumption
2024	189,788

Usage of main raw materials - Cleaning products Unit: ton/year

Year	Surfactant	Alkalies	Salts
2024	1,361	436	196

Among them, 691 metric tons of raw materials, accounting for 50.8%, were certified by the RSPO.

Primary Packaging Usage - Cleaning Products Unit: ton/year

Year	Plastic Packaging	Paper Packaging
2024	313	94

* This table only includes primary packaging that comes into direct contact with the products and secondary protective packaging; it does not include tertiary transportation packaging. Approximately 87.96% of the packaging materials used are environmentally friendly (recyclable, reusable, or compostable).

To implement green sustainability and environmental protection, we continue to develop recycling and reprocessing technologies for products, raw materials, and packaging materials. In addition to all of our Mayflower interfold toilet paper, which use FSC-certified pulp, the Company also offers three types of environmentally friendly toilet paper, tissue paper, and hand wipes made from 100% recycled pulp or sustainable wood materials. We obtained the environmental protection label certificate and implement responsible production and responsible green consumption.

The table below shows the sales volume and value of green products in 2024:

Primary Packaging Usage - Cleaning Products

Unit: ton/year

Year	Plastic Packaging	Paper Packaging
2024	313	94

Production and sales volume of green products

Green product category	Sales volume (unit: tons)	Sales value (unit: NT\$1,000)
Household paper	54,343	3,643,395
Cleaning products	7,278	646,051

* "Household paper green products" in this table refer to products made from pulp sourced from sustainably managed forests and certified by FSC. "Green cleaning products" are designed based on green chemistry principles. These products contribute to reducing environmental impact during manufacturing, usage, and disposal, positively affecting ecological environments while ensuring user safety and health.

We also have extensively used ecological fibers that do not harm the forest environment and received commendations for our outstanding green procurement practices from the Ministry of Environment, Taoyuan City Government, and Taichung City Government. The Company remains committed to green procurement. The main raw materials used during paper product manufacturing are FSC-certified pulp. The Forest Stewardship Council (FSC) is one of the most credible international forest certification standards in the world, committed to promoting sustainable management of forest resources. In 2024, the Company's main paper product production sites in Taiwan purchased 76,190 tons of FSC-certified pulp, accounting for 78% of the total pulp procurement for the year.

4.4

Energy Management



In 2024, YFYCPG's main operational sites were all equipped with different green energy equipment, including liquefied petroleum gas (LPG), biofuel, and solar energy. We continue to invest in research and use alternative fuel that meet cyclic economic philosophy to gradually reduce the percentage of fossil fuel, reduce the carbon emissions from excavation, reduce dependency on external energy, and enhance the capacity for adapting to energy risks.

To pursue higher energy efficiency and green energy usage rate, we introduced the ISO 50001 Energy Management System and continued the upgrade of equipment and production process improvement. We also implemented measures to reduce energy consumption and replace coal with low-carbon fuels. In 2024, we reduced 17,685 metric tons of coal consumption (equivalent to approximately 353,470 GJ), transitioning to clean and low-carbon energy. This transition represented a reduction of approximately 33,873 tons of CO₂ equivalent emissions.

We also changed the fuel used in production and replaced coal with low-carbon fuels. The Company's main paper production sites in Taiwan also participated in Taipower's demand response load management measures to adjust production for maintaining balance in the grid and ensuring friendly power consumption.



Energy Structure of Major Paper Product Production Sites

Unit: GJ/year

Year	2024
Coal	504,812
Heavy fuel oil	0
Diesel	949
Liquefied petroleum gas	144,946
Natural gas	56,195
SRF	24,598
Sludge	5,177
Biomass energy (wood chips/wood waste/wood biomass)	17,686
Wood pellets	191,183
Renewable energy	3,419
Purchased electricity	358,513

* The scope of data consists mainly of the main production sites of paper products in Taiwan

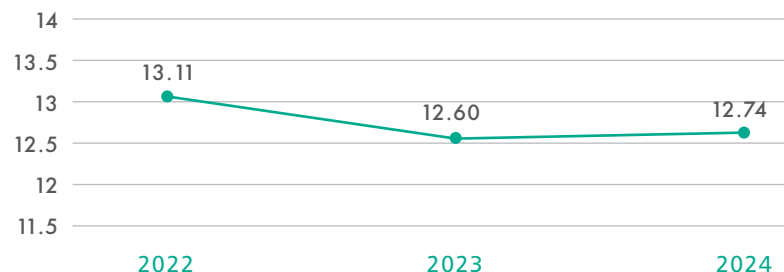
* The fuel and calorific value of electricity are based on the energy product unit heating value conversion table provided by the Bureau of Energy and the calorific value inspection results of plants

Energy transition and low-carbon manufacturing

With 2018 as the base year, the Company has set targets to reduce GHG emission intensity by 2030. We are actively advancing autonomous reduction plans to align with the government's 2050 net-zero emissions policy. Qingshui plant continues to implement a number of energy-conservation and carbon-reduction measures, including replacing the old PM7 paper machine with the high-efficiency PM11 model to lower electricity and steam consumption per unit of product, optimizing the feed of broke to pulpers to reduce pulp pump energy consumption, improving the stock preparation process to reduce the electricity consumption of mixers and pumps, and replacing coal-fired boilers with natural gas boilers to reduce fossil fuel consumption and carbon emissions. These measures collectively achieved energy savings of 1,220,116 kWh in 2024. Through the integration of low-carbon energy transition and high-efficiency equipment, the Company expects to reduce carbon emissions by 40% in 2028 compared to the base year, while steadily advancing towards an overall reduction of 42% by 2030.



Product energy intensity



Year	2022	2023	2024
Product energy intensity (unit: GJ/tons of products)	13.11	12.60	12.74

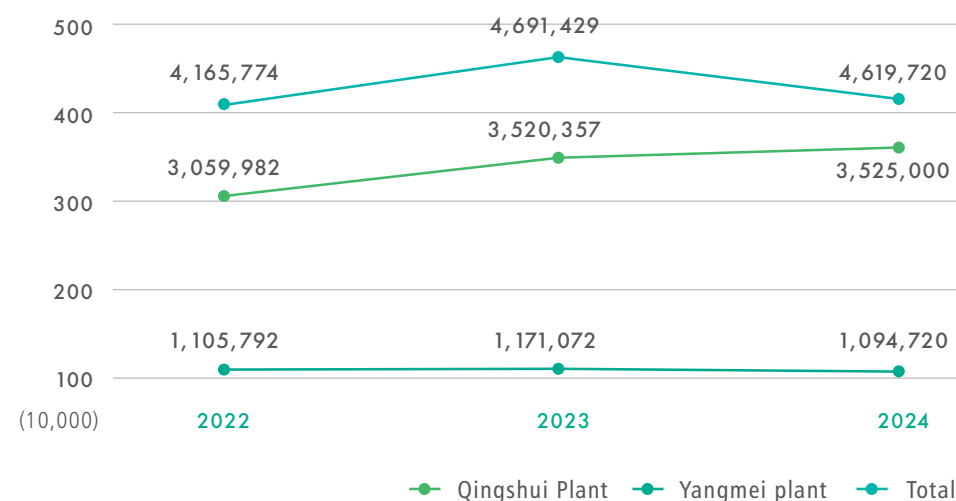
* The scope of data consists mainly of the main production sites of paper products in Taiwan

In 2024, the energy intensity of greenhouse products at the Company's major paper mills in Taiwan was 12.74 (unit: GJ/tons of product), an increase of 1.11% compared to 2023. We will continue in our efforts to adopt relevant energy-saving measures to maximize the effective use of energy, so as to reduce the generation of greenhouse gases and move towards the goal of more energy-saving and carbon reduction.

Renewable energy power generation

To develop renewable energy, the Company has established its solar power generation systems at production sites in Taiwan. The installed capacity of solar power generation equipment at Yangmei plant and Qingshui plant totaled 3,833 kW in 2023. The roofs of the two plants were either leased to third parties for use or sold to Taipower. Starting from October 2023, the installed capacity of the solar equipment at the Qingshui plant of 836.55 kW will be officially converted to self-generated power. The total solar power generation in 2024 was 4,619,720 kWh, of which 949,664 kWh were self-generated and self-consumed. The Company actively participates in the green power certificate system. By the end of 2023, Qingshui plant passed the green power certificate review and has successively obtained renewable energy certificates.

Solar power generation



Year	2022	2023	2024
Qingshui Plant electricity generation (unit: kWh)	3,059,982	3,520,357	3,525,000
Yangmei plant electricity generation (unit: kWh)	1,105,792	1,171,072	1,094,720
Total	4,165,774	4,691,429	4,619,720

4.5

Emissions

In response to climate change and global greenhouse gas management trends, and to fully grasp relevant issues associated with the Company's business risks and opportunities, the Company continues to pay attention to international trends on the disclosure of carbon emissions as well as domestic regulations and requirements. At the same time, we request all corresponding units to complete GHG inventories voluntarily and register their results on the national greenhouse gas tracking platform.

The Company has implemented the ISO 50001 Energy Management System and integrated it with the internal YES (YFYCPG Excellence System) system to systematically identify and improve energy consumption hotspots. The measures include replacing LED lighting, upgrading to high-efficiency motors, phasing out old pump equipment, and introducing new refiners, aiming to improve energy efficiency year by year. At the same time, to align with Taipower's demand response measures, the Company has voluntarily reduced electricity loads, taking concrete action to reduce GHG emissions.

Additionally, the Company actively implements air quality and ozone-depleting substances (ODS) control, and has completed GHG inventories for all of its production sites. The inventory method follows Taiwan's "ISO/CNS 14064-1" standards, as well as the "Climate Change Response Act" and the "Emissions Inventory Guidelines" published by the Ministry of Environment, Executive Yuan. The Global Warming Potential (GWP) values are based on the IPCC AR5 or AR6 reports (Note), while electricity carbon emission factors are calculated based on the annual values published by Taipower. The factor used for 2024 was 0.474 kgCO₂e/kWh. All data has been disclosed on government platforms upon verification by third-party verification bodies (e.g., SGS, DNV).

Note: Major paper product plants in Taiwan use AR5; the remaining production bases use AR6.

The Company's GHG emission calculations cover seven types of greenhouse gases, including carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). Scope 1 and Scope 2 emissions are defined based

on actual operational control principles. The scope of disclosure covers all production sites in Taiwan and Mainland China. The Company uses 2018 as the base year for subsequent reduction progress comparison and management.

The Company adopts the "Operational Control" to define emission boundaries, covering all production sites under substantial operational control. The scope of data disclosure covers all production facilities in Taiwan and Mainland China.

To align with the government's 2050 net-zero target and the introduction of carbon fee collection in 2025, the Company has proactively proposed its autonomous reduction plans, committed to specific carbon reduction actions. It is expected to reduce carbon emissions by 40% in 2028. Through energy transition, enhanced carbon management mechanisms, and process optimization, the Company is steadily advancing on its long-term, low-carbon transition and is on track to meet the predetermined reduction target of 42%.

YFYCPG has implemented rigorous greenhouse gas reduction programs with inventories of existing sources and total emissions in mandatory or voluntary inventories as well as government programs. We are committed to increasing the share of low-carbon fuels, continuing to save energy and reduce GHG emissions, and contributing to the global goal of net zero carbon emissions.

GHG emissions

Unit: metric ton-CO₂e/year

Year	2022	2023	2024
Scope 1	60,569	63,625	62,866
Scope 2	139,077	139,907	138,502
Scope 3	NA	NA	62,323
Total	199,645	203,532	263,690

* Scope 1 and Scope 2 data covers all of the Company's production facilities. The Company has been ahead of legal regulations, voluntarily conducting inventory of its Scope 3 emissions since 2024, with the data covering its sites in Taiwan. The data has been assured by third-party organizations.

* Additionally, in accordance with the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies," the Company has disclosed GHG emissions for the parent company only as follows: Emissions of the parent company (Yuen Foong Yu Consumer Products Co., Ltd.) in 2024: 109,134 metric tons CO₂ equivalent per year (Scope 1: 61,702; Scope 2: 47,433); Emissions of the companies included in consolidated financial statements: 201,686 metric tons of CO₂ equivalent per year (Scope 1: 62,866; Scope 2: 138,820).

Greenhouse Gas Emission Density - Major Paper Products in Taiwan

Unit: ton-CO₂e/ton-product

Year	2022	2023	2024
Emissions intensity	1.16	1.17	1.06

* The scope of data consists mainly of the main production sites of paper products in Taiwan.

Greenhouse Gas Emission Intensity – All Products

Unit: ton-CO₂e/ton-product

Year	2022	2023	2024
Emissions intensity	0.98	0.97	0.90

* The scope of data includes all production sites of the Company.

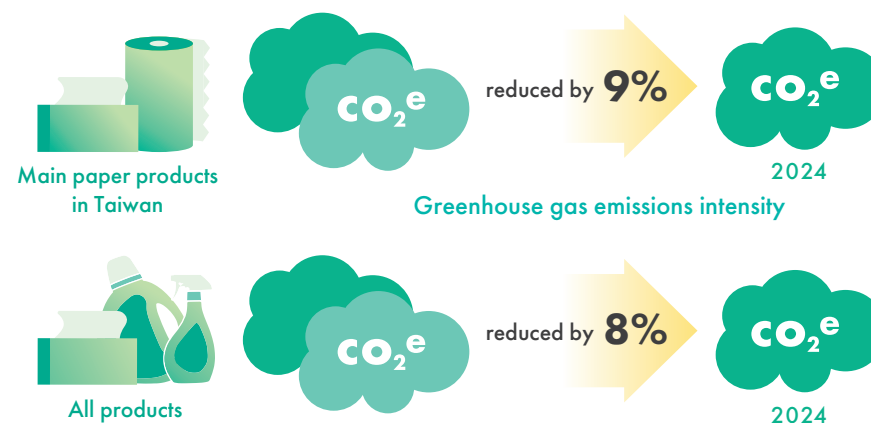
Other air pollutant emissions

Unit: ton/year

Year	2024
Nitrogen oxides	31.30
Sulfur oxides	10.90
Particulate matter	1.76
Volatile Organic Compounds	0.00

* The scope of data consists mainly of the main production sites of paper products in Taiwan.

Carbon reduction results



4.6 Waste



The Company adheres to the circular economy principles and continues to enhance technologies for waste recycling and reuse to lower emissions at the source and reduce the impact on the environment. Plants in Taiwan produced zero hazardous industrial waste in 2024.

To maintain a sustainable production model, the Company upholds the concept of a circular economy and sustainable reuse of resources and strengthens waste management to ensure reuse of resources with measures. For instance, we turn remaining process waste materials into alternative fuel and use launched the SRF mixed incineration plan for boilers to reduce the use of fossil fuel and reduce waste at the same time. All pulp, scrap rolls, cut paper used in the plants can be returned to the production process for reuse, and we no longer outsource the disposal of such waste to external parties. We also installed denitrification equipment for coal boilers, and meet the enhanced 100ppm standards of the central government in 2020.

Implementation status of coal-fired substitution effectiveness

Year	2024
Coal replacement results(unit: tons of thermal coal/year)	17,685
GHG reduction effectiveness(unit: metric tons CO ₂ e)	33,873

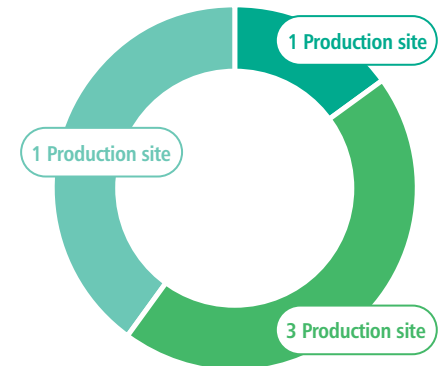
4.7

Water resource management

YFYCPG has long been committed to reducing water consumption and increasing the efficiency in water usage in order to use natural resources more efficiently. We also actively seek other alternative water sources such as mechanisms for using recycled water. The source of water in the main production sites of paper products in Taiwan is mostly groundwater. To ensure the effective use of water resources, we have gradually reduced water usage, increased process water recycling and reuse, and reduced effluent to implement water resource management, as to reduce our impact on the local environment.

YFYCPG production base Water Stress Situation

Stress state	2024
Extremely high (>80%)	Kunshan plant
Low to moderate (10-20%)	Qingshui plant, Yangmei plant, Taoyuan plant of Ever Growing Agriculture Bio-tech Co., Ltd
Low (<10%)	Yangzhou plant



Using ISO 14001 Environmental Management System as the foundation for water resource management, each plant assesses risks posed by water shortages or interruptions in production and processes. We utilize the Aqueduct Water Risk Atlas, a water risk assessment tool developed by the World Resources Institute (WRI), to analyze water resource risks at all of our production sites. Only one plant, which accounted for 20% of all production sites, was in an area with extremely high water stress (>80%).

However, the above-mentioned production base located in the stress area was the Kunshan plant. The plant stopped production in 2018 and currently only performs back-end processing, so there is no relevant process wastewater discharge. In 2024, Kunshan plant's water withdrawal was primarily for domestic use, accounting for only 0.05% of the total water consumption across all YFYCPG production sites. Thus, the actual impact on local water bodies was minimal.

Through daily management and monitoring, they optimized water usage control to prevent leaks and wastage. They also increased the use of recycled water by adding recycled water disinfection equipment and increasing the concentration of biological ponds in the wastewater treatment plant to reduce water consumption. The current effluents from paper plants in Taiwan have met or exceeded the standards specified in regulations.

In response to climate change and its environmental effects, the Company maximizes water resource value through periodic audits of water usage and treatment equipment, enhancing water resource management, promoting recycling and reuse, and using recycled water to replace fresh water. Additionally, we actively adjust processes, such as recycling lines and backend wastewater treatment technologies.

1. Production process: Increased water cycles and recycling rate

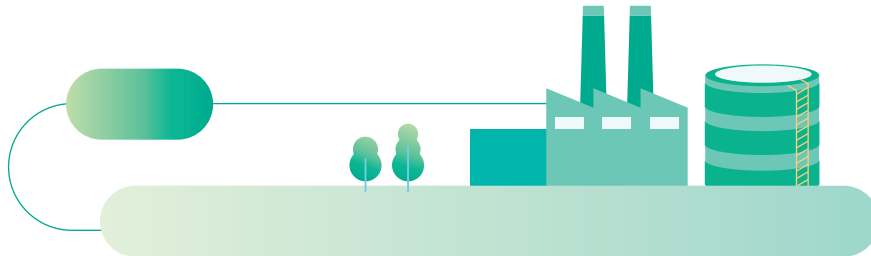
In addition to implementing water conservation programs, we evaluate the water quality requirements for each paper manufacturing process and recycle the water from each process for recycled use in another process. We also set improvement targets for water use per unit of product as well as water recycling and reuse rate based on the water consumption performance in the previous year. The Company set the annual water consumption reduction target and the paper mills in Taiwan set the unit water consumption to less than 10 tons of water for every ton of paper. They are also committed to maximize the number of times the water is used, minimize the number of tons of water used, and the recycling and reuse rate of the water used in the production process.

2. Effluent management in the production process

We conduct regular sampling and monitoring at discharge points, and perform front-end monitoring at the convergence points of all pipelines. We set up procedures for alerts regarding anomalies in water quality and quantity to immediately investigate the source of effluents when the relevant operating parameters deviate from normal conditions. We strengthen the cooperation between the process unit and the water source treatment unit to prevent possible impact or implement emergency response operations. We use coagulation, sedimentation, and biological treatment to reduce matters that affect the water quality such as COD, BOD, and SS to the permitted level before discharging. We employ standards superior to current regulations for the water quality management of effluent to ensure the water quality of effluent.

3. Effluent reduction, recycling, and reuse

After treatment, we use rapid filtration equipment to process the water and return the water for the cleaning process in paper making machines instead of using clean water. It effectively reduces the unit water consumption and increases the water recycling and reuse rate.



Discharge water standards for paper mills in Taiwan and Mainland China

Unit: mg/L

Water discharge terminal site	Plant	Chemical oxygen demand (COD)	Suspended solids (SS)
Surface water body	Qingshui Plant	75	25
	Yangmei plant	75	25
	Yangzhou plant	80	30
	Kunshan plant	100	70

* Basis of effluent standards of each plant:

Taiwan: "Effluent Standards" announced by the Environmental Protection Administration, Executive Yuan and management standards set by industrial parks

Mainland China: "Integrated Wastewater Discharge Standard" announced by the central and local governments and management standards set by industrial parks

Water withdrawal in 2024

Unit: million liters/year

	All areas	Areas with water stress
Surface water	937	0
Groundwater	1,422	0
Rainwater	0	0
Volume of water obtained from external water treatment plants	0	0
Tap water	88	20
Total water withdrawal	2,448	20

* The data scope includes all production sites in Taiwan and Mainland China (Qingshui plant, Yangmei plant, Taoyuan plant of Ever Growing Agriculture Bio-tech Co., Ltd, Yangzhou plant, and Kunshan plant).

Discharge volume in 2024

Unit: million liters/year

	All areas	Areas with water stress
Surface water (discharge volume)	1,204	0
Discharged to industrial area sewage treatment	662	0
Water from third parties for use by other organizations	0	0
Total discharge volume	1,866	0

* The data scope includes all production sites in Taiwan and Mainland China (Qingshui plant, Yangmei plant, Taoyuan plant of Ever Growing Agriculture Bio-tech Co., Ltd, Yangzhou plant, and Kunshan plant).

Water consumption in 2024

Unit: million liters/year

	All areas	Areas with water stress
Total water consumption	582	20

* The data scope includes all production sites in Taiwan and Mainland China (Qingshui plant, Yangmei plant, Taoyuan plant of Ever Growing Agriculture Bio-tech Co., Ltd, Yangzhou plant, and Kunshan plant).

Water resource management performance



Achieved a process water reuse rate of **90% and above**



Water consumption per ton of paper achieved the target of using **less than 10 metric tons** of water

4.8

Environmental Compliance

YFYCPG was not subject to any material environmental protection penalties in 2024 (Note).

The annual environmental protection fines totaled approximately NT\$318,000. According to the cause analysis, the fines were due to violations of Article 20, Paragraph 1 of the Air Pollution Control Act. In response to the aforementioned regulatory issues, the Company immediately took appropriate improvement measures and summarized the key environmental compliance improvement efforts for the year 2024:

1

Conduct a comprehensive review to ensure the normal functioning of all prevention equipment and pipelines, increase the frequency of inspections, and strengthen personnel training to stay compliance with legal requirements.

2

Continuously optimize environmental protection-related equipment and ensure the legality and accuracy of all values in the planning of energy conservation and carbon reduction.

All improvements for 2024 have been completed and were confirmed by the competent authority as in compliance with regulations.

In addition to the aforementioned basic improvement measures, the Company also strengthened the investment in preventive measures, such as training for personnel, setting up a more stringent alert and monitoring system for anomalies, using low-pollution materials and fuels, using boilers that run on low-pollution fuels, and transforming prevention and control equipment into automatic detection and sensor control. We aim to prevent anomalies before they occur and minimize the impact on the environment.

To increase the stability of environmental protection equipment and optimize emission quality, we invested approximately NT\$288 million in environmental protection projects for climate change mitigation and adaptation in 2024.

Note: Material violations of regulations are cases with penalties in excess of NT\$1 million or consecutive penalties.

4.9

Environmental Sustainability Awards and Honors

- Won the 17th TCSA "Corporate Sustainability Reporting Awards - Class I Gold Award" and "Taiwan's Top 100 Sustainable Companies Award" under the Premier Sustainability Performance Award category in 2024.
- Yangmei plant - acknowledged for its outstanding performance in green procurement by the Taoyuan City Government (for 6 consecutive years).
- Received the 2023 Private Enterprise and Organization Green Procurement Award from the Ministry of Environment (presented in September 2024).
- Qingshui plant received commendation from Taichung City Government for actively supporting green consumption in Taichung City in 2023.
- Taoyuan plant of Ever Growing Agriculture Bio-tech Co., Ltd was granted the Green Building Label (valid from 2022 to 2027).



YFYCPG Won Two “Taiwan Corporate Sustainability Awards”

The 17th Taiwan Corporate Sustainability Awards (TCSA) ceremony was held on December 11, where YFYCPG won the Corporate Sustainability Reporting Awards - Gold Award and the “Taiwan's Top 100 Sustainable Companies Award” under the Premier Sustainability Performance Award category. These awards fully demonstrate the Company's efforts and achievements in sustainability.

As an enterprise closely tied to daily life, YFYCPG deeply understands the importance of sustainable development. It actively aligns its development with the United Nations' Sustainable Development Goals (SDGs), and has become the local company using the largest amount of FSC-certified pulp in producing household paper products in Taiwan. Among the product offerings, the Boldly Thick Toilet Paper, which is popular among consumers, features reduced ink usage in its outer packaging and incorporates recycled plastics, successfully achieving packaging innovation while balancing environmental protection and quality.



台灣企業永續獎
頒獎典禮



In the field of natural cleaning products, Orange House, the Company's leading natural cleaning brand, introduced Eco Laundry Detergent Pods, featuring paper box packaging designed to reduce plastic by 91%. The design effectively minimizes packaging size, improves storage space utilization, and reduces carbon emissions from logistics. In addition, YFYCPG has fully implemented the ISO 50001 Energy Management System across its two major paper plants. The Company continues to promote energy management and carbon reduction transition through equipment upgrades, production process optimization, reduced energy consumption, and replacement of fossil fuels with renewable fuels. At the same time, YFYCPG supports the Taiwan Champion Trees Team, committed to finding giant trees in Taiwan and advocating for ecological protection, environmental education, and common good. The team was honored with the Model Award in Ecology Co-Benefit category presented by Global Views Monthly 2024 USR Awards. In internal governance, YFYCPG has been recognized as one of the “HR Asia Best Employers” for 4 consecutive years. Through a diverse and inclusive corporate culture and active participation in community charity activities near its production facilities, the Company supports a variety of NGOs, continuously creating a cohesive, high-quality working environment.

Looking ahead, YFYCPG will continue to promote low-carbon processes, increase the proportion of low-carbon energy usage, and provide green products that meet consumer expectations. By working together with all sectors of society, YFYCPG is committed to moving towards the goal of sustainable development and creating a safe, healthy, and beautiful life for all.

Social



05



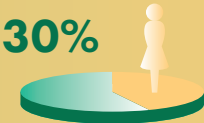
Workplace sustainability and employee wellbeing

Awarded “Best Companies to Work for in Asia” by

HR Asia for **4** consecutive years

Won the **Sustainable Workplace Award** for the first time

Percentage of female employees **30%**



- ★ Qingshui Plant received the “2024 Happy Workplace Award” from Taichung City Government.
- ★ Qingshui Plant received the “Excellent Healthy Workplace - Vitality Award” from the Health Promotion Administration.
- ★ The head office, Qingshui plant, and Yangmei plant received the “Sports Enterprise Certification” from the Sports Administration of the Ministry of Education.
- ★ The head office and Yangmei plant were accredited the “Health Promotion Badge” by the Health Promotion Administration.
- ★ Qingshui and Yangmei plants were granted “AED Accessible Location” certification.

Community engagement and public welfare

1+1 > 2 Donation Program Supporting Disadvantaged Groups

- Production plant employees conducted onsite visits and donated over 2,300 boxes of supplies to disadvantaged families.
- Employees were invited to participate in the Donation Program Supporting Disadvantaged Groups (employees can make voluntary donations and the Company will match employee donations).

↑ **2,300** boxes



Promoting sustainability initiatives

In response to the United Nations **Good Life Goals**

- Incorporated sustainability concepts into product packaging design.
- Collaborated with the sustainability charity organization “Xuan Yi” to participate in the “GVM Green Action” event



Advocating for environmental education and citizen science Nurturing a new generation with sustainability awareness

Since 2021, YFYCPG has partnered with the Taiwan Champion Trees Team to continue to explore the tallest trees in Taiwan, while actively promoting science education and environmental literacy among young citizens. For the past three years, the Company held Nature Science Camps in Nan'ao Township, Yilan and the Basianshan Nature Education Center in Heping District, Taichung, specifically designed for teenagers aged 12 to 18. The camps guide participants to learn about ecological science and get close to the natural environment through tree-climbing experiences and LiDAR data simulation practices, helping these teenagers develop scientific knowledge through hands-on experiences.

At the end of each year, a results report of the collaboration is presented to the public, showcasing advancements in exploration and data analysis to those who concerned about Taiwan's natural ecology. In 2024, we shared the valuable journey of uncovering the Cableway Trees, raising awareness of Taiwan's biodiversity and old-growth forests. Over the past three years, more than 1,000 people have participated in the in-person and online activities, as well as the camps, continuously deepening the social influence of sustainability concepts.



5.1

Employee Relations

Employees are the most important assets of a company and they are the most important stakeholders of YFY Consumer Products Co., Ltd. The Company has appointed a dedicated occupational safety unit to take charge of safety in the work environment and employee health. The Human Resources Department plans comprehensive employee care programs, including career development, training, performance evaluation, salary and remuneration management, gender equality, and employee satisfaction surveys. We also hold regular employee communication meetings to explain the Company's goals and management strategies and listen to employees' opinions.

In the company's operations in Taiwan, Yangmei plant has established a corporate union. Over 98% of employees who are eligible to join the union are union members, and employees can join freely. Regular union board meetings are held to allow union representatives to voice employee requests to the senior management. Employees' difficulties and needs at work are closely reviewed and appropriately handled. Currently, no collective bargaining agreement has been signed. Plants without unions organize regular labor-management meetings to promote positive labor-management communication and strengthen mutual support. If the Company's business units have any plans for reorganization or change, they shall communicate with affected employees in advance in accordance with Article 20 of the "Labor Standards Act" and provide related assistance programs based on their preferences. In 2024, there were no reported incidents of poor communication with employees or actions that compromised employees' rights.

When employees encounter any problem regarding their career, they can use a dedicated line or a mailbox to provide recommendation or file a complaint. The Human Resources Department shall immediately obtain information and process the recommendation or complaint. YFYCPG established the Employee Retirement Regulations to support employees' life in retirement. We also organize employee retirement matters in accordance with the "Labor Standards Act" and "Labor Pension Act."

5.1.1 Employer-Employee Relationship

The Company recruits talents from different fields and supports diverse backgrounds and cultures. By recruiting and promoting talents from different disciplines, we increase diverse perspectives and enhance our capacity for sustainable management. As of the end of 2024, the Company's total number of employees was 1,309, representing a slight increase compared to the previous year. The proportion of employees in each region was 64% in Taiwan; 36% in China. To achieve diversity in the workplace, the Company complies with the law in employing persons with disabilities, providing them with appropriate job tasks and comprehensive training. In 2024, a total of 11 employees with disabilities and 7 indigenous/minority employees were employed in Taiwan, while 4 employees with disabilities were employed in Mainland China. In response to flexible operating needs, in addition to regular employees, the Company employs non-regular personnel through labor dispatches. As of the end of 2024, there were 8 non-regular employees in Taiwan and 80 in Mainland China. They are responsible for auxiliary duties, including assisting in production and sales. The remaining workforce consists of contractors hired under service outsourcing agreements, responsible for gatekeeping control in production facilities, safety inspections, employee catering, environmental cleaning, forklift operation, and other related tasks. The Company enters into these outsourcing agreements with qualified service providers, explicitly defining the job scope, scope of services, and personnel management responsibilities to ensure compliance with local labor laws and human rights protection principles. The size of this workforce has not changed significantly compared to the previous year.

2024 Employee Structure (by Employment Type and Employment Contract)

Unit: Head count

Type	Taiwan		Mainland China	
	Male	Female	Male	Female
Official	584	251	341	125
Contract	3	5	0	0
Full-time	587	256	341	125
Part-time	0	0	0	0

Description 1: The scope of data includes the head office and all production sites specified in the "List of Operation Sites in this Report."

Description 2: "Permanent employees" include: General employees, foreign white-collar workers, foreign blue-collar workers.

Description 3: "Contract employees" include: Consultants, student workers, interns, contract employees.

Description 4: "Full-time" refers to an employee who works more than or equal to 40 hours a week.

Description 5: "Part-time" refers to an employee who works less than 40 hours a week.



2024 employee overview

Region	Taiwan						Mainland China					
Gender	Male			Female			Male			Female		
Age	Below 30	31-50	51 and above	Below 30	31-50	51 and above	Below 30	31-50	51 and above	Below 30	31-50	51 and above
Ratio of new employees	39%	17%	2%	80%	13%	5%	58%	8%	0%	43%	7%	25%
Number of new employees	41	63	2	8	28	2	23	21	0	3	8	1
Ratio of employee turnover	16%	12%	7%	120%	12%	11%	48%	11%	0%	29%	6%	25%
Number of employee turnover	17	47	7	12	25	4	19	30	0	2	7	1

Description 1: New employees in 2024 refer to employees who joined the Company between January 1, 2024, and December 31, 2024.

Description 2: New hire rate = number of new employees/total number of employees for the category.

Description 3: Departing employees in 2024 refer to employees who voluntarily left the organization, were terminated, retired, or passed away while on duty between January 1, 2024, and December 31, 2024.

Description 4: Turnover rate = number of employees who have left the organization/total number of employees for the category.

Number of employees, average age, average years of service, and academic qualifications

Year		2024
Average age		41.3
Average years of service		10.5
Academic qualifications	Master’s degree or higher	6.4%
	University/college	53.0%
	Senior high school and below	40.6%

Proportion of senior management hired from the local community

Year	2024
Taiwan	100%
Mainland China	33%

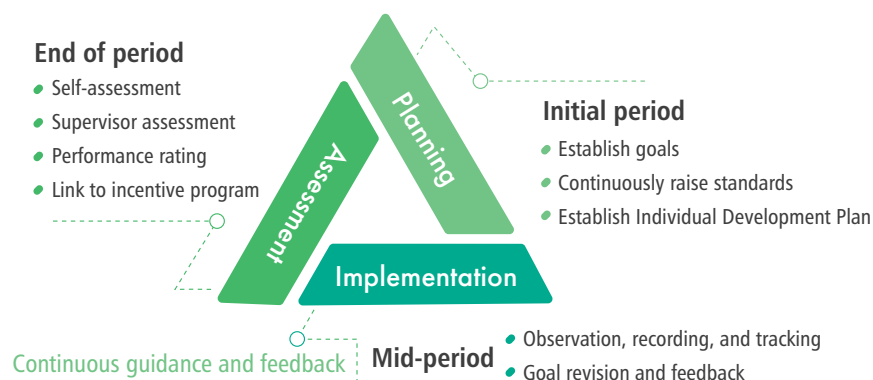
* Senior management specified in the data is defined as management employees/managers ranked level D or above.

* Local hires refer to "individuals with the identity document of the nationality of the local plant."

* "Taiwanese management personnel" in Mainland China are calculated as "non-local hires" regardless of whether they have a local identity document.

5.1.2 Overall pay

The Company provides a comprehensive remuneration system, welfare measures, and performance management system while meeting requirements in the external business environment and building a fair and reasonable internal system. We uphold the ideal of sharing profits with employees by attracting, retaining, developing, and encouraging talents. All full-time employees of the Company¹ undergo an annual performance evaluation to assess their achievement of key performance indicators and their behavioral and attitudinal performance, which serves as the basis for the reward and cultivation program. Please refer to the Market Observation Post System for details on the average and median salaries of full-time non-managerial employees, as well as year-on-year changes in the aforementioned data.



Statistics of full-time employees receiving performance and career development reviews in 2024

Personnel Category	Male		Female	
	Direct Personnel	Indirect Personnel	Direct Personnel	Indirect Personnel
Percentage of employees receiving performance and career development reviews	100%	100%	100%	100%

Competitive salary

- The Company participates in compensation surveys in the industry or on the market and determine the salaries of employees based on their academic records, work experience, skills, and position.
- Salary is not determined by gender or age.
- When employees are promoted, their salaries are adjusted immediately to prepare, incentivize, and retain outstanding talents.

Bonus and compensation

- Year-end bonus and performance bonuses:** The Company has established regulations on the year-end bonus to include at least one month's salary. The Company also offers performance bonuses and incentives based on the Company's operations and the employees' performance. The bonuses are competitive and used as incentives to inspire employees' motivation and potential and to encourage employees to grow with the Company.
- Employee stock subscription:** We provide employees with employee stock options to share profits with employees.
- Employee's remuneration:** The Company's Articles of Incorporation specifies that if the Company sustains profit every year, 1% or more of the income shall be set aside as remunerations to employees, and 2% or less shall be distributed as director remuneration. However, an amount shall be set aside first to compensate cumulative losses, if any.

Ratios of standard entry level wage by gender compared to local minimum wage in 2024

Region	Taiwan		Mainland China	
Gender	Male	Female	Male	Female
Statutory minimum wage	1	1	1	1
Minimum wage of the Company	1	1.02	1	1

In 2024, the ratio of the total annual compensation of the highest-paid individual to the median total annual compensation of other employees was 14.4 times. Compared to the previous year, the total compensation for these two groups changed by a ratio of 10.28 times.

Note: The annual total compensation of the highest paid individual reduced by 5.75% and other employees reduced by 0.56%.

¹ Excluding contractors, part-time employees, and foreign technical personnel.

5.1.3 Employee education and training

"Talent management" is one of the important indicators of the Company's sustainable operation. In response to the organizational vision and goals, we aim to "support the team to reach performance goals" and "continue to invest in and cultivate management and professional talents" in training programs. We provide abundant and diverse learning channels and training contents to help employees develop their careers in management or technical expertise based on their personal characteristics and expertise. We also strengthen the management skills of managers at all levels, motivate employees' commitment and dedication, and help them grow with the Company.

In addition to in-person courses, we also launched the "LMS Digital Learning Platform," which allows employees to learn by themselves at any time. We actively implement on-the-job training and skill verification system through in-house and external courses. They help employees learn and improve their work performance in actual work, effectively create a "learning organization," and improve the quality of personnel and the overall competitiveness of the Company.

1. Orientation training

It helps new employees quickly adapt to the corporate culture and work environment and understand the operations of different businesses and related departments.

2. Training for new managers

It strengthens the new supervisors' leadership and strategic thinking capabilities to improve the management performance of the organization.

3. Talent development training

In order to cultivate talents within the Company, we provide the MA Program, High Potential Talent Program (HIPO), and the Succession Plan to enhance the quality of the organization and build up competitive advantages for talents.

4. Core competency training

The Company planned training for seven core competencies including precision execution, problem solving, communication and coordination, teamwork, strategic thinking, leadership, and innovation and change. Every employee must be trained in the core functions and gain familiarity with the key spirit and behavioral indicators of the core functions. In addition, course design and contents are implemented in the training plans for general employees, junior managers, and senior managers.

5. General training

We provide general training for employees in work management knowledge and skills for them to work independently and enhance work performance.

6. Professional training

We provide professional training on the necessary professional skills and capabilities in each discipline for professional employees in each unit.



The focus of education and training outcomes in 2024 is as below

Course type	Number of classes	Total number of people	Total hours	Total costs (NT\$1,000)
Professional competency	504	4,544	13,476	950.29
Management and general knowledge	636	7,932	14,576	2,172.883
Orientation training	116	325	1,681	67.903

* The data in this table includes both physical and LMS online courses.

The data on the average hours of training per person in 2024 are as follows

Unit: hours/person

Region	Taiwan		Mainland China	
Gender	Male	Female	Male	Female
Managerial positions - Employees with rank of level D or above	31	29	10	0
Non-management positions - Employees with rank of level S or below	16	27	32.6	18.1
Average	17	28	30.6	17.5

* The statistics do not include contracted workers.

5.1.4 Employee communication and rights and benefits

The Human Resources Department of the Company plans comprehensive employee care programs, including talent development, training, performance management, salary and remuneration management, gender equality, and employee satisfaction surveys. We also hold regular employee communication meetings to explain the Company's goals and management strategies.

To create a friendly workplace with 360-degree comprehensive care for employees, we have introduced the Employee Assistance Program (EAP), promoted gender equality, and advocated maternal care. We have established a comprehensive salary and benefits system and provide diversified leisure activities for employees to help them balance work and family life.

Human Rights Policy

The Company supports the principles of the United Nations Global Compact and the targets enshrined in the United Nations Universal Declaration of Human Rights and the Conventions of the International Labor Organization. We respect human rights and comply with all related regulations of the countries of operations. Article 12 of the Company's "Sustainability and Social Responsibility Guidelines" also states that the Company and subsidiaries shall comply with relevant laws and regulations on human rights and establishes management policies that meet human rights standards by referencing internationally recognized covenants on labor rights. The specific methods of implementation are as follows:

- 1 Comply with relevant laws and regulations and provide a healthy and safe work environment.
- 2 Ban on child labor and forced labor.
- 3 Diversity and inclusion to prevent illegal discrimination
- 4 Ethical management, integrity, and anti-corruption
- 5 Create smooth communication channels and provide complaint mechanisms.

Establish volunteer leave to encourage participation into public welfare and innovation activities

To encourage employees to participate in social welfare initiatives, environmental protection actions, and sustainability-related practices, the Company has established the "Volunteer Leave and Innovation Leave Regulations." Each full-time employee is provided with up to three days of volunteer leave and three days of innovation leave each year. In doing so, the Company aims to fulfill its corporate social responsibility and support employees in putting sustainability concepts into action.

5.1.5 Employee care and welfare

The Company provides a comprehensive remuneration system, welfare measures, and performance management system while meeting requirements in the external business environment and building a fair and reasonable internal system with a leave system superior to regulatory requirements. We uphold the ideal of sharing profits with employees by attracting, retaining, developing, and encouraging talents. The current employee benefits are described as follows:

- The Company provides employees with a comfortable, safe and friendly work environment and values employee health. Regular employee physical checkups are held. Non-scheduled company trips, family days, artistic and cultural events and diverse club activities are held to help employees balance work with life.
- Remuneration and bonuses: Sound salary structure, annual performance bonuses, employee bonus and stock options.
- Medical insurance and healthcare: Employee group insurance, employee physical checkups, labor insurance and health insurance, and employee family insurance.
- Thoughtful welfare systems:
 - ✓ Chinese New Year bonus, Worker's Day, and birthday gifts
 - ✓ Subsidies for weddings, funerals, child birth, hospitalization, disability, and self-improvement activities
 - ✓ Special discounts from contracted companies and affiliated enterprises
 - ✓ Employee travel, cultural activities, and club activities
 - ✓ Free preschool educational books for employees, scholarships for employees' children, and on-the-job training incentives
 - ✓ Wedding gifts, childbirth subsidies, preschool educational books for employees, and free subscription to monthly publications and magazines
 - ✓ Retiree appreciation
 - ✓ Business trip allowance
 - ✓ Employee of the year and senior awards
 - ✓ Group insurance for employees and their dependents
 - ✓ Medical rooms in plants to ensure the occupational safety and health of employees
 - ✓ Regular medical check-ups that exceed requirements of the "Labor Health Protection Regulations"

- Leisure activities for employees:
 - ✓ Employee club activities
 - ✓ Employee birthday celebrations, sports competition, and travel activities
 - ✓ Recreational facilities and audio-visual entertainment equipment in plants

Only by caring for people can companies achieve sustainability: Uncovering the ESG strategy behind the sports events at YFYCPG's three plants

The Company's Taipei head office, Yangmei plant, and Qingshui plant have been certified as "Sports Enterprise" from the Sports Administration, Ministry of Education, for their efforts in building a healthy workplace that enhances employee cohesion and sense of identification. Global Views Monthly featured relevant practices and their outcomes in a dedicated article. This coverage serves as a recognition of the Company's concrete commitment to employee care.



Scan the QR code to explore more.

▲ YFYCPG Sports Club - Fishing Club

Statistics for parental leave in 2024

Unit: Head count

	Male	Female
Number of employees eligible for parental leave in 2024	12	7
Number of employees who applied for parental leave in 2024	3	7
Number of employees expected to be reinstated after parental leave in 2024 (A)	2	6
Number of employees reinstated after parental leave in 2024 (B)	2	4
Number of employees reinstated after parental leave in 2023 and still employed (C)	0	8
Number of employees reinstated from unpaid parental leave in 2023 and stayed for more than 12 months (D)	0	8
Reinstatement rate (B)/(A)	100%	66.67%
Retention rate (D)/(C)	-	100%

* As unpaid parental leave is not required by law in Mainland China, the data only includes employees in Taiwan.

Retirement plan

The Company enacted the "Labor Retirement Regulations" and established the Supervisory Committee of Workers' Pension Reserve Funds to take care of employees' life after retirement. We allocate reserve funds for the old pension system to a special account in the Bank of Taiwan based on actuary calculation results each year to protect labor rights.

The Company also adopted the Labor Pension Act (new labor pension system) on July 1, 2005 and allocate an amount equivalent to 6% of the respective workers' wage range to the employees' individual pension accounts. For those that voluntarily pays additional pension, the Company deducts amounts based on the voluntary appropriation rate from the salary to the dedicated personal pension account at the Bureau of Labor Insurance.

The contents of the YFY's "Labor Retirement Regulations" are as follows:

Other Maternity-Friendly Measures

- Setting up breastfeeding rooms to protect the convenience of female employees to breastfeed
- Providing designated parking spaces for pregnant employees to create a pregnancy-friendly parking environment.
- Pregnancy shuttle - offering a maternity shuttle service with transportation subsidies for pregnant employees during their pregnancy period.
- Pregnancy hamper - employees themselves or their spouses are gifted with a pregnancy hamper from the Employee Welfare Committee upon presentation of a copy of the Maternal Health Handbook.
- We offer care and support to pregnant employees throughout their pregnancy and postpartum period
- Arrange occupational medicine doctors to provide health care, evaluate and provide health education based on the working environment and work content of the employee to ensure safety and health during pregnancy and when returning to work after childbirth.



Criteria for voluntary retirement

- Employees who are over 55 years old and have served in the Company for more than 15 years, including services in the Company's affiliated enterprises.
- Employees who have served in the Company for more than 25 years, including services in the Company's affiliated enterprises.
- Employees who are over 60 years old and have served in the Company for more than 10 years, including services in the Company's affiliated enterprises.

Criteria for compulsory retirement

- The Company may not subject an employee to compulsory retirement except for one of the following conditions:
 - ① Where the employee is over 65 years old.
 - ② Where the employee is mentally incapable or physically disabled and cannot continue to work.
- The mental incapacity or physical disability specified in the preceding paragraph shall be determined by the level 1 to level 6 disabilities of Labor Insurance. An additional 20% on top of the amount calculated according to Article 55, Paragraph 1, Subparagraph 2 of the Labor Standards Act shall be given to workers forced to retire due to disability incurred from the execution of their duties.

Calculation of the years of service and pension

- Employees' years of service shall be calculated starting from the date of employment and the years of service before and after the implementation of the Labor Standards Act and the years of service after the implementation of the Labor Pension Act shall be combined for calculation. The duration shall be based on the years of actual continuous service in this Company.
- The years of service of employees assigned to affiliated enterprises to provide services or transferred from affiliated enterprises to the Company to provide services shall be combined for calculation.
- Where an employee is employed by the Company and an affiliated enterprise and applies for retirement in accordance with regulations, the total pension payment amount shall be calculated based on the ratio of the number of months served in each company and paid by the companies.

Status of the Company's appropriation of labor pension reserve in 2024

- Year-round appropriation: **NT\$4,345** thousand.
- Balance of assets at the end of the year: **NT\$110,314** thousand.

If the Company has to actively terminate the employment relationship with its employees, the Company will comply with Article 16 of the Labor Standards Act, terminate the labor contract with advance notice, and provide severance pay and job search leave.

5.1.6 Employee safety and health

Occupational safety and health management policy and management system

The Company has dedicated occupational safety and health management unit and management personnel responsible for the development and formulation of occupational safety and health management plans for hazard identification, risk assessment, and risk management of operation areas and personnel operations. Both the head office and each plant have established an Occupational Safety and Health Committee, which hold meetings every three months to report, discuss, and make decisions on safety and health plans, implementation status, promotional activities, and health promotion activities. Employees can participate in OSH decision-making through labor representatives, enabling them to understand the implementation status and participate in discussions, ensuring that OSH policies are aligned with the needs of employees on-site, and achieving safety and health for all. Our factories are certified with international occupational safety and health management systems (ISO 45001:2018) and Taiwan Occupational Safety and Health Management System (TOSHMS). All of our employees must undertake at least three hours of safety and health training every three years. We strive to improve safety and health facilities and actively create a safe, healthy, comfortable, and friendly work environment to achieve our goal of "zero accidents."

Employees are important assets of the Company. With the support of top management, the company promotes occupational safety and health strategies, objectives, and action plans through the Occupational Safety and Health Management System (ISO 45001) and Taiwan Occupational Safety and Health Management System (TOSHMS). We undergo third-party verification every year to ensure that all safety and health management mechanisms are continuously and effectively operating and comply with legal requirements. The Company demonstrates its commitment to promoting employee safety through the OSH management policy and establishes a vision for a corporate safety culture.

Additionally, we have incorporated the concept of the international HSE (Health, Safety, and Environment) management system as one of the ten pillars of the YFY Excellence System. Based on the operational processes of each factory, we have formulated the Safety 6 KE (Key Element) operational management system and appointed dedicated personnel as "Safety Pillar Coordinators," providing them with corresponding knowledge and skills, and strictly requiring everyone's participation.

We adopted active measures to ensure employee health and safety:

1. Responsibilities of different levels of responsible units

The Company and each plant have set up dedicated occupational safety and health units and personnel, and each level within the management structure has clear responsibilities and duties. Ensure the comprehensive implementation and effective execution of safety and health work by assisting on-site supervisors in safety management. Regularly review the implementation and effectiveness of existing management systems and control measures. Adjust safety-related work processes to meet on-site operation and safety protection requirements, and also identify opportunities for improvement or optimization to ensure workplace safety.

2. Risk Prevention Operations and Standardization

Conduct working environment measurements every six months, hazard identification and risk assessment every year. Upon 10 Work Environment Measurements as well as hazard identification and assessment, we identified 885 physical hazards, 87 chemical hazards, 8 biological hazards, 52 human-induced hazards, and 24 psychosocial hazards. We evaluate safety and health issues with reference to relevant knowledge, information, changes in regulations, and other factors, in order to formulate corresponding action plans.

3. Strengthened Chemical Management

The Company has introduced a Chemical Management System to track and manage the entire lifecycle of chemicals through digital methods, strengthening safety management and risk control mechanisms of chemicals in plants to ensure personnel safety and environmental protection.

4. Promoting Safety Culture with Full Employee Participation

Employees' safety awareness and behavior are key to achieving overall safety performance and fostering a robust safety culture. Through safety education and labor safety systems, safety inspections, and safety observations, we strengthen the safety management skills and hazard identification capabilities of managers and all employees, thus enhancing safety management, reducing the risk of accidents, identifying potential safety hazards, and making improvements. It enables the establishment of a coherent set of safety values and standards, and build a consensus to promote safe operations.

5. Employee Health Activities



▲ Pilates classes



▲ Healthy diet seminar



◀ DIY healthy diet workshop

Employee health checkup items provided by the Company exceed the requirements of the Labor Health Protection Regulations. Based on the results of health checkups, the Company leverages its internal and external resources to organize a variety of health seminars (e.g., "Nutrition: Healthy Dining Out for Weight Loss" and "Self-Help Guide for Managing Pain: Preventing Human-Induced Musculoskeletal Hazards at Workplace") and health promotion activities (e.g., "Lohas Kitchen Happy Healthy Cuisine," stick boxing, as well as DIY stress-relief Zentangle bag and Christmas wreath crafting classes). During sports competitions (e.g., weight-loss competitions, group workouts, and hiking activities), senior executives are invited to participate. The Company offers monetary rewards or gifts to encourage participants, effectively fostering an active workplace culture. In addition, to develop regular exercise habits among employees, we encourage employees to set up sports clubs, conduct regular muscle strengthening classes, Pilates classes, and comprehensive aerobic training. This will help develop employees' exercise habits, create a healthy workplace environment, establish employee health awareness, and improve employees' sense of identification with the Company.

6. Health Care and Services

We employ full-time labor health service nurses to manage the physical and mental health of employees, actively monitor the health conditions of employees and provide appropriate assistance. The labor health service nurses regularly track the health status of employees. We design health promotion activities to meet the needs of our employees, and demonstrate our commitment to employee safety and health and the vision to create a corporate safety culture.

7. Full Employee Participation in Safety Training

Regular safety training activities cover a wide range of topics, including accident prevention, emergency response, personal protective equipment usage, and JSA (Job Safety Analysis). These safety trainings are not only for new employees, but also regularly updated and strengthened for current employees. To ensure that contractors' employees comply with the Company's safety regulations and establish safety awareness, we formulate work specifications for contractors entering the plant and joint operation safety training to ensure the implementation of the safety management system.



▲ On-the-job training

9. Disaster Prevention and First Aid Training and Drills

All paper mill plants in Taiwan and the Taipei head office have set up automated external defibrillators (AEDs) and at least 70% of employees have taken CPR + AED training courses and obtained secure workplace certification. Emergency aid courses have been listed as mandatory courses for employees. Emergency response exercises are held on a regular basis based on the needs of each plant. They include fire self-defense team exercises, toxic disaster exercises, and disaster relief and evacuation exercises involving hazardous materials as well as earthquake safety promotion, as to strengthen the ability to respond in the event of an emergency. Accident Reporting and Accident Investigation: An incident notification group has been set up to facilitate the immediately notification of the relevant supervisors and occupational safety units when an incident occurs, and to be able to take appropriate measures in the event of an incident without any delay. After receiving the accident report, the occupational safety unit will immediately launch an investigation and cooperate with relevant units to clarify the cause and responsibility of the accident. Based on the investigation results, the occupational safety unit will propose corresponding corrective measures, and at the same time conduct parallel inspections to improve the safety of relevant operations to prevent similar accidents from happening again. These corrective measures include: improve work procedures, strengthen safety training, provide better safety equipment, and so on.

8. Improve Communication and Continuous Review and Improvement

The Company invites employees trained to lead safety initiatives from each plant unit to attend monthly inter-plant safety meetings. The meeting agenda includes exchanges and discussions on safety issues, and proposals of suggestions for improvement to facilitate the establishment and development of a safety culture. The head office and each plant have set up an Occupational Safety and Health Committee, which holds meetings every three months to jointly discuss, verify the safety and health operations, review and implement occupational safety and health and health promotion plans. The committee conducts relevant reports and reviews to ensure effective implementation and continuous improvement of the program. Employees can also participate in occupational safety and health consultation and communication through the selection of labor representatives, so that the implementation of occupational safety and health policies can better meet the needs of employees. At the same time, the planning of safety and health policies can be conveyed through labor representatives, thereby promoting safety and health matters and strengthening the goal of safety and zero accidents for all employees. In 2024, there was an overlap of the flow routes of personnel and warehouse forklifts at the Qingshui plant. To address the issue, the personnel flow route was redesigned to separate pedestrian and vehicle pathways.

Occupational health and safety management system

The Taiwan and Mainland China paper plants have achieved 100% compliance with the latest ISO 45001 Occupational Health and Safety Management System standards. Additionally, the plants in Taiwan have obtained Taiwan Occupational Safety and Health Management System (TOSHMS) certification. All workers are included in the scope of management, and the relevant internal and external audits are conducted with consistent standards. Certain contractors or vehicles that are not under the full control of the Company and they operate in the plants from time to time. They are thus supervised by the Company's "Occupational Safety and Health Management System" and "Contractor and Access Control System." We ensure operational safety in accordance with the relevant control measures within the plants.

Contractor management

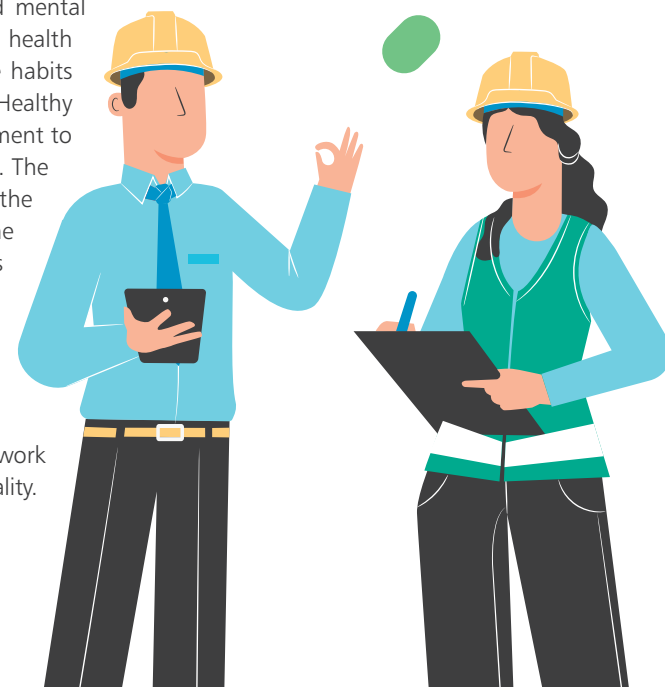
Develop a safety and health management operating standard for contractors, requiring contractors to sign a construction safety and health agreement before construction to ensure compliance with safety and health laws and regulations and company operating safety regulations during the construction process. Submit work applications or convene construction meetings, assess construction work hazards and keep abreast of risk levels, carry out safety control and prepare various disaster prevention and protection equipment. The list of all construction workers entering the site shall be notified before commencement of work and all workers informed of the hazards of the working environment. During the construction process, the contractors' safety and health performance will be reviewed from time to time, and improvement suggestions will be made based on the review results to ensure the safety of the construction process.

Introduction of human factors and ergonomics design

We actively use related design tools, machinery, work methods, and work environment designed based on human factors and ergonomics to eliminate human-factor hazards, prevent human-factor harm, and avoid musculoskeletal injuries from repetitive use of muscles in operations. These measures also increase the safety, comfort, and efficiency of employees. In 2024, a new automatic stacking system was installed to reduce workers' repetitive heavy lifting of packaged tissue products and the number of forklifts in production areas, thereby minimizing the risk of pedestrians and vehicles crossing paths.

Workplace health promotion

Employee health examinations are conducted every two years, with the frequency and items of the checkups exceeding the requirements of the law. They track the health conditions of employees in accordance with the results of the health examinations and serve as health consultation service providers. The Company's dedicated labor health nurses progressively organize workplace health promotion and management activities based on the results of health checkups and employee satisfaction surveys. The goal is to help employees reflect on their physical and mental well-being and raise their awareness of overall health management, thereby fostering healthy lifestyle habits among employees. The Company also seeks the Healthy Workplace Certification launched by the government to review and adjust its health promotion planning. The Company's efforts have earned accolades from the government. In recent years, we have received the "Sports Enterprise Certification" from the Sports Administration of the Ministry of Education, "Healthy Workplace Certification," "Innovative Workplace," and national "Excellent Healthy Workplace" from the Health Promotion Administration. We aim to create a happy and healthy workplace for employees to enjoy their work and improve their health conditions and work quality.



Hazard identification, risk assessment, and incident investigation

Hazard identification

Each year, field supervisors review nearly 6,000 routine and non-routine operations in accordance with the EHS Risk and Opportunity Assessment Management Regulations, conduct hazard identification for all work environments and equipment, and confirm results with occupational safety supervisors. In 2024, we identified 885 physical hazards, 87 chemical hazards, 8 biological hazards, 52 human-induced hazards, and 24 psychosocial hazards. Among the identified hazards, 4 were classified as "material risks." These hazards have been assessed. Corresponding safety operation standards (SOP) have been developed, and Job Safety Analysis (JSA) and One Point Lessons (OPL) have been carried out. SOPs are developed to regulate the conduct of on-site employees. Additionally, enhanced workplace signage and slogans are implemented to reinforce safety awareness, thereby improving work efficiency and reducing occupational risks. Regularly review and update standardized operating procedures and processes to ensure compliance with the latest regulatory requirements or to meet best practice standards best suited for on-site operational needs.

Tiered Risk Management Mechanism

Each year, hazards related to work activities are quantitatively scored according to accident occurrence frequency, severity, and existing risk control methods using the Environmental Safety and Health Risk Assessment Tool. We identified high-risk incidents with low inspection frequency and records of prior incidents as priority items for inspections. The audit personnel of each business unit, occupational safety and health specialists of each site, and their work teams visit sites from time to time to carry out management audits based on the characteristics of the risk level of the work environment.

Inspections and correction

Every month, the head office's occupational safety unit goes to the factory to conduct safety and health inspections. Each warehouse conducts safety and health inspections a total of 10 times every year. If any facilities do not comply with regulations, the inspecting personnel inform the parties involved of the violations and notify them to make improvements within a specified period. The inspection results are discussed and tracked at safety meetings and quarterly safety and health committee meetings, and the progress of improvements is tracked and reviewed to confirm whether the hazards have been reduced or controlled accordingly. Each month, the factories arrange themed inspections to effectively record the contents of non-compliance and submit results to the occupational safety unit, which shall assist and inspect the improvement progress. If the inspectors find that there are immediate hazards such as falling, electricity, collapse, cave-in, fire, explosion, poisoning, and oxygen deprivation, the person in charge of each site shall immediately cooperate to stop the operation and adequately process the deficiency to maintain the safety of personnel.

Hazard prevention

If the aforementioned matter is found to be an immediate hazard to the operator, and the preventive measures are not strengthened or the operation is stopped, the highest-ranking person in charge of the unit shall be requested to stop site operations. If improvements are not made in a timely manner, the findings may be reported to the occupational safety unit of the head office, which shall prepare measures for elevating the risk management level and prevention, and notify the business unit of the results. The progress of improvement is tracked and discussed in monthly safety meetings, and is listed as a key item to be checked during the monthly head office occupational safety audit.

Worker training on occupational health and safety

The Company attaches great importance to the safety and health of workers, listing occupational safety and health training as a core measure to enhance the workplace safety culture and risk prevention capabilities. Each year, the Company develops and implements occupational safety and health training programs based on relevant regulations and actual operational needs. Necessary safety and health training is provided to new hires, personnel engaged in specific tasks, and workers operating in high-risk areas. Topics covered by the training include general safety and health knowledge, safety guidelines for equipment operations and abnormal operations, regulations for handling chemicals, fire response, and first aid drills. The training is conducted through a combination of in-person classes and onsite drills to enhance practical and operational abilities.

The Company plans training hours and course content tailored to different departments and risk levels of their job duties, ensuring that personnel in high-risk workplaces possess sufficient safety protection knowledge and response abilities. In addition to statutory training, the Company also organizes Safety Week activities, adopting interactive teaching approaches to collect feedback on safety and health practices from employees working onsite, thereby raising employees' safety awareness and fostering a workplace safety culture.

Worker participation, consultation, and communication on occupational health and safety

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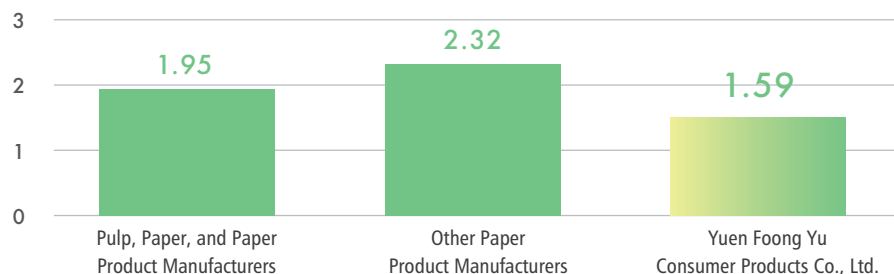
Management of occupational accidents

The occupational disease rate (ODR) at YFYCPG is 0 thanks to the intensive care network for personnel, equipment, and regulations. Every two years, nurses responsible for labor health services distribute personal health questionnaires to employees who work in shifts, night shifts, or long hours, and who are middle-aged and elderly, or have abnormal workloads or repetitive musculoskeletal work. They use the work contents and work categories to identify employees with high risks of occupational diseases such as irregular working hours, jet lag, frequent business travel, abnormal temperature, noise, and mental stress. Using annual health checkup results, they work with health checkup hospitals to assess workload risk factors. Then by employing the "Framingham Risk Score" calculation table, they estimate and calculate the risk level of cardiovascular diseases in the next 10 years, and carry out tiered health management to prevent the occurrence of occupational diseases. For positions where occupational diseases may occur, noise, dust, and organic solvent environmental monitoring are conducted every six months to identify hazards in the workplace. Safety and health-related standards are established and announced to ensure that all personnel are aware of them. Appropriate safety protective equipment is provided for the use by all personnel, and educational training courses and operational precautions are arranged and promoted. For instance, we inspect the hazardous factors in the operational environment, establish monitoring plans and related SOPs for the operation environment, and organize safety and health hazard prevention training courses. We post standards for protective equipment at the entrance and exit of areas with noise and dust hazards. Employees in the work area receive physical checkups for special operations every year. Every month, we also assign occupational medicine doctors to provide onsite health consultation and health services for employees. The labor health service nurses of the plants also track and monitor the employees' health conditions. A total of 19 employees received special health checkups for operations in noisy conditions and were classified as Level 4. Their protective equipment has been adjusted based on their work environment. The Company provides full-cover earmuffs as an option and ensures the use of personal protective equipment. Special health examinations are arranged every year, and the factory labor health service nurses regularly monitor and keep track of the health of employees.

In the event of an occupational accident at the workplace, it is rated level 1 to level 4 based on internal definitions and the accident is reported based on the level. The Company's occupational safety and health personnel, relevant department managers, workplace managers, and worker representatives shall set up an accident investigation team for the investigation, analysis, and recordkeeping of the causes of the incident and formulate appropriate improvement measures. They shall also commence investigations of similar operating environments to confirm whether simultaneous improvements are required and report to superior officers in accordance with administrative operating procedures. They shall commence action plans after obtaining approval from the managers and the results shall be reported and discussed at the monthly safety meeting. They shall provide quarterly report on the status and results in the Safety and Health Committee.

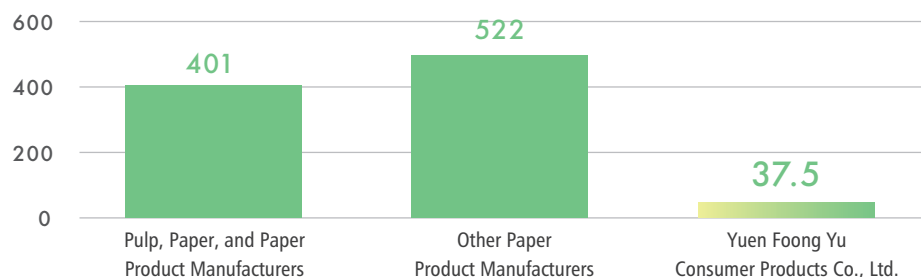
Three-Year Industry Injury Index - Disabling Injury Frequency Rate (FR)

Unit: Cases/million work hours



Three-Year Industry Injury Index - Disabling Injury Severity Rate (SR)

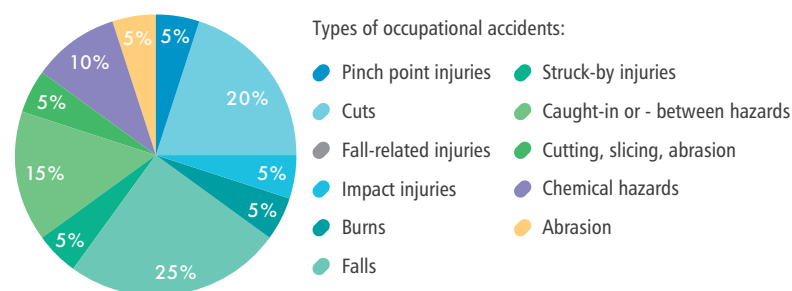
Unit: Days/million work hours



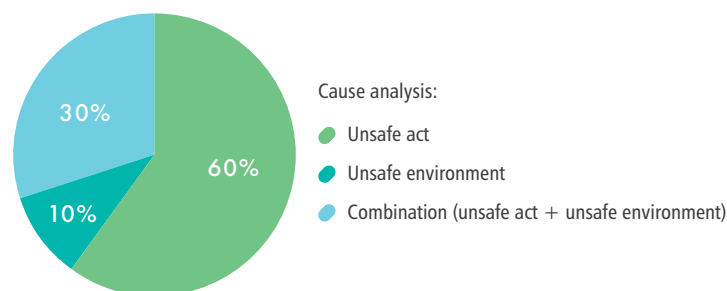
In 2024, YFYCPG reported 5 work-related injuries, with no severe occupational injuries during the year. In 2024, the disabling injury frequency rate (FR) was 1.59 and the disabling injury severity rate (SR) was 37.5, which were significantly lower than the rates for the Pulp, Paper, and Paper Product Manufacturers and the Other Paper Product Manufacturers.

The types and causes of occupational accidents over the past three years are analyzed as follows:

Analysis of Occupational Accident Types Over the Past Three Years



Analysis of Accident Causes Over the Past Three Years



Based on the past three years of data, the main causes are falls(25%), cuts (20%), and caught-in or - between hazards (15%). The Company will continue to ensure workplace safety of the plants, strengthen the safety protection measures of machinery and equipment, enhance employee training on safe machine operation, and strengthen employees' ability to identify hazards and take emergency response measures. We ensure the stability and difficult-to-remove design of the guard or cover at the rolling points of machinery and equipment to prevent employees' body parts from being accidentally rolled in or pinched. We mark potential hazards in the working environment and ensure the use of protective equipment as outlined in SOPs. We also ask all units to review the safety interlock system and warnings to enhance the effectiveness of protective measures for the use of machinery and equipment. The Company is committed to enhancing occupational safety and health facilities to improve the use of protective equipment. It advocates for safety and health regulations and requirements to reduce potential hazards in the workplace.

Upon analysis of the causes of occupational accidents over the past three years, the Company has found that "unsafe act" accounts for 60% and "unsafe environment" accounts for 30%. Considering "unsafe act" is the main cause, the Company has initiated behavioral observation activities, encouraging employees to observe their work environment or other co-workers' acts and to provide feedback on any unsafe conditions. This approach aims to raise employees' safety awareness, reduce unsafe acts, and improve the working environment to meet employees' needs. The ultimate goal is to achieve "Zero Injury" in occupational safety and health.

Tiered risk management measures for occupational diseases

Sudden illness risk classification	Management classification	Content of management measures
Low risk 0	Self-health management	<ul style="list-style-type: none"> Work hour management Company regular physical checkup management
Medium risk 1		
Medium risk 2	Occupational nurse interviews	<ul style="list-style-type: none"> Health evaluations and guidance provided in accordance with the "Physical and Mental Care Consultation Record Table." If the employees' work load conditions require adjustments, they are referred to a labor health service physician for assessment and recommendations.
High risk 3	Consultation with a labor health service physician or occupational medicine specialist	<ul style="list-style-type: none"> Health evaluations and guidance provided in accordance with the "Physical and Mental Care Consultation Record Table." Fill out the "Interview Results and Actions Table" and adjust work contents when necessary.
High risk 4		

2024 Occupational Injury Type Statistics

Category	Number of cases
Near miss	0
Caught-in or - between hazards	1
Cutting, slicing, abrasion	2
Collision	0
Falling objects	0
Inappropriate actions	1
Falls	1
Falling off, rolling down	0
Impact	0
Collapse, cave-in	0
Contact with high or low temperatures	0
Contact with harmful substances	0
Others	0

Category	Number of cases	Ratio
Occupational injuries	5	1.59
Serious occupational injuries	0	0
Work-related fatalities	0	0
Total work hours	3,145,731	

The total working hours of non-employed workers in 2024 was 211,329, and there were no injuries.
 *1: The data scope includes the Taiwan headquarters shown in the "List of Operation Sites in this Report" and all production sites in Taiwan and China (excluding the Shanghai office).

*2: Ratio of occupational injuries: (occupational injuries/total work hours) * 1,000,000.

*3: Serious occupational injuries: Disabling injuries that do not include death and take at least six months of recovery from the time of injury.

*4: Ratio of serious occupational injuries: (serious occupational injuries/total work hours) * 1,000,000.

*5: Ratio of work-related fatalities: (work-related fatalities/total work hours) * 1,000,000.

5.2 Social Engagement



To ensure sustainable development, we deeply understand the importance of establishing good partnerships with local communities to jointly promote local sustainability. In each of our factory areas, we have dedicated personnel as communication channels with the community. Through regular visits to nearby neighborhood leaders, local community welfare organizations, and other channels of negotiation, we aim to understand the issues and impacts faced by the local community. We start from the perspective of our own business niche to support the local community and vulnerable groups. Through sincere listening and face-to-face communication, we work together to explore the most suitable solutions. We genuinely care and are committed for the long term, working hand in hand with the local community to achieve common goals and mutual prosperity. All locations of the Company implement social engagement and community engagement initiatives. After communicating with the local community, impact assessment and understanding of its development plan, the Company participated in the local community by donating more than 2,300 boxes of household paper and cleaning supplies in 2024. Leveraging our niche expertise, we hope to do our part to help disadvantaged families and non-profit organizations in the local communities.

5.2.1 Strengthening cooperation with non-profit organizations to provide support to vulnerable groups

Supporting social welfare organizations in caring for vulnerable groups and local disadvantaged families

In 2024, the headquarters, Yangmei plant, Qingshui plant, Taoyuan plant of Ever Growing Agriculture Bio-tech Co., Ltd, Yangzhou plant, and Kunshan plant collectively donated over 2,300 boxes of household paper products and various disinfectant products to support social welfare organizations caring for vulnerable communities and local disadvantaged families.



Purchased Hualien watermelons for employees as part of their meals to support the Hualien 0403 Earthquake recovery.



Sponsoring CCSA's Baby Sports Day to support the promotion of children's and family education

In 2024, the Company took concrete action support the "Baby Sports Day" organized by the Chinese Children's home & Shelter Association (CCSA), and donated a total of 26 boxes of toilet paper as supplies for the event. We give back to the community by contributing from our core business, supporting the CCSA's years of efforts in child welfare and family education advocacy.

Working with local social welfare organizations for public welfare: YFYCPG x Xuan Yi New Knowledge Care Association Charity Fabric Art Workshop

The Company has been a long-time supporter of the Xuan Yi New Knowledge Care Association, located in Longtan, Taoyuan, which is committed to accompanying children with cerebral palsy and rare diseases, along with their families. We hope that fabric artwork will improve children's hand strength and boost their confidence. In June 2024, we collaborated with Xuan Yi to organize a charity fabric art workshop at the Yangmei plant. Young instructors from Xuan Yi personally guided plant employees through the creation process while engaging in interactive exchanges. The event not only helped employees better understand the families with disabilities, their situation, their efforts, but also promoted the concept of resource recycling and zero waste through the donation of jeans. During the event, employees actively supported the donation initiative by donating unused jeans from their homes to support resource recycling and reuse. This event bridged the gap between us and our social welfare partners, bringing sustainability practices closer to our everyday life.



5.2.2 Environmental protection

Corporate Road Adoption

We provide comprehensive support to improve the local community's environment. Both the Qingshui plant and Yangmei plant have adopted road cleaning around their premises. We regularly clean up trash, clear dust, and ensure the cleanliness of the surroundings. We will continue to promote environmental efforts and make further contributions to improving the local community's environment.

Orange House responded to Hsinchu City's Autumn Waterbird Season Event to Reflects Its Commitment to Environmental Protection and Environmental Education

Orange House donated 500 laundry capsules to support the "2024 Autumn Waterbird Season" event organized by the Hsinchu City Government, demonstrating our commitment to environmental protection. Through guided eco-tours and bird observation, this event enhances the public's understanding of nature conservation, promotes awareness of ecological protection, and jointly protects the precious natural ecosystem.



Taiwan Champion Trees - Giant Tree Map Project

Taiwan's unique topography and steep mountains create a wonderful landscape where forest types from different climate zones are found on the same island. The canopy at the top of giant trees is rich in biological resources, making it an excellent place to explore biodiversity.

“The YFY Group started out as a paper manufacturer. We made Taiwan's first pack of interfold toilet paper, so we have always had a special affection for trees.”

As a responsible global citizen, YFYCPG, with its commitment to environmental sustainability, insists on using FSC-certified products and developing high-quality products to maximize resource efficiency. Since 2021, YFYCPG has been supporting the Taiwan Champion Trees Team in their quest to find Taiwan's tallest trees while simultaneously promoting science and environmental education for young people. It is hoped that valuable science knowledge and the enthusiasm of the team will be understood and learned by the children.



Providing explanations from experts and tree climbing experiences to observe various plants at different heights in the canopy. Through interesting and vivid science popularization, we aim to help the public understand, recognize, and inherit the cherished environmental values and sustainability principles of YFYCPG.

“Taiwan Champion Trees - Giant Tree Map Project” utilizes airborne LiDAR technology to survey and measure the “Taoshan Sacred Tree” (a giant Taiwan tree) in the valleys of Shei-Pa National Park, which has reached a height of 79.1 meters. It has also discovered the Taiwan “Ka’alang Giant Tree” in the upstream region of the Ka’alang Creek, with a height of approximately 82 meters. In January 2023, the team further discovered another 84.1-meter Taiwan giant tree, estimated to be about 700 to 800 years old, in the upper reaches of Da’an River, making it the tallest known tree in Taiwan and the tallest tree in East Asia.



Furthermore, since 2022, YFYCPG has partnered with the Taiwan Champion Trees Team to organize “Nature Science Camps” for children aged 12 to 18 in Nan’ao Township, Yilan, and the Basianshan Education Park in Heping District, Taichung for 2 consecutive years, with a total of more than 1,000 children participating in in-person/online activities and camps by 2024. These activities aim to encourage the new generation of the Internet to get closer to nature, empower future generations to care about environment and become a force for change, and unlock more possibilities for sustainability and better living.



S3 EP55/[GVM On Air] Secrets Behind Giant Trees: Come Embark on a Journey with the “Taiwan Champion Trees Team” to Uncover the Mysteries of Giant Trees in Taiwan, Exploring Carbon Sinking and Biodiversity! ft. Sr. Director Julia Ou (ESG Office, Yuen Foong Yu Consumer Products Co., Ltd.), Dr. Rebecca Hsu (Taiwan Forestry Research Institute of the Ministry of Agriculture), and Prof. Chi-kuei Wang (Department of Geomatics, National Cheng Kung University)



Connecting the consumer ecosystem, YFYCPG bridges the gap between sustainability and everyday life.

Qingshui plant participated in Dongshan Elementary School's community walking tours. Led by the deputy plant manager, the team introduced students to the toilet paper manufacturing process and use knowledge, covering topics such as raw materials, equipment, and environmental protection concepts. This activity improved students' understanding of daily necessities and sustainable consumption.



5.2.3 Community Care and Working with Local Governments to Protect Public Health

Actively working with local communities to host health seminars and supporting local competent authorities in their municipal campaigns: Free blood pressure checks to protect public health ✓

To promote the health and well-being of local residents, our plants organized community health seminars, providing free blood pressure measurements and distributing sanitary paper to the local residents. The Company actively collaborates with local communities to host health seminars and supports local competent authorities in their municipal campaigns.

Join Hands to Spread Love and Support Blood Donation Drives ✓

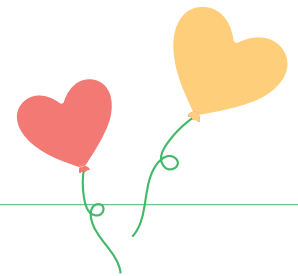
In September 2024, the Company sponsored a total of 59 boxes of Orange House's mite-removing laundry detergent to the Taichung branch of the Police Broadcasting Service to support the "Spreading Love in the Air Blood Donation Campaign." The event collected 513 bags of blood, totaling 128,250 ml. On the day of the event, the plant manager of Qingshui plant attended in person to receive the commendation, and also led by example by rolling up his sleeves to donate blood, demonstrating the Company's support for the local community and the importance of social responsibility and its fulfillment.





Supporting breast cancer patients, advocating for the Pink Ribbon campaign together

The Taipei head office donated 5 boxes of paper products to the Taiwan Breast Cancer Alliance in September to support their Pink Ribbon awareness campaign on October 20. The event encouraged early cancer screening and patient support, putting the Company's commitment to women's health issues into action.



5.2.4 Adopting Public Restrooms to Improve Hygiene and Health Quality of Local Residents

Protecting the health of school children! Qingshui plant's donation of high quality toilet paper: Improving public restroom hygiene in Dayang and Dongshan Elementary Schools



Qingshui plant voluntarily adopted the public restrooms of the nearby Dayang and Dongshan Elementary Schools. The schools, located in rural areas, has limited access to educational resources due to their small number of students, making the students a disadvantaged group. As a company, we took the initiative to donate high-quality toilet paper to improve the hygiene standards for the students. In 2024, we donated a year's supply of Mayflower toilet paper, totaling 110 boxes.

This donation project stems from our care for the health and well-being of local rural schoolchildren.

We are well aware of the importance of toilet paper in daily life, especially for school children.

Maintaining a clean and hygienic environment is vital for promoting their learning and health.

Therefore, we carefully selected high-quality Mayflower toilet paper to ensure that the students can enjoy a comfortable and hygienic experience.

We will continue to support the supply of toilet paper to the elementary schools, ensuring that the school children have access to good hygiene conditions every day and fulfilling our commitment to sustainability and social responsibility.



Appendix

GRI Standards Disclosure Comparison Sheet

Statement of Use | YFYCPG has reported in accordance with the GRI Standards for the period from January 1, 2024, to December 31, 2024.

GRI 1 used | GRI 1: Foundation 2021

Applicable GRI Sector Standards | None

GRI Standards	Disclosure Item	Chapter or Description	Page
General Disclosures			
GRI 2: General Disclosures 2021			
1. The organization and its reporting practices			
GRI 2-1	Organizational details	2.1 Company Profile	26
GRI 2-2	Entities included in the organization's sustainability reporting	Editorial Principles 2.1 Company Profile	14 26
GRI 2-3	Reporting period, frequency and contact point	Editorial Principles	14
GRI 2-4	Restatements of information	No restatements of information	
GRI 2-5	External assurance	Editorial Principles	14
2. Activities and workers			
GRI 2-6	Activities, value chain and other business relationships	2.1 Company Profile 2.3 Economic Performance 5.1 Employee Relations	26 33 77
GRI 2-7	Employees	5.1 Employee Relations	77
GRI 2-8	Workers who are not employees	5.1 Employee Relations	77
3. Governance			
GRI 2-9	Governance structure and composition	3.1 Board of Directors 3.2 Operating Status of the Functional Committee	37 40

GRI 2-10	Nomination and selection of the highest governance body	3.1 Board of Directors 3.2 Operating Status of the Functional Committee	37 40
GRI 2-11	Chair of the highest governance body	3.1 Board of Directors 3.2 Operating Status of the Functional Committee Regarding whether the Chairman concurrently serves as General Manager or other executive roles (e.g., CEO), please refer to the 2024 Annual Report for details of (1) Information on Directors and Independent Directors (P.12, 13), (3) Basic information of Directors, Supervisors, and General Managers of affiliates (https://mopsov.twse.com.tw/mops/web/t57sb01_q10)	37 40
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	1.2 Corporate Sustainable Development Organizational Structure	17
GRI 2-13	Delegation of responsibility for managing impacts	1.2 Corporate Sustainable Development Organizational Structure	17
GRI 2-14	Role of the highest governance body in sustainability reporting	1.2 Corporate Sustainable Development Organizational Structure 3.1 Board of Directors	17 37
GRI 2-15	Conflicts of interest	3.1 Board of Directors 2024 Annual Report (1) Board of Directors operating status - other matters that should be recorded: 2. Implementation of Directors' Recusal of Interest-related Proposals (P.20), (3) Corporate governance practice and compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies - 2. Company's Shareholding Structure and Shareholders' Rights and Interests (2), (3), (4) (P.24), (6) Implementation of Ethical Management and Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation: 1. Establishment of ethical corporate management policy and approaches (1), 2. Implementing Ethical Management (3) (P.37)	37

GRI Standards	Disclosure Item	Chapter or Description	Page
GRI 2-16	Communication of critical concerns	1.4 Analysis of Material Issues 3.1 Board of Directors	20 37
GRI 2-17	Collective knowledge of the highest governance body	3.1 Board of Directors	37
GRI 2-18	Evaluation of the performance of the highest governance body	p.20-21 of 2024 Annual Report	
GRI 2-19	Remuneration policies	p.19 of 2024 Annual Report	
GRI 2-20	Process to determine remuneration	p.19 of 2024 Annual Report	
GRI 2-21	Annual total compensation ratio	5.1 Employee Relations	77 Note: Remuneration information for Taoyuan plant of Ever Growing Agriculture Bio-tech Co., Ltd. and Yuen Foong Shop is unavailable.

4. Strategy, policies and practices

GRI 2-22	Statement on sustainable development strategy	Letter from the Chairman 1.1 Promotion of Sustainable Management	3 15
GRI 2-23	Policy commitments	3.2.2 Integrity and compliance 5.1.4 Employee communication and rights and benefits	42 81
GRI 2-24	Embedding policy commitments	1.2 Corporate Sustainable Development Organizational Structure	17
GRI 2-25	Processes to remediate negative impacts	3.2.1 Comprehensive information disclosure 5.1 Employee Relations	41 77
GRI 2-26	Mechanisms for seeking advice and raising concerns	5.1 Employee Relations	77
GRI 2-27	Compliance with laws and regulations	3.2.2 Integrity and compliance	42
GRI 2-28	Membership associations	2.4 External Participation	33

5. Stakeholder engagement

GRI 2-29	Approach to stakeholder engagement	1.4 Analysis of Material Issues	20
GRI 2-30	Collective bargaining agreements	5.1 Employee Relations	77

Material topics

GRI 3: Material Topics 2021

3-1	Process to determine material topics	1.4. Analysis of Material Issues	20
3-2	List of material topics	1.4 Analysis of Material Issues	20
3-3	Management of material topics	1.4. Analysis of Material Issues Refer to the table below for the location of the 11 material topic headings	20

Material topics: Products liability and after-sales services

GRI 417: Marketing and Labeling: 2016

417-1	Requirements for product and service information and labeling	3.4.1 Product safety and regulatory compliance	47
417-2	Incidents of non-compliance concerning product and service information and labeling	No such event occurred at the Company	
417-3	Incidents of non-compliance concerning marketing communications	No such event occurred at the Company	

GRI 418: Customer Privacy: 2016

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No such event occurred at the Company	
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Material topics: Compliance with laws and regulations

Industry-specific Topics	Social, Economic, and Environmental Regulatory Compliance	3.6 Socioeconomic Compliance 4.8 Environmental Compliance	52 73
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Material topics: Risk management

Industry-specific Topics	Types of Risks and Management	3.3 Risk Assessment and Management	43
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GRI Standards	Disclosure Item	Chapter or Description	Page
Material topics: Occupational Health			
GRI 403: Occupational Health and Safety: 2018			
403-1	Occupational health and safety management system	5.1.6 Employee safety and health	84
403-2	Hazard identification, risk assessment, and incident investigation	5.1.6 Employee safety and health	84
403-3	Occupational health services	5.1.6 Employee safety and health	84
403-4	Worker participation, consultation, and communication on occupational health and safety	5.1.6 Employee safety and health	84
403-5	Worker training on occupational health and safety	5.1.6 Employee safety and health	84
403-6	Promotion of worker health	5.1.6 Employee safety and health	84
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.1.6 Employee safety and health	84
403-9	Occupational injuries	5.1.6 Employee safety and health	84
403-10	Work-related ill health	5.1.6 Employee safety and health	84
Material topics: Green products			
GRI 301: Materials: 2016			
301-1	Materials used by weight or volume	4.3 Raw Material Usage	64
GRI 416: Customer Health and Safety: 2016			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No such event occurred at the Company	
Material topics: Water resource management			
GRI 303: Water and Effluents: 2018			
303-1	Interactions with water as a shared resource	4.7 Water resource management	70

303-2	Management of water discharge-related impacts	4.7 Water resource management	70
303-3	Water withdrawal	4.7 Water resource management	70
303-4	Water discharge	4.7 Water resource management	70
303-5	Water consumption	4.7 Water resource management	70
Material topics: Greenhouse gas and air pollutant emissions			
GRI 305: Emissions: 2016			
305-1	Direct (Scope 1) GHG emissions	4.5 Emissions	68
305-2	Energy indirect (Scope 2) GHG emissions	4.5 Emissions	68
305-4	GHG emissions intensity	4.5 Emissions	68
305-5	Reduction of GHG emissions	4.6 Waste	70
305-6	Emissions of ozone-depleting substances (ODS)	No actions involving the production, import, and export of related substances occurred within the scope of the Report. This is therefore not applicable.	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.5 Emissions	68
Material topics: Adaptation to global climate change and economic changes in operations			
Industry-specific Topics	Climate Change Risks and Opportunities Management	4.1 Climate Change Risks and Opportunities	55
Material topics: Energy Management			
GRI 302: Energy: 2016			
302-1	Energy consumption within the organization	4.4 Energy Management	65
302-3	Energy intensity	4.4 Energy Management	65
302-4	Reduction of energy consumption	4.4 Energy Management	65
Material topics: Human rights protection			
Industry-specific Topics	Human Rights Protection Policy	3.5 Supply Chain Management 5.1.4 Employee communication and rights and benefits	50 81

GRI Standards	Disclosure Item	Chapter or Description	Page
Material topics: Customer relations and protection			
GRI 416: Customer Health and Safety: 2016			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No such event occurred at the Company	
General topics			
Other topics			
GRI 201: Economic Performance: 2016			
201-1	Direct economic value generated and distributed	2.3 Economic Performance	33
201-3	Defined benefit plan obligations and other retirement plans	5.1 Employee Relations	77
GRI 202: Market Presence: 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.1 Employee Relations	77
202-2	Proportion of senior management hired from the local community	5.1 Employee Relations	77
GRI 204: Procurement Practices: 2016			
204-1	Proportion of spending on local suppliers	3.5 Supply Chain Management	50
GRI 401: Employment: 2016			
401-1	New employee hires and employee turnover	5.1 Employee Relations	77
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.1 Employee Relations	77
401-3	Parental leave	5.1 Employee Relations	77

GRI 402: Labor/Management Relations: 2016			
402-1	Minimum notice periods regarding operational changes	In the event of a major operational change that requires the termination of employment of certain employees, the Company shall provide advance notice of the termination date of the contract in accordance with Article 16, Paragraph 1 of the Labor Standards Act. The advance notice period shall be determined based on the number of years of service of the worker as specified below: (1) Employees who have continuously worked for at least 3 months but less than 1 year are provided with a 10-day notice. (2) Employees who have continuously worked for at least 1 year but less than 3 years are provided with a 20-day notice. (3) Employees who have continuously worked for at least 3 years are provided with a 30-day notice.	
GRI 404: Training and Education: 2016			
404-1	Average hours of training per year per employee	5.1.3 Employee education and training	80
404-2	Programs for upgrading employee skills and transition assistance programs	5.1.4 Employee communication and rights and benefits	81
404-3	Percentage of employees receiving regular performance and career development reviews	5.1.3 Employee education and training	80
GRI 405: Diversity and Equal Opportunity: 2016			
405-1	Diversity of governance bodies and employees	5.1.1 Employer-Employee Relationship	77
GRI 413: Local Communities: 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	5.2 Social Engagement	92
413-2	Operations with significant actual and potential negative impacts on local communities	No such event occurred at the Company	

Sustainability Accounting Standards Board (SASB) - Household and Personal Goods Industry Disclosure Standard

Disclosure Topic	Code	Metric	Category	Unit of Measure	2024 Value or Explanation
Water Management	CG-HP-140a.1	(1) Total water withdrawn (M ³)	Quantitative	%	Refer to Report Section 4.7 Water Resources Management
		(2) Total water consumed (M ³); percentage of each in regions with High or Extremely High Baseline Water Stress			Refer to Report Section 4.7 Water Resources Management
	CG-HP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis	N/A	Refer to Report Section 4.7 Water Resources Management
Product Performance in terms of the Environment, Health and Safety	CG-HP-250a.1	Revenue from Products Containing REACH Substances of Very High Concern (SVHC)	Quantitative	Reporting currency	No products containing SVHC substances
	CG-HP-250a.2	Revenue from products that contain substances on the California DTSC Candidate Chemicals List			No products containing California DTSC substances
	CG-HP-250a.3	Discussion on the process for identifying and managing emerging materials and chemicals of concern	Discussion and analysis	N/A	1. Chemical Use and Management Principles, 100% compliance with Taiwan Cosmetic Regulations and Ministry of Environment Regulations. 2. No use of SVHC and DTSC-listed substances. 3. Quarterly updates of the latest chemical regulations in various countries during development meetings. 4. Researchers possess Safety Data Signatory certificates, systematically evaluating and analyzing product toxicological capabilities. 5. Product development includes "Risk Assessment Process" with comprehensive risk assessment reports for formulations, packaging, and processes.
	CG-HP-250a.4	Revenue from Products Designed with Green Chemistry Principles	Quantitative	Reporting currency	NT\$646,051 thousand
Management of the Packaging Life Cycle	CG-HP-410a.1	(1) Total weight of packaging (T)	Quantitative	Tons (T)	407 tons
		(2) Percentage of packaging composed of recycled and/or renewable materials		%	87.96%
		(3) Percentage of recyclable, reusable and/or compostable packaging			
	CG-HP-410a.2	Discussion on strategies for reducing the environmental impact of packaging during its life cycle	Discussion and analysis	N/A	1. Overall packaging strategy follows the product 4R development plan: Reduce plastic usage, Reuse for reusability, Recycle for recycling, Replace for alternative forms to reduce plastic. 2. Develop concentrated product packaging and paper box packaging to reduce plastic usage and improve product storage and transportation efficiency. 3. Develop recycled plastics to replace new plastics, promote plastic recycling and circularity, and reduce carbon emissions. 4. Develop 100% environmentally friendly packaging, including recyclable, reusable, compostable, or renewable materials, and avoid using environmentally harmful substances.

Disclosure Topic	Code	Metric	Category	Unit of Measure	2024 Value or Explanation
Environmental and Social Impact of the Palm Oil Supply Chain	CG-HP-430a.1	Quantity of palm oil and derivatives; Percentage certified by the supply chains of the Roundtable on Sustainable Palm Oil (RSPO) as:	Quantitative	Tons (T) %	N/A
		(a)IP (Identity Preserved): Identity preserved supply chain model			
		(b)SG (Segregated): Verified and non-verified segregated supply chain model.			
		(c)MB (Mass Balance): Verified and nonverified mixed supply chain model.			
		(d)BC (Book and Claim): Booking and claim supply chain model.			
Measurement of Activity	CG-HP-000.A	Unit of products sold, total weight of products sold	Quantitative	Quantity, tons (t)	Household paper: Approximately 173,865 tons Cleaning products: Approximately 7,278 tons
	CG-HP-000.B	Number of factories		Quantity	Household paper: 4 Production sites Cleaning products: 1 Production site Refer to Report Section 2.1 Company Profile

Independent Third-Party Assurance Statement



INDEPENDENT ASSURANCE OPINION STATEMENT

YFYCPG 2024 Sustainability Report

The British Standards Institution is independent to Yuen Foong Yu Consumer Products Co., Ltd. (hereafter referred to as YFYCPG in this statement) and has no financial interest in the operation of YFYCPG other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of YFYCPG only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by YFYCPG. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to YFYCPG only.

Scope

The scope of engagement agreed upon with YFYCPG includes the followings:

1. The assurance scope is consistent with the description of YFYCPG 2024 Sustainability Report.
2. The evaluation of the nature and extent of the YFYCPG's adherence to AA1000 AccountAbility Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000 AS v3 sustainability assurance engagement.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the YFYCPG 2024 Sustainability Report provides a fair view of the YFYCPG sustainability programmes and performances during 2024. The sustainability report subject to assurance is materially correct without voluntary omissions based upon testing within the limitations of the scope of the assurance, the information and data provided by the YFYCPG and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are correctly represented. The sustainability performance information disclosed in the report demonstrate YFYCPG's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assessors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that YFYCPG's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to YFYCPG's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on YFYCPG's approach to stakeholder engagement. Moreover, we had sampled 1 external stakeholder to conduct interview.
- interview with 9 staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of materiality assessment process.
- review of key organizational developments.
- review of the extent and maturity of the relevant accounting systems for financial and non-financial reports.
- review of the findings of internal audits.
- the verification of performance data and claims made in the report through meeting with managers responsible for gathering data.
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data to greater depth during site visits.
- the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and sustainability performance information as well as GRI Standards is set out below:

Inclusivity

In this report, it reflects that YFYCPG has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the YFYCPG's inclusivity issues and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization.

Materiality

The YFYCPG publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of YFYCPG and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the YFYCPG's management and performance. In our professional opinion the report covers the YFYCPG's materiality assessment process and material issues.

Responsiveness

YFYCPG has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for the YFYCPG is developed and continually provides the opportunity to further enhance YFYCPG's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the YFYCPG's responsiveness issues.

Impact

YFYCPG has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. YFYCPG has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within an organization. In our professional opinion the report covers the YFYCPG's impact issues.

Performance information

Based on our work described in this statement and with no conflict of interest with the YFYCPG in relation to providing the assurance of ESG performance information, which has been assured, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, YFYCPG and BSI have agreed upon to include in the scope. In our view, nothing has come to our attention that the data and information contained within YFYCPG 2024 Sustainability Report were no significant errors, omissions, or misstatements based on procedures undertaken by means of vouching, re-tracking, re-computing and confirmation.

GRI Sustainability Reporting Standards (GRI Standards)

YFYCPG provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, including the disclosures of applicable economic, environmental, and social information, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the YFYCPG's sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

This sustainability report is the responsibility of the YFYCPG's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan



AA1000
Licensed Report
000-4/V3-SYUN2

Statement No: SRA-TW-2024011
2025-06-11

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.

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Independent Verification Opinion

Verification Opinion No.:
C785514-2024-AG-TWN-DNV

Issued Place and Date:
Taipei, 25 August, 2025

Page 1 of 2

This is to verify initiate reporting of Scope 3 Greenhouse Gas Inventory Report (2024) of

Yuen Foong Yu Consumer Products Co., Ltd.

Scope of Verification

DNV Business Assurance (DNV) has been commissioned by Yuen Foong Yu Consumer Products Co., Ltd. (hereafter "the Organization") to perform a verification of the greenhouse gas assertion in the Scope 3 Greenhouse Gas Inventory Report (2024) (hereafter the "Inventory Report") of the Organization, including its main manufacturing plants and business premises in Taiwan, R.O.C., whether owned or leased, based on the data checked at the representative site as follows. Entities and operational sites outside Taiwan are excluded. Refer to Appendix C for further details.

Site	Address
Yuen Foong Yu Consumer Products Co., Ltd.	16F., No. 51, Section 2, Chongqing South Road, Zhongzheng District, Taipei City, Taiwan (Representative site)

The reporting boundaries for the verification includes Scope 3 indirect GHG emissions from purchased goods & services; capital goods; fuel- and energy-related activities; waste generated in operations; and business travel. Refer to Appendix A for further details on the reporting boundaries.

Verification Criteria and GHG Programme

The verification was performed on the basis of Financial Supervisory Commission's Sustainable Development Roadmap Scheme and Corporate Value Chain (Scope 3) Accounting and Reporting Standard as well as criteria given to provide for consistent GHG emission identification, calculation, monitoring, and reporting. The verification was conducted in accordance with ISO 14066:2023, ISO 14065:2020, ISO 14064-3:2019.

Verification Opinion

It is DNV's opinion that the Inventory Report, published on July 30, 2025 (1st Version), is free from material discrepancies in accordance with the verification criteria identified as stated above. Scope 3 indirect GHG emissions have been verified with a limited level of assurance, on which the opinion is based. Also, the GHG information stated in the appendices has been verified during the process.

GHG Verifier:
Yu Chung Chen

For the issuing office:
DNV Business Assurance Co., Ltd.

Management Representative

The Appendix forms an integral part of this Certificate, which shall be invalid when used without the Appendix.
Lack of fulfillment of conditions as set out in the Verification Agreement may render this Verification invalid. This Verification Opinion is based on the information made available to us and the engagement conditions detailed above. Hence, DNV cannot guarantee the accuracy or correctness of the information. DNV cannot be held liable by any party relying or acting upon this Verification Opinion.
The issuing office : 29FL, No. 293, Sec. 2, Wenhua Rd., Banqiao District, New Taipei City 220, Taiwan Tel.: +886-2-82537800. <https://www.dnv.com/tw/>
DNV ZNATW-OP-F50, Rev.14, 2025-03



Verification Opinion No.:
C785514-2024-AG-TWN-DNV

Issued Place and Date:
Taipei, 25 August, 2025

Page 2 of 2

Supplement to Verification Opinion

Process and Methodology

The reviews of the Inventory Report and relevant documents and the subsequent follow-up interviews have provided DNV with sufficient evidence to determine the fulfilment of stated criteria.

Quantification of Greenhouse Gas Emissions

The Inventory Report covers the period from January 1, 2024, to December 31, 2024. It is DNV's opinion that the Scope 3 indirect GHG emissions identified within the reporting boundaries have been included in the Inventory Report, as claimed, in accordance with the verification criteria stated above, and results in quantification of GHG emissions that are real, transparent and measurable

Organizational Boundaries of Verification

☐ Financial Management Control; ☒ Operational Management Control; ☐ Equity Share

GHGs Verified

☒ CO₂ ☒ CH₄ ☒ N₂O ☒ HFCs ☒ PFCs ☒ SF₆ ☒ NF₃

Quantification of GHG Emissions (in tonnes CO₂e)

The Global Warming Potential (GWP) defined in Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report (AR6) (2021) has been chosen and correctly referred by the Organization.

Category	Emissions (in tonnes CO ₂ e)
Category 1: Purchased goods & services	33,734.69
Category 2: Capital goods	375.91
Category 3: Fuel- and energy-related activities	27,897.98
Category 5: Waste generated in operations	282.05
Category 6: Business travel	32.18
Total	62,322.81

Note: The values are rounded off to the 2nd decimal place.

Type of Opinion

☒ Unmodified ☐ Modified ☐ Adverse

The Appendix forms an integral part of this Certificate, which shall be invalid when used without the Appendix.
Lack of fulfillment of conditions as set out in the Verification Agreement may render this Verification invalid. This Verification Opinion is based on the information made available to us and the engagement conditions detailed above. Hence, DNV cannot guarantee the accuracy or correctness of the information. DNV cannot be held liable by any party relying or acting upon this Verification Opinion.
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DNV ZNATW-OP-F50, Rev.14, 2025-03



APPENDIX A

The reporting boundaries of Yuen Foong Yu Consumer Products Co., Ltd.'s Inventory Report (2024), with Scope 3 indirect GHG emissions defined and decided by the Organization's own pre-determined criteria for significance, considering the intended use of the GHG inventory, are as follows:

Category	Reporting Boundaries
Category 1: Purchased goods & services	Emissions from purchased main raw materials as defined, including: <ul style="list-style-type: none"> • Pulp, key chemical additives (softener and wet/dry strength agent), and standard packaging materials for the household paper manufacturing plants; • Main raw materials (surfactants, alkalis, acids, salts, fragrance, and preservatives) and standard packaging materials for the cleaning products manufacturing plants. Emissions from purchased goods and services not covered by the aforementioned categories, and from other business premises, are excluded.
Category 2: Capital goods	Emissions from changes in assets, including buildings, motor vehicles, machinery and tools, electronic equipment, and computers, information technology, and optical products.
Category 3: Fuel- and energy-related activities	Emissions from fuel- and energy-related activities not already accounted for in scope 1 or scope 2 emissions at main manufacturing plants and business premises.
Category 5: Waste generated in operations	Emissions from the treatment of industrial waste of main manufacturing plants, except for that subject to reuse methods. Emissions of all waste transportation and waste treatment of other business premises are excluded.
Category 6: Business travel	Emissions from air travels, with other modes of business travel excluded.

APPENDIX B

The quantification results of GHG emissions in Yuen Foong Yu Consumer Products Co., Ltd.'s Inventory Report (2024), consolidated in accordance with the Scope 3 indirect GHG emissions defined and decided by the Organization's own pre-determined criteria, are as follows:

Category	Emissions (tonnes CO ₂ e)
Category 1: Purchased goods & services	33,734.69
Category 2: Capital goods	375.91
Category 3: Fuel- and energy-related activities	27,897.98
Category 5: Waste generated in operations	282.05
Category 6: Business travel	32.18
Total	62,322.81

Note: The values are rounded off to the 2nd decimal place.

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APPENDIX C

The organizational boundaries of Yuen Foong Yu Consumer Products Co., Ltd.'s Inventory Report (2024) encompass the following main manufacturing plants and business premises in Taiwan, whether owned or leased. Entities and operational sites outside Taiwan are excluded.

Site Name	Location
永豐餘消費品實業股份有限公司總公司*	台北市中正區重慶南路二段 51 號 16-17 樓
永豐餘消費品實業股份有限公司楊梅廠	桃園市楊梅區梅高路二段 668 巷 70 號
永豐餘消費品實業股份有限公司清水廠	台中市清水區舊庄路 258 號
永昇園農業生技股份有限公司桃園廠	桃園市蘆竹區富國路三段 1078-1 號

* In addition to the headquarters indicated, it encompasses 12 business premises under its operational control, with details provided in the Inventory Report.

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SUSTAINABILITY REPORT

