

2024

SUSTAINABILITY REPORT

Every again makes a gain
again

TABLE OF CONTENTS

▪ Foreword	03
▪ About this Report	04
▪ Message from the CEO	06

1 Sustainability Performance 08

1.1 Key Performance Areas	09
1.2 Awards and Recognitions	12
1.3 Product Certifications	13
1.4 ISO Systems and Certifications	14
1.5 Other ESG-related Certifications	15

2 Stakeholder Engagement and Identification of Material Topics 16

2.1 Stakeholder Identification	17
2.2 Stakeholder Engagement	18
2.3 Identification of Material Topics	20
2.4 List of Material Topics	26

3 About King Yuan Fu 28

3.1 Company Profile	29
3.2 Corporate Governance	36
3.3 Operational Performance	52
3.4 Supply Chain Management	53
3.5 Information Security Policy and Management	59

4 Sustainable Environment 62

4.1 Circular Economy	64
4.2 Raw Material Management	77
4.3 Environmental Management	80
4.4 Energy	81
4.5 Air Pollution Control	88
4.6 Water Resource Management	89
4.7 GHG Emissions	91
4.8 Waste Management	95
4.9 The Management and Adaptation of Climate Change Risks	100

5 Employee Care 106

5.1 Employee Overview and Manpower Structure	107
5.2 Talent Acquisition and Turnover	108
5.3 Talent Development System	113
5.4 Compensation and Benefits	119
5.5 Social Responsibility and Equality Assurance	123
5.6 Win-Win Labor-Management Communication Channels	125
5.7 Occupational Safety	127

6 Social Synergy 139

6.1 Environmental Education	140
6.2 Environmental Protection	144
6.3 Community Care	147
6.4 Arts and Culture Promotion	150

References 151

▪ GRI Content Index	153
▪ SASB Index	161
▪ TCFD Index	165
▪ United Nations Global Compact	169
▪ Independent Third-Party Assurance Statement	171

Foreword

King Yuan Fu Packaging Co., Ltd. was founded in 1978 and has consistently upheld professionalism and integrity, striving to provide high-quality thermoformed plastic containers. Our products are not merely food carriers, but also reflect the expectations of customers and consumers for health and quality.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

Our vision is to "provide innovative and environmentally friendly packaging that ensures food safety, reduces environmental impact, and creates sustainable value for our clients."
Our mission is to "make the enjoyment of food more sustainable and stylish through our packaging."

Over the past four decades, we have endured oil crises, financial upheavals, natural disasters, and climate change. We have also witnessed the rise of global environmental awareness and the implementation of plastic reduction policies. As a member of the plastic packaging industry, we recognize our responsibility and actively pursue transformation—ensuring that packaging provides not only convenience but also a commitment to the environment and future generations. We believe innovation drives progress and therefore continue to develop more eco-friendly materials that ensure food safety while minimizing environmental impact. Our team remains committed to a spirit of proactivity, collaboration, integrity, and accountability as we work alongside our clients to create sustainable value.



About this Report

King Yuan Fu Packaging Co., Ltd., hereinafter referred to as “King Yuan Fu” or “KYF”, was established in 1978. This sustainability report discloses our sustainability performance based on the GRI Universal Standards 2021 and covers the period from January 1 to December 31, 2024. Some data, as specified in the report, may extend beyond this period to include information prior to 2024 or after 2025. The timeline of this report is aligned with our company's financial statements. The publication date of this issue is August 2025 and will be updated annually every August. Regarding restatements of information in this report, explanations are provided in the respective chapters or tables.

What Sustainability Mean to KYF?

Since 2019, KYF has released annual sustainability reports to provide stakeholders with insight into our sustainability initiatives and progress. This report describes our efforts and achievements in the dimensions of corporate governance, environmental protection, employee care, and social engagement in detail.

Scope of Disclosure

Our four plants manufacturing divisions in Taiwan are covered in the scope of this report:

Yingge Plant (HQ)	No. 399, Jianguo Rd., Yingge District, New Taipei City 239011, Taiwan.
Yingge Plant 2 (Mold Factory)	No. 393, Jianguo Rd., Yingge District, New Taipei City 239011, Taiwan.
Shulin Plant	No. 345–16, Zhongzheng Rd., Shulin District, New Taipei City 238028, Taiwan.
Dongshan Plant	No. 275, 275–1, Xiangzhong Rd., Dongshan Township, Yilan County 269027, Taiwan.

Report Compilation and Quality Management Procedures

Responsible Unit	Main tasks
Unit Liaisons	Provision of data about action plans and implementation results associated with respective business operations by the company's ESG goals; stakeholder communication and distribution of questionnaires to stakeholders.
Unit Heads	Review of data integrity and accuracy.
Sustainability Department	Stakeholder questionnaire editing, distribution, progress tracking, and compilation and organization of results. Compilation and organization of data provided by each unit, editing and revision, report verification.
ESG Committee	Resolutions on disclosure items, review of report contents.
ESG Committee Chairperson	Manuscript review and finalization.

Foreword

About this Report

Message from the CEO

- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics
- 3 About King Yuan Fu
- 4 Sustainable Environment
- 5 Employee Care
- 6 Social Synergy
- References

Preparation Principles

Units responsible for issuance of principles	Version
Global Reporting Initiative, GRI	2021
Sustainability Accounting Standards Board, SASB	2023–12
Task Force on Climate–related Financial Disclosures, TCFD	2017–6
United Nations Global Compact, UNGC	---
Sustainable Development Goals, SDGs	---

Verification and Assurance

To enhance the quality and reliability of the report contents, the ESG Committee resolved to engage Great Certification, an independent third–party body, to conduct an assessment and verification of the report in accordance with the AA1000AS Type I assurance standard (moderate level) and the GRI Universal Standards 2021. The scope of this verification covered the information disclosed for 2024. The verification report is included in the appendix.

Please don’t hesitate to contact us if you have any suggestions or comments regarding this KYF Sustainability Report:

- Sustainable Development Department
- Add.: No. 399, Jianguo Rd., Yingge District, New Taipei City 239011
 - Tel.: +886 2 86776555
 - Email: SD-DCC@kyf.com.tw
 - Website: <https://www.kyf.com.tw/en/>



Message from the CEO

Dear KYF Partners,

In 2024, the global political and economic landscape underwent tremendous transformation. With the inauguration of a new U.S. government, the global economic map is being swiftly redrawn. Trade protectionism is on the rise, supply chains are being restructured, and companies are facing unprecedented challenges. Yet in such turbulent times, we firmly believe that truly resilient enterprises can not only adapt to change, but seize new opportunities and shape the future.

KYF recognizes that the uncertainties brought by the shifts in globalization demand more agile strategies. We are proactively strengthening supply chain resilience, reducing reliance on single markets, and enhancing global competitiveness through regional strategies, diversified production, and green technology innovation. At the same time, we continue to collaborate with international partners, ensuring compliance with the highest sustainability standards in all markets, and moving forward steadily amidst global volatility.

Sustainable development is not only a corporate responsibility but also the core driver of our survival and growth. KYF continues to accelerate its ESG integration strategies, advancing toward a new era of low-carbon transformation and circular economy. Through the development of recycled plastics technologies, enhanced energy efficiency, and smart manufacturing, we harness innovation to minimize environmental impact. As the Global Plastics Treaty approaches this critical juncture, we are leading the industry in proactively meeting increasingly stringent regulatory standards — not merely to comply, but to serve as both a pioneer and a catalyst for industrial transformation.

In 2024, we achieved 27% renewable electricity usage, including solar and mini-hydropower, demonstrating our proactive commitment to low-carbon transformation. We also promoted a closed-loop circular economy model in collaboration with major retail chains in Taiwan, and partnered with ESCOs to conserve energy, achieving 1.71 million kWh in annual savings. In governance, we received three major Taiwan-based sustainability awards: the Top 25 “Small Giants” of the Commonwealth Sustainable Citizen Awards, the New Taipei City Enterprise Classic Award — Potential Enterprise in the Sustainable Development Category, and the Taiwan Corporate Sustainability Awards (TCSA) Corporate Sustainability Report Awards — Silver Award, showcasing our comprehensive ESG capabilities.

We believe that the power of sustainability must extend inward, taking root with every employee. In 2024, we continued to foster an internal culture of Diversity, Equity, and Inclusion (DEI) by holding cultural celebrations for colleagues from Thailand, Vietnam, Indonesia, the Philippines, and more — enabling those of different backgrounds to be seen and respected, thereby strengthening understanding and cohesion. We also continue to optimize the workplace and career development systems: building leadership training roadmaps, hosting health seminars, and gradually establishing fitness centers at the Shulin, Yingge, and Dongshan Plant, aiming to create a friendlier, more diverse, and more supportive company culture for all.

Beyond internal inclusion, our care extends to society. We have donated ambulances and rehabilitation buses, promoted blood drives, organized charity movie screenings, and promoted responsible fertilization practices in agriculture as well

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

as adopted and supported local vulnerable communities/sites—concretely fulfilling corporate social responsibility. We believe a company's value lies in "creating connections"—with the land, the community, and our times.

As the world accelerates its transformation, we choose to meet challenges head-on, driving growth through innovation and proactively embracing transformation. We will uphold our consistent ESG strategy, joining hands with global partners—from decarbonization to circular economy—to build a more resilient and sustainable value chain, positioning KYF as a leader in the green transformation of the plastics industry.

Behind these achievements lies the dedication and perseverance of every KYF colleague. We firmly believe that only by standing united and moving forward together can our company remain grounded, resilient, and ready to embark on new journeys amid the waves of change.

In 2025, as industries face the pivotal challenge of the new high-tariff era under the Trump 2.0 administration, we stand ready. With sustainability at our core, value as our compass, and mutual prosperity as our mission, we will continue to move forward confidently.

I sincerely invite every partner to join us on this journey—transforming challenges into growth, and together creating a fairer, greener, and more sustainable future for Taiwan, the world, and generations to come.

Vani Chen
Chief Executive Officer
King Yuan Fu Packaging Co., Ltd.

A handwritten signature in black ink, appearing to be the name "陳永發" (Chen Yongfa), written in a stylized, cursive script.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

1.1 Key Performance Areas

1.2 Awards and Recognitions

1.3 Product Certifications

1.4 ISO Systems and Certifications

1.5 Other ESG-related Certifications

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References



1 Sustainability Performance



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

1.1 Key Performance Areas

1.2 Awards and Recognitions

1.3 Product Certifications

1.4 ISO Systems and Certifications

1.5 Other ESG-related Certifications

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

Sustainability Performance

1.1 Key Performance Areas

In 2024, KYF's key performance indicators are covering the economic, environmental, and social dimensions, aligned with the United Nations Sustainable Development Goals (SDGs), demonstrating our commitment to local engagement and global sustainability initiatives.

The SDGs, launched by the United Nations in 2015, comprise of 17 core goals aimed at enhancing human well-being, protecting planetary resources, and building inclusive, equitable societies. KYF continues to advance SDG-aligned initiatives by leveraging our core business strengths and working with stakeholders on a shared journey toward sustainability.



Economic

- Revenue: TWD 5.57 billion.
- Received three major Taiwan-based sustainability awards: the Top 25 "Small Giants" of the Commonwealth Sustainable Citizen Awards, the New Taipei City Enterprise Classic Award—Potential Enterprise in the Sustainable Development Category, and the TCSA Corporate Sustainability Report Awards—Silver Award.
- Female senior executives account for 50.0%.



Environmental

1. Energy Management

- Procured 27% renewable electricity, advancing toward RE100 goals.
- Partnered with ESCO for energy-saving projects; achieved annual electricity savings of 1.71 million kWh.

2. Carbon Reduction

- In 2024, KYF initiated collaboration with Carrefour Taiwan hypermarkets to promote closed-loop recycling practices. Through upstream and downstream supply chain partnerships, the initiative aims to expand its influence and fully implement the closed-loop model.



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

1.1 Key Performance Areas

1.2 Awards and Recognitions

1.3 Product Certifications

1.4 ISO Systems and Certifications

1.5 Other ESG-related Certifications

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- Maintained ISO 14064–1 and ISO 50001 certifications to ensure effective energy management and carbon–reduction performance.
- Produced 9,414 metric tons of rPET products (accounting for 21.15% of all PET products). Note: recycled polyethylene terephthalate (rPET) refers to products made from recycled plastic materials. The "r" denotes "recycled." Compared to virgin materials (PET), rPET offers a more environmentally friendly alternative.
- Achieved 47.58% in–line reuse of regrind materials, contributing to a carbon reduction of 142,626.9 tCO_{2e}.

3. Environmental Stewardship

- Regularly controlled Mikania micrantha and implemented other environmental protection actions.
- Participated in responsible fertilization projects to prevent eutrophication.



Social (People, including their human rights)

1. Internal Perspective: Employee Care

(1) Diversity, Equity, and Inclusion (DEI)

- Held multicultural celebrations for Thai, Vietnamese, Indonesian, and Filipino migrant workers to promote a new workplace culture and advance DEI. In 2024, four events attracted a total of 1,735 participants with a satisfaction rate of 95.5%.
- Under the “Zero Placement Fee” policy, a total of TWD 3,876,741 in fees was reimbursed to 135 migrant workers, allowing each worker to save an average of TWD 28,717.
- Fully implemented gender–inclusive restrooms and parking spaces, providing an inclusive and respectful environment for employees of all gender identities, demonstrating our commitment to diversity and inclusion.
- Employed seven persons with disabilities, accounting for 1.4% of total employees, exceeding the regulatory requirement of 1.0%.



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

1.1 Key Performance Areas

1.2 Awards and Recognitions

1.3 Product Certifications

1.4 ISO Systems and Certifications

1.5 Other ESG-related Certifications

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

(2) Health Promotion and Workplace Safety

- Fitness Facilities Development: Fitness rooms at the Yingge and Shulin Plant were opened in 2024; the gym at the Dongshan Plant is scheduled for completion in 2025, ensuring that 100% of employees across all sites have access to fitness facilities.
- Organized diverse health promotion activities, including yoga and spinning classes, health seminars, and a weight-loss competition involving 38 participants, achieving a 94.7% success rate in weight management.
- Continued implementation and certification of the ISO 45001 Occupational Health and Safety Management System to enhance workplace safety and risk management.

(3) Training & Talent Development

- Provided an average of 29.4 training hours per employee.
- Initiated the 'Supervisor Blueprint Training System,' comprising five modules. The curriculum is closely aligned with annual management strategies, external environment changes, departmental performance goals, and employees' career development needs, providing flexible and comprehensive training support.

2. External Perspective: Community Care

Local contribution funds totaled approximately TWD 20 million, the highest level in recent years.

- NGO and School Education Sponsorship: Invested TWD 4.01 million, including support for the Yingge Vocational High School Skill Competition and the Asia University Hackathon in Taiwan, to deepen youth talent cultivation.
- Community support for elderly care, festival, and material donations: Donated TWD 543,000. KYF provided material donations to local communities in Yilan, Yingge, and Shulin, including rice, cooking oil, and bean vermicelli.
- Firefighting and medical equipment donations: Donated TWD 12.314 million, including three ambulances and three rehabilitation buses donated to the New Taipei City Government.
- Sports Sponsorships: TWD 2.515 million, including regular support for Yilan local table tennis athlete Lin Yun-Ju and other sports activities.
- Other Community Contributions: TWD 1.005 million, such as holding a blood donation activity with 118 participants, 111 bags of blood donated, and four movie screenings with a total of 541 attendees, among other various projects.

- Foreword
- About this Report
- Message from the CEO

1 Sustainability Performance

- 1.1 Key Performance Areas
- 1.2 Awards and Recognitions**
- 1.3 Product Certifications
- 1.4 ISO Systems and Certifications
- 1.5 Other ESG-related Certifications

- 2 Stakeholder Engagement and Identification of Material Topics
- 3 About King Yuan Fu
- 4 Sustainable Environment
- 5 Employee Care
- 6 Social Synergy
- References

1.2 Awards and Recognitions

We were firmly committed to generating positive influence and pursuing constant improvements in the dimensions of corporate operations and circular economy. The awards and recognitions that we received in 2024 are listed below. We will share our joy and honors with all stakeholders and will maintain our unwavering commitment to sustainable packaging, creating value, and maximizing our influence.

Award	Organizing /Awarding Unit	Description
CommonWealth Sustainable Citizen Awards	CommonWealth Magazine	The "CommonWealth Sustainable Citizen Awards" were launched by CommonWealth Magazine in 2007 in response to the global focus on sustainable development, guiding Taiwanese companies and institutions to pursue economic growth while balancing environmental protection, social responsibility, and corporate governance. We were honored as one of the Top 25 in the "Small Giants" Group. (reference link)
TCSA Corporate Sustainability Report–Silver Award	Taiwan Institute for Sustainable Energy (TAISE)	TAISE aims to encourage companies to boost the quality of corporate sustainability issues and the quantity of corporate governance information disclosure, thereby strengthening their emphasis on and engagement in maintaining sustainable development, a friendly environment, and social welfare. Over the years, TAISE has held the "Taiwan Corporate Sustainability Awards" evaluations on an ongoing basis. We were honored with a Silver Award in Category II (global revenue under TWD 5 billion). (reference link)
New Taipei City Enterprise Classic Award	New Taipei City Government (Taiwan)	The New Taipei City Government established this award to recognize local enterprises for stable development, increasing corporate value, strengthening competitiveness, and fulfilling corporate social responsibility. We were recognized as a Potential Enterprise in the Sustainable Development Category. (reference link)
Top 500 Outstanding Export / Import Enterprises	International Trade Administration (ITA, Taiwan)	The Outstanding Import / Export Enterprises are recognized for their excellent performance in international trade, with stable export or import records and compliance with domestic and foreign trade regulations. The top 500 are awarded the certification mark by the ITA.

1.3 Product Certifications

Certification	Certifying Unit	Expiration Date	Description
SCS Certified Recycled Content	SCS Global Services	2025-11-28	SCS Certified Recycled Content certification primarily evaluates products using pre-consumer or post-consumer recycled materials. The SCS certification system can calculate the percentage of recycled content for accurate market claims. We have obtained SCS certified recycled content certificates for Post-Consumer recycled PET (rPET) content of 100%, 50%, 25%, and 10%.
DIN-Geprüft Industrial Compostable Certification	DIN CERTCO	2027-10-31 (PLA) 2026-03-31 (CPLA)	In response to global trends in plastic reduction, we actively develop alternative biodegradable materials such as PLA food containers and have obtained the DIN-Geprüft Industrial Compostable certificate from TÜV Rheinland Group, demonstrating our commitment to meeting market and customer expectations for sustainability.
DIN CERTCO Biodegradable Certification	DIN CERTCO	2027-10-31 (PLA) 2026-03-31 (CPLA)	In response to global plastic reduction trends, We actively develop alternative biodegradable materials such as PLA food containers and have obtained the DIN CERTCO Biodegradable Certification issued by DIN CERTCO, meeting market and customer environmental expectations.
BPI Compostable Mark (U.S.A.)	Biodegradable Products Institute (BPI)	2027-11-30 (PLA)	The BPI Compostable Plastics Certification Program, jointly established by the International Biodegradable Products Institute (BPI) and the United States Composting Council (USCC). Products that are biodegradable and compostable and meet the ASTM D6400 and/or ASTM D6868 standards—set by the American Society for Testing and Materials (ASTM)—are granted the BPI Compostable Mark. The purpose of this mark is to help consumers easily identify biodegradable plastic products and ensure proper post-use sorting and collection. Our PLA products (item number KHC-881) have obtained the BPI Compostable Mark in the United States.
ABAP Biodegradable and Compostable Certifications	Australasian Bioplastics Association	2026-08-01	According to the Australian standard AS 4736-2006, plastic products made of biodegradable materials must fully decompose within a specified period under commercial or household composting conditions and meet the requirements for eco-toxicity and other related characteristics. Compostable plastics can reduce the environmental impact of products at the end of their life cycle. Our PLA products have been obtained under this standard.

1.4 ISO Systems and Certifications

Certification	Certification Body	Expiration Date	Description
ISO 9001:2015 Quality Management System	AFNOR Certification	Shulin Plant: 2027–10–24 Yingge Plant: 2026–11–18 Dongshan Plant: 2026–11–16	ISO 9001 is a quality management certification system to assess whether a company can consistently deliver products or services that meet quality standards.
ISO 14001:2015 Environmental Management System	AFNOR Certification	Shulin Plant: 2025–10–04 Yingge Plant: 2026–11–18 Dongshan Plant: 2026–11–16	ISO 14001 is an environmental management system certification for assessing environmental impacts of raw materials and processes, ensuring necessary preventive measures to reduce environmental harm.
ISO 22000:2018 Food Safety Management System Hazard Analysis and Critical Control Points (HACCP)	AFNOR Certification	Shulin Plant: 2027–12–09 Yingge Plant: 2027–06–17 Dongshan Plant: 2027–06–07	As we manufacture plastic food containers regulated under food Good Manufacturing Practice, we have obtained ISO 22000 and HACCP certifications to ensure food safety.
Good Hygiene Practices (GHP) Certificate of Good Manufacturing Practices for Plastic Food Containers	Plastics Industry Development Center (Taiwan)	Shulin Plant: 2011–11–30 (valid to date) Dongshan Plant: 2018–06–15 (valid to date)	For plants within the same county and legal entity, only one plant is required to obtain the certificate. Since both Shulin and Yingge plants are located in New Taipei City, Shulin Plant serves as the representative.
BRCGS Packaging Materials Issue 6, August 2019	Bureau Veritas	Yingge Plant: 2025–12–25 Dongshan Plant: 2025–12–31	Brand Reputation Compliance Global Standards (BRCGS) for Food Packaging Materials is recognized by the Global Food Safety Initiative (GFSI). Both Yingge and Dongshan plants have obtained BRCGS Level A certification.
ISO 45001:2018 Occupational Health and Safety Management System	Chinese Society for Quality (CSQ)	Shulin Plant: 2027–07–15 Yingge Plant: 2027–07–04 Dongshan Plant: 2027–07–08	ISO 45001 is an Occupational Health and Safety Management System (OHSMS) aimed at creating a safe and healthy workplace and reducing the risk of occupational accidents and diseases.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

1.1 Key Performance Areas

1.2 Awards and Recognitions

1.3 Product Certifications

1.4 ISO Systems and Certifications

1.5 Other ESG-related Certifications

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

1.1 Key Performance Areas

1.2 Awards and Recognitions

1.3 Product Certifications

1.4 ISO Systems and Certifications

1.5 Other ESG-related Certifications

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

Certification	Certification Body	Expiration Date	Description
ISO 14064–1: 2018 Greenhouse gases	Taiwan Testing and Certification Center (ETC)	Shulin Plant: 2025–04–29 (completed) Yingge Plant: 2025–04–28 (completed) Yingge Plant 2: 2025–04–28 (completed) Dongshan Plant: 2025–04–30 (completed)	ISO 14064–1 is used to inventory a company's greenhouse gas (GHG) emissions during operations, expressed in carbon dioxide equivalent (CO ₂ e)
ISO 50001 Energy Management System	SGS Taiwan Ltd. (SGS)	Dongshan Plant: 2022–11–25 ~ 2025–11–25	By introducing the ISO 50001 Energy Management System, we can understand significant energy consumption and manage it using effective methodologies to achieve energy conservation and carbon reduction.

1.5 Other ESG-related Certifications

Name	Certifying Body	Certification Status	Description
Talent–Quality Management System (TTQS)	Workforce Development Agency (Taiwan)	Certified in 2023	The Workforce Development Agency developed and has promoted TTQS since 2005, establishing a systematic strategic training system using the PDDRO (Plan–Design–Do–Review–Outcome) management cycle. We passed TTQS certification in 2023 (valid for two years). This certification helps us optimize our training system and strengthen human resource development.
Sedex Members Ethical Trade Audit (SMETA)	Suppliers Ethical Data Exchange (Sedex)	Verified in 2023	Sedex is a global Supplier Ethical Data Exchange platform with more than 50,000 members in over 150 countries. SMETA covers labor rights, health and safety, environmental performance, and business ethics. We began applying for Sedex verification in September 2021, and the latest verification was completed in 2023. The next verification is scheduled for 2025.



Reference website for the aforementioned certifications
<https://www.kyf.com.tw/en/page-4784/Certification.html>

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

2.1 Stakeholder Identification

2.2 Stakeholder Engagement

2.3 Identification of Material Topics

2.4 List of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

2 Stakeholder Engagement and Identification of Material Topics

Stakeholder Engagement and Identification of Material Topics

2.1 Stakeholder Identification

Colleagues of the ESG Committee work team, which was convened at the end of 2024, conducted the identification and selection of objects. Seven categories of stakeholders are: government/competent authority, clients, employees, suppliers/contractors/business partners, inspection/verification agencies/consulting firms/industry associations/academic institutions/research institutions, investors/shareholders/financial institutions, and community residents/general public. In 2024, through internal meetings of the ESG Committee work team, the same seven stakeholder categories were maintained.

The stakeholder survey was designed based on the five core principles of the AA1000 Stakeholder Engagement Standard (AA1000 SES, 2015), which include Dependency, Influence, Attention, Responsibility, and Diverse Perspectives.



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

2.1 Stakeholder Identification

2.2 Stakeholder Engagement

2.3 Identification of Material Topics

2.4 List of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

2.1 Stakeholder Identification

2.2 Stakeholder Engagement

2.3 Identification of Material Topics

2.4 List of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

2.2 Stakeholder Engagement

KYF is dedicated to becoming the best company in the world. Being Asia's biggest thermoforming food container manufacturer, the company not only takes stakeholders' views on the company seriously, but it is also proactively engaged in communication and collaboration with stakeholders through various channels to create multiple-win situations. As a result, the company pays attention to listening to stakeholders' thoughts, responds, and conducts related measures accordingly. During the engagement process, the company's principle is not to disregard minority opinions. In addition to including or consolidating all stakeholders' opinions, the company also allows all stakeholders to freely express opinions or express them anonymously to ensure that the most accurate responses are collected.

Stakeholders	Meaning/Purpose of KYF	Concerned Subjects	Responding Chapters	Communication Channels	Communication Frequency
Government/ Competent Authority	Compliance with domestic/foreign related requirements; Active collaboration with policy implementation; Establishment of trust and collaboration relationship	- Occupational Health and Safety - Regulation Compliance - Energy Management - Information Security - Risk Management	CH3 About King Yuan Fu CH4 Sustainable Environment CH5 Employee Care	- Telephone - Email - Communication Software - Labor Inspection - Face-to-Face Meeting	Random
Client	The client is not just a source of revenue. The company needs to listen to clients' voices, provide products and services that meet customer's needs, and provide more space for KYF to grow and supply more quality service through continuous learning and adjustment.	- Innovative Design - Product Safety and Quality - Customer Relationship - Circular Economy - Carbon Emissions - Information Security	CH4 Sustainable Environment CH5 Employee Care	- Telephone - Email - Communication Software - Face-to-Face Meeting	Daily
Employee	Talents are the core foundation and key to corporate management. The company respects and cares for employees to attract talents to develop their expertise and create efficiency.	- Occupational Health and Safety - Compensation and Benefits - Talent Development - Employee Diversity and Inclusion	CH3 About King Yuan Fu CH5 Employee Care	- Telephone - Email - Communication Software - Document Promotion - Face-to-Face Meeting - Reading Club	Daily

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

2.1 Stakeholder Identification

2.2 Stakeholder Engagement

2.3 Identification of Material Topics

2.4 List of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

Stakeholders	Meaning/Purpose of KYF	Concerned Subjects	Responding Chapters	Communication Channels	Communication Frequency
Supplier / Contractor / Business Partner	Suppliers, contractors, and business partners play a crucial role in product manufacturing. Only high-quality raw materials can safeguard clients' investment and ensure consumers' safety and satisfaction.	• Supply Chain Management • Raw Material Management • Anti-Corruption • Occupational Health and Safety	CH3 About King Yuan Fu CH4 Sustainable Environment	• Telephone • Email • Communication Software • Face-to-Face Meeting	Daily Random
Inspection / Verification Agencies / Consulting firms / Industry Associations / Academic Institutions / Research Organizations	Through third-party verification and continuous collaboration with industry associations and academic institutions, we ensure all company systems comply with standards and regulations. This provides peace of mind to our clients and end-users regarding the safety and reliability of our products.	• Product Safety and Quality • Occupational Health and Safety • Risk Management • Anti-Corruption • Energy Management • Carbon Emissions	CH3 About King Yuan Fu CH4 Sustainable Environment CH5 Employee Care	• Telephone • Email • Communication Software • Face-to-Face Meeting • Workshop Event • E-News	Yearly Random
Investors / Shareholders / Financial Institute	Investor's support is the power that drives KYF to march steadily. It is also a partner that allows King Yuan Fu to illustrate values sustainably.	• Operational Performance • Risk Management • Anti-Corruption • Corporate Governance	CH3 About King Yuan Fu	• Telephone • Email • Communication Software • Face-to-Face Meeting	Random
Community Resident / General Public	Care for Local Residents; Feedback to the Public; Enhance Social Positive Influence	Community Care / Neighborliness	CH6 Social Synergy	• Telephone • Email • Communication Software • Activity Participation • Face-to-Face Meeting	Random

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

2.1 Stakeholder Identification

2.2 Stakeholder Engagement

2.3 Identification of Material Topics

2.4 List of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

2.3 Identification of Material Topics

※ The identification process was conducted in 2023 and, following internal meetings of the ESG Committee work team in 2024, the same material topics were maintained with only the order adjusted.

The material topic identification process is as follows:

1

Topic Collection:

Topics were collected from a wide range of sources including government regulations, client expectations, expectations from all stakeholders, newspapers and magazines, peer feedback, domestic and international initiatives or standards (such as GRI, the United Nations 17 Sustainable Development Goals (SDGs), Sustainability Accounting Standards Board (SASB) , Sedex), and results from stakeholder engagement tools. Based on this, a material topic survey tool directly related to KYF was developed.

2

Questionnaire Design:

Through topic collection and internal discussions, a total of 21 topics were compiled into a questionnaire covering three major dimensions: economic, environmental, and social aspects.

3

Stakeholder Survey:

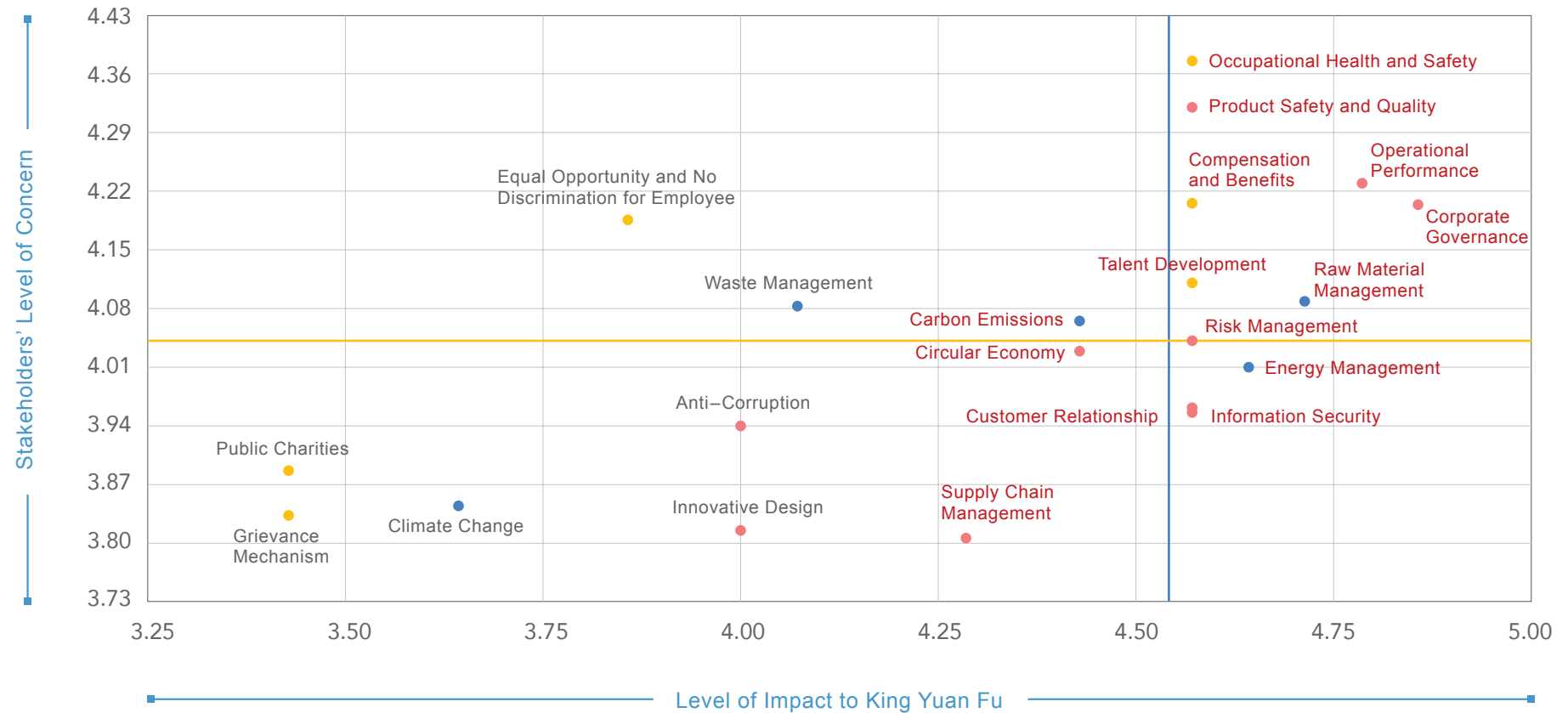
Each department within the company widely distributed the questionnaire to both internal and external stakeholders. A total of 275 questionnaires were collected, covering seven categories of stakeholders.

4

Phase 1 — Broad-based Issue Survey:

Based on the questionnaire feedback, a two-dimensional materiality matrix was developed. One dimension represents the level of stakeholder concern regarding each topic, and the other reflects the level of impact the topic has on KYF. Of the 21 topics evaluated, scores were calculated based on concern and impact, and 14 material topics were identified (indicated in red text in the matrix below).

The matrix of material topics



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

2.1 Stakeholder Identification

2.2 Stakeholder Engagement

2.3 Identification of Material Topics

2.4 List of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

- 2.1 Stakeholder Identification
- 2.2 Stakeholder Engagement
- 2.3 Identification of Material Topics
- 2.4 List of Material Topics

- 3 About King Yuan Fu
- 4 Sustainable Environment
- 5 Employee Care
- 6 Social Synergy
- References

5

Phase 2 — Assessment of Positive/Negative Impacts of Material Topics:

Based on the 14 material topics identified in Phase 1, we conducted in-depth scenario analyses, taking into account the nature of each topic and the company’s key operational areas.

Dimensions	Material Topics	Positive(+) / Negative(-)	Actual/ Potential	Impact Scenario Analysis	Parties for Major Impact
 Economic	Corporate Governance	+	Potential	Implement ESG visions and goals to avoid potential financial and non-financial losses, enhance operational efficiency, and collaboratively create an ESG business model with partners, benefiting society as a whole	Employee, Supplier, Client, Community, Environment
	Operational Performance	+	Actual	When the company reasonably allocates and utilizes ESG resources, it can enhance operational efficiency and effectiveness, thereby strengthening overall competitiveness. In addition, a sound ESG risk management mechanism helps build mutually beneficial relationships with partners, further increasing stakeholders’ confidence in the company.	Bank, Supplier, Employee
	Product Safety and Quality	+	Actual	Through ISO 9001, ISO 22000 & HACCP, and BRCGS management systems, we regularly identify potential risks and simulate corresponding countermeasures. As a result, our food safety and quality control management have successfully prevented major incidents, and these high standards have enhanced our customers’ satisfaction as well.	Client
	Customer Relationship	+	Potential	Regular interactions with customers, continuous optimization of service processes, and feedback on market information help enhance customer satisfaction with service outcomes, thereby generating economic benefits.	Client

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

2.1 Stakeholder Identification

2.2 Stakeholder Engagement

2.3 Identification of Material Topics

2.4 List of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

Dimensions	Material Topics	Positive(+) / Negative(-)	Actual/ Potential	Impact Scenario Analysis	Parties for Major Impact
 Economic / Environmental	Circular Economy	+	Actual	As plastic regulations have been updated continually in multiple countries, we regularly review the product categories, strengthen circular economic concepts, increase the recycled materials' proportions, and reduce the amount of plastic waste to establish an innovative low-carbon produced lifecycle business model by sustainable economic effects.	Recycle System, Environment
 Economic	Information Security	-	Actual	Information security and risk management are crucial foundations of the company's operations. Inadequate system security measures and information management can lead to data breaches and severe damage that harms information assets. This could result in increased costs of repair and impact operational efficiency negatively.	Client, Employee, Supplier
	Risk Management	+	Potential	Based on risk management, identifying significant ESG risks and proposing effective response measures and goal controls can effectively transform risks into competitive advantages in company operations through efficient tracking and management.	Client, Supplier, Environment, Employee
 Environmental	Raw Material Management	+	Potential	To manage raw material usage at the source while ensuring food safety and product quality, we actively develop recycled material suppliers that comply with relevant regulations. This approach aims to reduce reliance on natural resources and associated carbon emissions, thereby mitigating climate change risks.	Supplier
 Environmental / Economic	Supply Chain Management	+	Potential	By guiding the supply chain to implement ESG management, leveraging larger players to lead smaller ones in collective carbon reduction efforts, positive and comprehensive benefits are generated for the environmental, social, and financial aspects.	Supplier

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

2.1 Stakeholder Identification

2.2 Stakeholder Engagement

2.3 Identification of Material Topics

2.4 List of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

Dimensions	Material Topics	Positive(+) / Negative(-)	Actual/ Potential	Impact Scenario Analysis	Parties for Major Impact
 Environmental	Carbon Emissions	+	Actual	Complying with regulatory requirements, we actively participate in greenhouse gas inventory registration and set medium– to long-term carbon neutrality goals. Through internal audits and analysis of emission sources, we establish management mechanisms to reduce carbon emissions, thereby minimizing carbon costs, operational risks, and impacts on climate change.	Client, Company, Public Sector, Environment
	Energy Management	+	Actual	In energy management, we comply with regulatory requirements and have established relevant procedures and internal mechanisms to enhance energy efficiency. This helps mitigate the potential impact of future energy price increases and reduces unnecessary energy waste. At the same time, it lowers carbon emissions from energy use during the production process, effectively reducing our environmental impact.	Client, Company, Public Sector, Environment
 Social	Occupational Health and Safety	+	Actual	To enhance internal safety awareness, monitor security measures to prevent potential risks, procure advanced protective equipment to improve safety levels, reduce work–related incidents, mitigate human hazards, and achieve external accreditation through Occupational Health and Safety Management System (OHSMS) verification. Additionally, regular health checks and onsite occupational medicine specialist evaluations are conducted to assess employees' physical and mental well–being. Timely planning of health promotion activities, seminars, and health education campaigns aims to prevent occupational diseases from occurring.	Employee, Company
	Compensation and Benefits	–	Actual	Compensation and benefits are among the key factors in attracting top talent. If adjustments are not made based on industry salary standards and cost–of–living indexes, it becomes difficult to offer competitive packages. This not only hinders the recruitment of high–caliber talent but may also lead to the loss of existing employees.	Employee, Company

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

2.1 Stakeholder Identification

2.2 Stakeholder Engagement

2.3 Identification of Material Topics

2.4 List of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

Dimensions	Material Topics	Positive(+) / Negative(-)	Actual/ Potential	Impact Scenario Analysis	Parties for Major Impact
 Social	Talent Development	—	Potential	Enhancing employee capabilities is fundamental to a company’s competitiveness. If the leadership skills of management are insufficient, it may hinder the organization’s development and cause psychological unrest among current employees. Additionally, the absence of clear training programs for new or existing staff can lead to talent attrition and the depletion of the company’s human resources.	Employee

6

Result Confirmation

The material topics table is summarized and submitted to the ESG committee for review and approval.



2.4 List of Material Topics

	Material Topics	Corresponding GRI	Chapter(s) Disclosed in Report
 Economic	Corporate Governance	Self-defined	3.2 Corporate Governance
	Operational Performance	GRI 201 Economic Performance 2016	3.3 Operational Performance
	Product Safety and Quality	GRI 416 Customer Health and Safety 2016 GRI 417 Marketing and Labelling 2016	4.1.3 Product Safety and Quality
	Customer Relationship	Self-defined	4.1.3 Product Safety and Quality
	Circular Economy	GRI 301 Material 2016	4.1 Circular Economy
	Information Security	GRI 418 Customer Privacy 2016	3.5 Information Security Policy and Management
	Risk Management	Self-defined	3.2.4 Risk Management
 Environmental	Raw Material Management	GRI 301 Material 2016	4.2 Raw Material
	Supply Chain Management	GRI 204 Procurement Practices 2016 GRI 308 Supplier Environmental Assessment 2016 GRI 414 Supplier Society Assessment 2016	3.4 Supply Chain Management
	Carbon Emissions / Energy Management	GRI 302 Energy 2016 GRI 305 Emissions 2016	4.4 Energy 4.7 GHG Emissions
 Social	Occupational Health and Safety	GRI 403 Occupational Health and Safety 2018	5.7 Occupational Safety
	Compensation and Benefits	GRI 202 Market Presence 2016 GRI 401 Employment 2016	5.4 Compensation and Benefits
	Talent Development	GRI 404 Training and Education 2016	5.3 Talent Development System

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

2.1 Stakeholder Identification

2.2 Stakeholder Engagement

2.3 Identification of Material Topics

2.4 List of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

Comparison of Major issues between 2023 and 2024

After internal discussions, the material topics for 2024 remain the same as in 2023, with only slight adjustments in ranking as follows:

Rank	2023 Material Topics	2024 Material Topics	Comparison
1	Corporate Governance	Corporate Governance	---
2	Operational Performance	Operational Performance	---
3	Occupational Health and Safety	Occupational Health and Safety	---
4	Product Safety and Quality	Product Safety and Quality	---
5	Raw Material Management	Circular Economy	↑ 8
6	Compensation and Benefits	Raw Material Management	↓ 1
7	Talent Development	Supply Chain Management	↑ 7
8	Energy Management	Energy Management	---
9	Risk Management	Carbon Emissions	↑ 3
10	Information Security	Talent Development	↓ 3
11	Customer Relationship	Compensation and Benefits	↓ 5
12	Carbon Emissions	Risk Management	↓ 3
13	Circular Economy	Information Security	↓ 3
14	Supply Chain Management	Customer Relationship	↓ 3

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and
Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

3 About King Yuan Fu



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

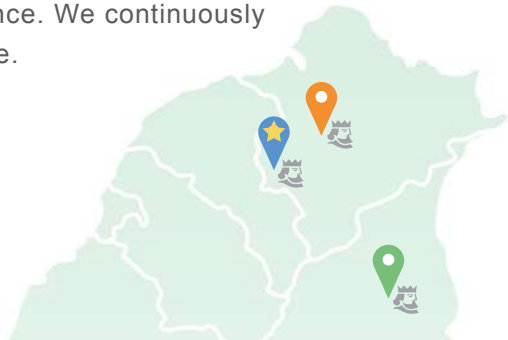
About King Yuan Fu

3.1 Company Profile

3.1.1 Company Overview

King Yuan Fu Packaging Co., Ltd. (hereinafter referred to as “King Yuan Fu” or “KYF”) was established in 1978. Our operations span four plants: Shulin Plant, Yingge Plant, Yingge Plant 2, and Dongshan Plant, with our corporate headquarters located in the Yingge Plant. We specialize in manufacturing plastic food packaging using various materials including Polyethylene Terephthalate (PET), recycled PET (rPET), Polypropylene (PP), and Polylactic Acid (PLA). Our customer base includes renowned domestic food manufacturers and international clients worldwide. As a professional and trustworthy vacuum/pressure thermoforming manufacturer with years of expertise, we provide one–stop solutions covering product design, mold making, stable supply, and premium quality assurance. We continuously improve and develop new technologies, committed to delivering superior product quality, rapid delivery, and responsive service.

Company Name	KING YUAN FU PACKAGING CO., LTD			
Year of Establishment	1978			
Founder	Mr. Chen, Zhi–Jian			
President	Ms. Wu, Mei–Yun			
CEO	Ms. Vani Chen			
Equity type	Non–publicly traded company; 100% equity held by director and supervisor			
Corporate HQ	No. 399, Jianguo Rd., Yingge District, New Taipei City 239011, Taiwan			
Operating sites	Shulin Plant: No. 345–16, Zhongzheng Rd., Shulin District, New Taipei City 238028, Taiwan. Yingge Plant (HQ): No. 399, Jianguo Rd., Yingge District, New Taipei City 239011, Taiwan. Yingge Plant 2 (Mold Factory):No. 393, Jianguo Rd., Yingge District, New Taipei City 239011, Taiwan. Dongshan Plant: No. 275, 275-1, Xiangzhong Rd., Dongshan Township, Yilan County 269027, Taiwan.			
Revenues in 2024	TWD 5.57 billion			
Shipping volume in 2024 (Metric Tons and Ratio)	Product	PET	rPET	PLA
	Weight (Metric Tons)	35,096	9,414	3,488
	Ratio	59.78%	16.03%	5.94%
Total workforce in 2024		486 employees (62 in the Shulin Plant, 244 in the Yingge Plant and Plant 2, and 180 in the Dongshan Plant)		



● **Shulin Plant**

Plant area: 20,000 m²

No. 345–16, Zhongzheng Rd., Shulin District, New Taipei City 238028, Taiwan.

★ **Yingge Plant (Corporate HQ)**

Plant area: 10,000 m²

No. 399, Jianguo Rd., Yingge District, New Taipei City 239011, Taiwan

● **Yingge Plant 2 (Mold Factory)**

Building area: 2,070.12 m²

No. 393, Jianguo Rd., Yingge District, New Taipei City 239011, Taiwan

● **Dongshan Plant**

Plant area: 23,000 m²

No. 275,275–1, Xiangzhong Rd., Dongshan Township, Yilan County 269027, Taiwan

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

3.1.2 Company Evolution

(1978~1988)	Startup Phase	1978 Company inception 1987 Self-built factory — Shulin Plant initiates operations
(1989~1998)	Process Integration	1991 First import of foreign thermoforming equipment 1993 Establishment of an extrusion department for value chain vertical integration
(1999~2008)	Export Sales Expansion	2002 Obtained an ISO 9001 Quality Management System Certificate 2005 Active participation in trade shows and gradual entry into foreign markets 2007 Obtained ISO 22000 and HACCP Certificates
(2009~2018)	Production Capacity Expansion	2009 Establishment of a molding department and creation of a fully coordinated manufacturing system 2011 Yingge Plant officially put into operation 2016 Dongshan Plant officially put into operation 2018 Monthly sheet production capacity of 10,000 tons — KYF becomes the largest thermoforming manufacturer in Asia
(2019~)	Sustainable Development	2019 Publication of the first SDG Report and research and development of rPET products 2021 Official establishment of an ESG Committee, membership in RE100, obtained ISO 14064-1 GHG Inventory and ISO 45001 OHSMS certificate 2022 Obtained ISO 50001 certified – Dongshan Plant; Obtained ISO 14001 certified — Shulin Plant. 2023 Yingge Plant 2 was officially inaugurated. We launched our digital transformation and established the position of Chief Sustainability Officer. 2024 Reached 27% green electricity usage; initiated first closed-loop partnership with hypermarket.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

3.1.3 Company Mission

We are firmly committed to our corporate mission of

“Making the Enjoyment of Food More Sustainable and Stylish Through Our Packaging.”

KYF is a plastic thermoforming manufacturer dedicated to providing innovative and environmentally friendly packaging solutions. We are committed to ensuring food safety, reducing environmental impact, and creating long-term, sustainable value for our customers. Through our comprehensive one-stop services—from design to production—we continuously pursue excellence in technology, quality, customer service, and business models. Built on superior product quality, rapid delivery, and responsive service, we deliver seven-star service to maximize customer value.

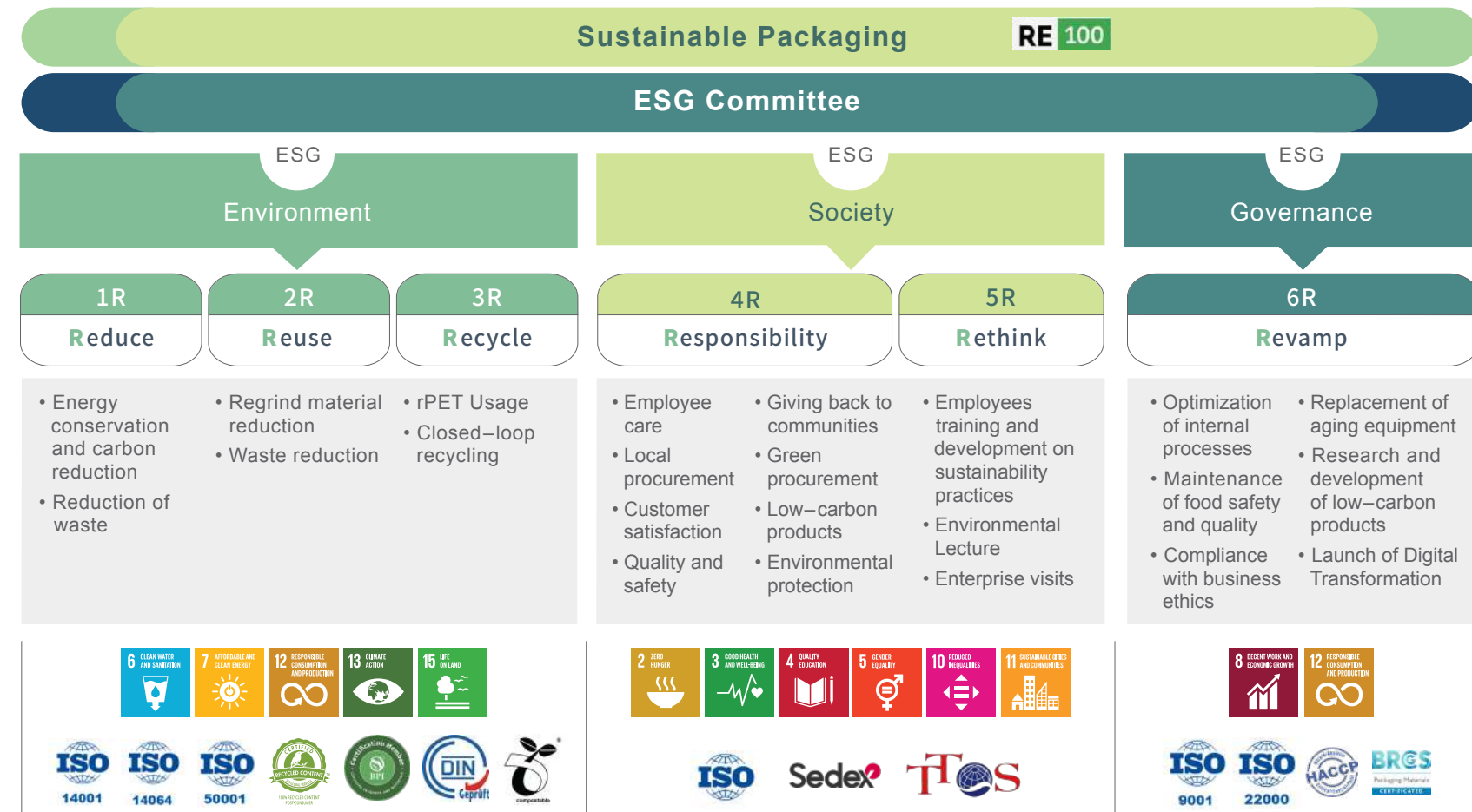
To ensure sustainable operations, KYF places strong emphasis on food safety risks and the protection of customer and consumer rights. Our operations are certified to international ISO management systems and undergo regular internal and external audits to ensure robust control of quality and food safety risks. At the same time, KYF actively promotes Environmental, Social, and Governance (ESG) practices and remains firmly committed to sustainable development and long-term corporate success.

○	Company Philosophy	Embracing social impacts and corporate responsibility, we prioritize decisions that benefit both company and community stakeholders while maintaining financial stability, fostering a positive cycle of mutual prosperity.
○	Quality and Food Safety Policy	Prioritizing customer satisfaction with product use, alongside top manufacturing guidelines for food safety and quality
○	ESH and Energy Policy	Focused on cherishing our planet and employees through energy conservation, environmental protection, and promoting workers' mental and physical well-being.
○	Core Competencies	Characterizing employee qualities in teamwork, proactive attitudes, integrity, righteousness, diligence, and accountability.

3.1.4 Sustainability Vision and Policy

3.1.4.1 Sustainability Framework

We fully embrace our corporate mission of “Making the Enjoyment of Food More Sustainable and Stylish Through Our Packaging.” We spare no effort to create maximum benefits for our stakeholders (employees, customers, communities, and the environment). We have also formulated a 6R Sustainability Strategy (Reduce, Reuse, Recycle, Responsibility, Rethink, and Revamp) covering the ESG dimensions in line with the spirit of the UN SGDs on the foundation of our core corporate capabilities. Action plans have been initiated and a sound sustainability framework has been devised with the aid of domestic and international system certifications.



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and
Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and
Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

3.1.4.2 ESG Policy

We firmly believe in the concept of giving back to society in a spirit of gratitude. In addition to their pursuit of profitability and optimized management, enterprises must fulfill their corporate social responsibility and gradually request their supply chain to comply with social responsibility requirements. Our ESG policy can be summarized as follows:



Implementation of corporate governance and compliance with applicable laws and regulations

Establishment of a sound corporate governance framework, realization of and respect for stakeholder benefits, and compliance with international ESG-related norms and standards (as listed in the table below) and applicable local laws and regulations



Implementation of environmental protection and commitment to energy conservation and carbon reduction

At the manufacturing end, we implement the 3R PRINCIPLE—Reduce through material-saving design and waste reduction, Reuse through optimal utilization of materials, and Recycle through circular use of resources. We also actively engage in resource recycling and the procurement of renewable energy, taking concrete actions to protect the environment. In response to climate change, we have introduced water-saving and energy-efficient measures to reduce carbon emissions, demonstrating our commitment to safeguarding the planet.



Protection of labor rights and provision of safe workplace environments

Banning of child labor and emphasis on employee rights, creation of consultation and grievance channels, provision of friendlier, more diversified, and more inclusive workplace environments, deep commitment to the goal of zero work-related injuries, and proactive maintenance and development of a work safety system



Dedication to ethical corporate management and fulfillment of social responsibility

Integrity-based sustainable operations, adoption of high ethical standards and principles, and intensified internal and external communication coupled with an equal emphasis on stakeholder rights and interests, proactive engagement in community development and social welfare activities, and fulfillment of our responsibility as a corporate citizen

Social responsibility-related international

[The UN Guiding Principles on Business and Human Rights](#)

[ILO Declaration on Fundamental Principles and Rights at Work](#)

[The UN Universal Declaration of Human Rights](#)

[The International Covenant on Civil and Political Rights \(ICCPR\)](#)

[The International Covenant on Economic, Social and Cultural Rights \(ICESCR\)](#)

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and
Management

4 Sustainable Environment

5 Employee Care

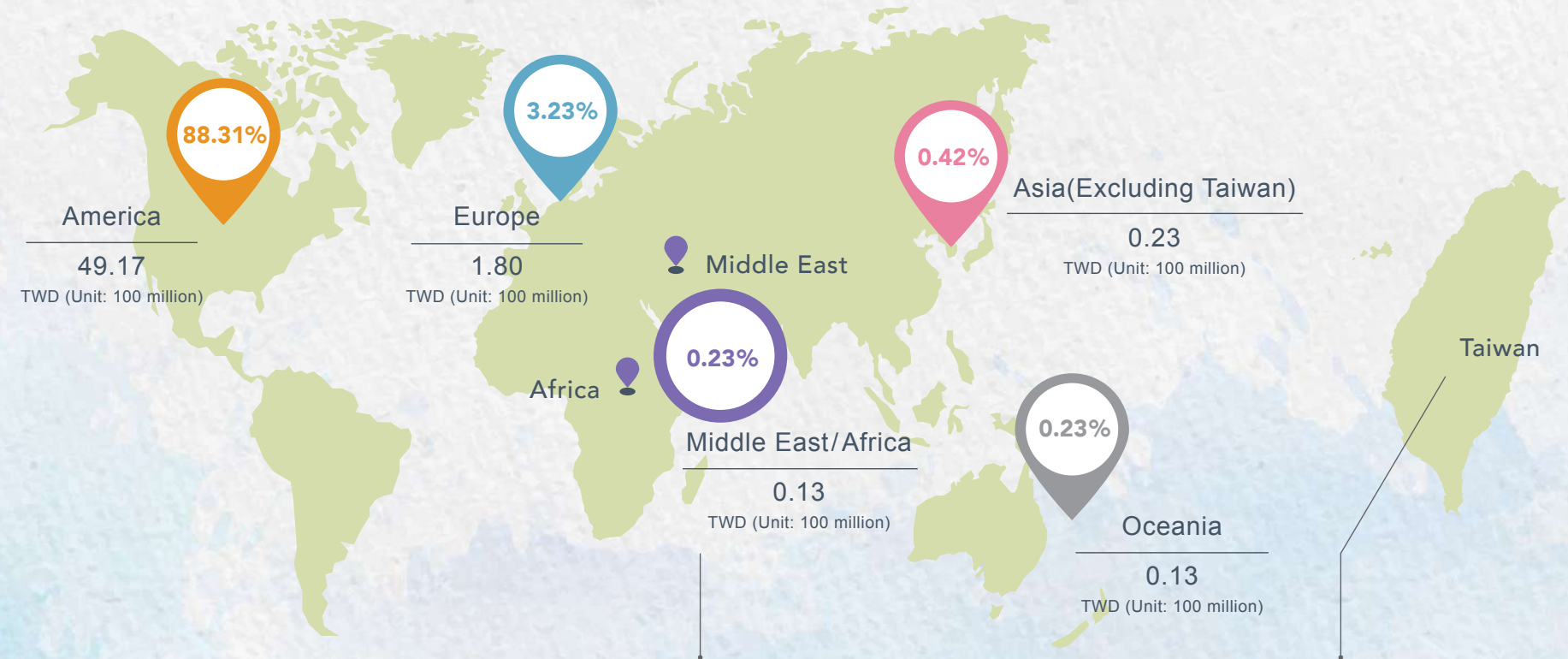
6 Social Synergy

References

3.1.5 Business Scope

We are primarily export-oriented. In 2024, export sales accounted for approximately 92.42% of our total revenue. Through partnerships with international agents, our products are sold to major brand clients across segments including agricultural products, chain restaurants, supermarkets, and food processing companies. Our customers span the globe, with the majority of exports destined for North America. Domestic clients mainly include large food manufacturers and retailers.

PET, including rPET, is the primary material, accounting for approximately 70% of production. In response to global environmental trends, in addition to our core business operations, we have focused in recent years on developing low-carbon products such as rPET and biodegradable materials, underscoring our commitment to the circular economy.

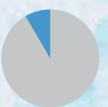


**2024 Total revenues of
TWD 5.568 billion**

**Export sales 92.42% –
TWD 5.146 billion**



**Domestic sales 7.58% –
TWD 0.422 billion**



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and
Management

4 Sustainable Environment

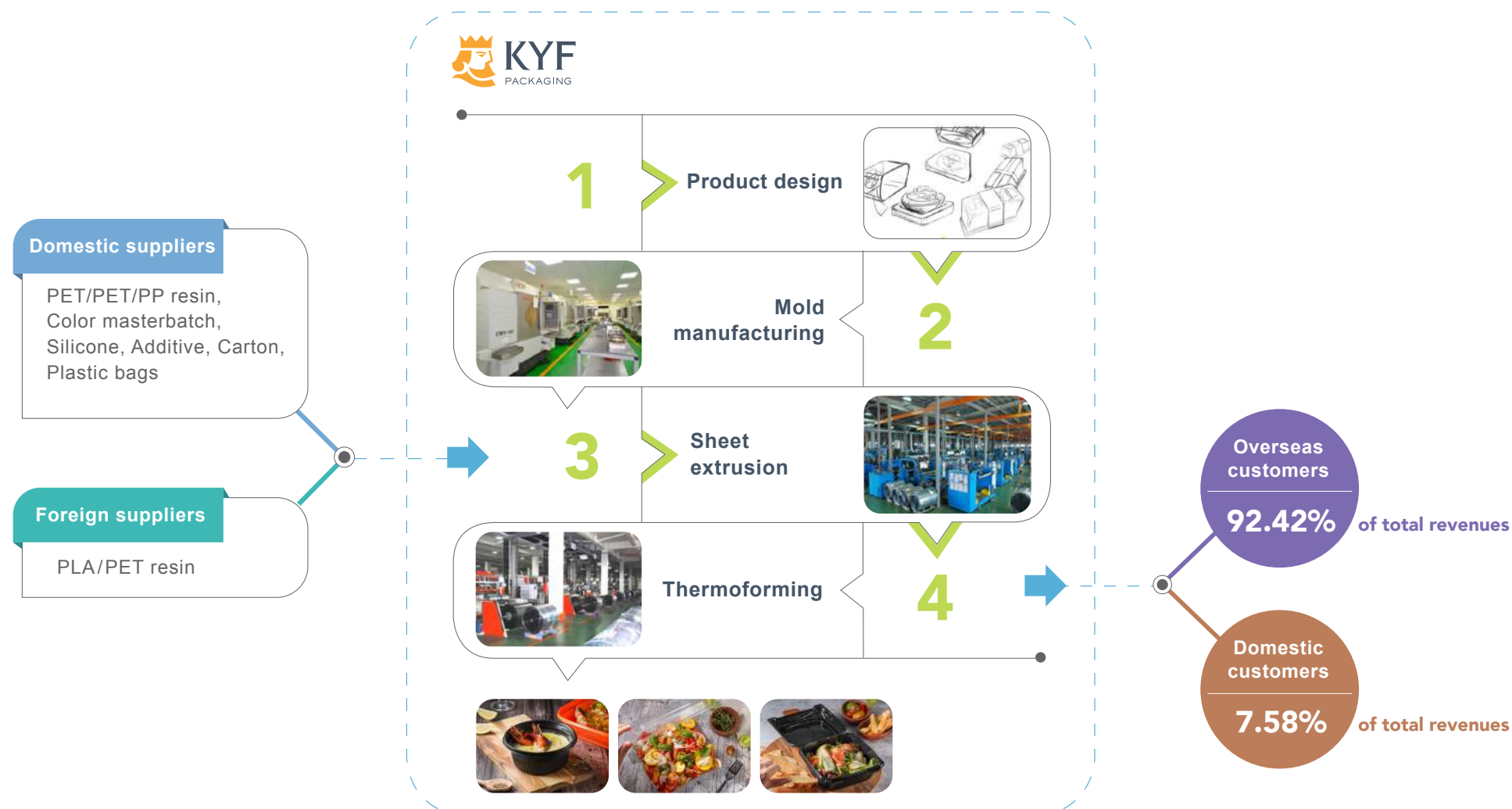
5 Employee Care

6 Social Synergy

References

3.1.6 Relationship Between Upstream and Downstream Suppliers

We are a midstream business in the plastic food packaging industry chain. The upstream supplier is composed of polyester chip providers and packaging raw material suppliers, while the downstream supply chain consists of end users, importers, distributors, agents, or direct sales organizations. Supply chain management which includes search for suppliers, assessment, management, and procurement operations is mostly the responsibility of the Procurement Department. Customer management, on the other hand, which includes domestic and international business, design, and shipping services, lies within the responsibility of the business unit. There were no significant changes in the field of supply chain relations compared to the previous year.



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

3.1.7 Partners and Initiatives

It is our firm conviction that sustained progress in the field of ESG and the common good and prosperity of partners in all sectors requires a concerted effort by many stakeholders. To show our solidarity with domestic and international initiatives and foster professional exchanges and interactions, we have joined the following organizations:

No.	Name of Association	Status
1	RE 100 (Renewable Energy 100)	Member
2	E.SUN ESG Initiative (Taiwan)	Partner
3	New Taipei City Industrial Association (Taiwan)	Member
4	Yilan County Industrial Association (Taiwan)	Member
5	Taiwan Plastics Industry Association (Taiwan)	Member

No.	Name of Association	Status
6	Environmentally Biodegradable Polymer Association (Taiwan)	Member
7	Commonwealth Sustainable Development Committee (Taiwan)	Member
8	Net Zero Carbon Association (Taiwan)	Member
9	CommonWealth Learning - TALENT, in Taiwan	Partner
10	2024 PIDC TOP100+ (Taiwan)	Partner

3.2 Corporate Governance

Material topic	Corporate governance
Significance for the Company	Creating benefits for stakeholders is a crucial step in KYF's sustainable transformation and the realization of its corporate mission. Corporate sustainability is not only a self-expectation but also a commitment to employees.
Policy and Commitment	Exerting positive influence through the 6R strategy (Reduce, Reuse, Recycle, Responsibility, Rethink, and Revamp).
Short-term goal	Achieve annual goals under the 6R strategy. Please refer to the table of 3.2.2.2 ESG Committee "2025 6R Strategy Target Setting."
Medium- and long-term goals	Leverage first-mover advantage to widen the gap with competitors, create an insurmountable edge, and establish a closed-loop ecosystem that balances economic and environmental outcomes.
Course of action	Establishment of a sound sustainability framework covering the ESG (Environmental, Social, and Governance/Economic) dimensions
Results	The 6R strategy achievement rate in 2024 reached 71.43%, as detailed in section 3.2.2.2 ESG Committee "2024 6R Strategy Execution Results."
Responsible unit	Management team

- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics
- 3 About King Yuan Fu**
 - 3.1 Company Profile
 - 3.2 Corporate Governance**
 - 3.3 Operational Performance
 - 3.4 Supply Chain Management
 - 3.5 Information Security Policy and Management
- 4 Sustainable Environment
- 5 Employee Care
- 6 Social Synergy
- References

3.2.1 Organizational Structure

KYF is a non–publicly listed company founded in 1978 by Mr. Chen Zhi–Jian and his wife Ms. Wu Mei–Yun. Leadership was passed on to Ms. Vani Chen in 2015. The company has one director, Ms. Wu Mei–Yun, and one supervisor, Ms. Vani Chen. 100% of the shares are held by the director and the supervisor.

3.2.1.1 Management Team and Organizational Chart

◆ Management Team Overview

Our current management team consists of President Wu Mei–Yun, CEO Vani Chen, General Plant Manager Roy Lee, and General Manager Benjamin Kuo. All members are Taiwanese nationals, with a gender ratio of 1:1. To strengthen corporate governance and long–term development, KYF has appointed professional managers as General Plant Manager and General Manager, utilizing their expertise and extensive industry experience to form a robust executive team.

Title	Name	Gender	Expertise	Responsibilities
President	Wu Mei–Yun	Female	Financial management	Major operational and financial decision–making
CEO	Vani Chen	Female	International Marketing and Sales Strategic Management Sustainable Development	Medium– to long–term strategies and major decisions Sustainability vision and policies Chair of the ESG Committee
General Plant Manager (Professional Manager)	Roy Lee	Male	Plant Operations Management Plastic Manufacturing Technology Sustainable development	Management and supervision of the Manufacturing Business Division, Health & Safety Management Department, Technical department, ESG Committee Member
General Manager & Chief Sustainability Officer (Professional Manager)	Benjamin Kuo	Male	International marketing and sales Operations strategy Sustainable development	Management and supervision of the Operations Business Division, Administrative Division, IT Department, QA Department, Sustainable Development Department, ESG Committee Member

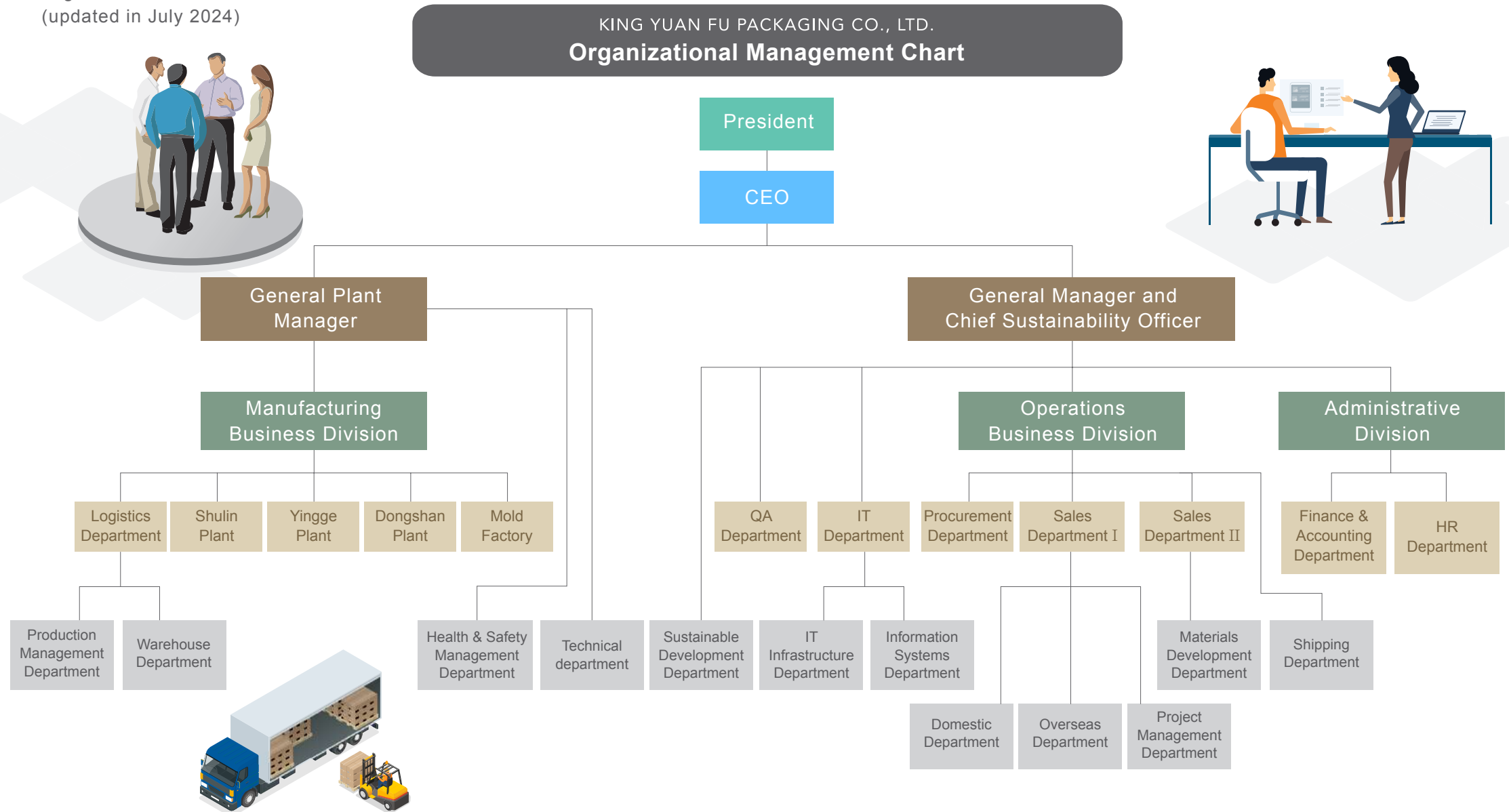
◆ Role in Overseeing Impact Management

The management team evaluates issue identification, assessments, goal–setting, execution progress, outcomes, and reviews. They verify the accuracy of all data and, after analyzing the current situation and risks, establish short–, mid–, and long–term goals.

◆ Assignment of Impact Management Responsibilities

The highest–ranking person in charge of each responsible unit acts as the key facilitator, ensuring top–down communication and implementation of related strategies. Execution progress is reported regularly in team meetings.

Organizational chart
(updated in July 2024)



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and
Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and
Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

3.2.1.2 Recusal by the Management Team Due to Conflicts of Interest

Our management team espouses ethical corporate management principles and strictly adheres to demarcation lines for business dealings defined by business ethics standards. If issues involve potential conflicts of interest, affected employees recuse themselves from participation in discussions and voting.

Conflict of interest	Current status
Cross-board membership	No
Cross-shareholding with suppliers and other stakeholders	No
Existence of controlling shareholders	NA. The Company is a non-publicly traded entity. 100% of the company's equity is held by the President and CEO. There are no external shareholders.
Related parties and representatives	No
Concurrent positions within the company	No

3.2.1.3 Enhancing the Managerial Competencies of the Executive Team

To strengthen the functions of team management, we offer information on advanced training in the field of operations strategy and ESG concepts as required and assist team members in the registration process. In 2024, advanced training hours for the management level amounted to 12.

3.2.2 Communication of Material Issues

3.2.3.1 Management Meetings

The directors of all units deliver reports on business progress and material issues in monthly management meetings chaired by the President, CEO, or a designated representative. No major incidents occurred in 2024.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and
Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

3.2.2.2 ESG Committee

The ESG Committee was officially formed in 2021 with the CEO serving as Chairperson. This committee, which is composed of the General Plant Manager, the General Manager, and the Plant Manager, is the highest decision-making body in the field of ESG practices.

◆ Preset goals

1. Practice of ESG and fulfillment of our responsibility as a corporate citizen
2. Promotion and implementation of ESG policies and sustainable development
3. Integration of company resources, coordination of topic-related operations, realization of ESG concepts in our daily operations

◆ Role in sustainability reporting

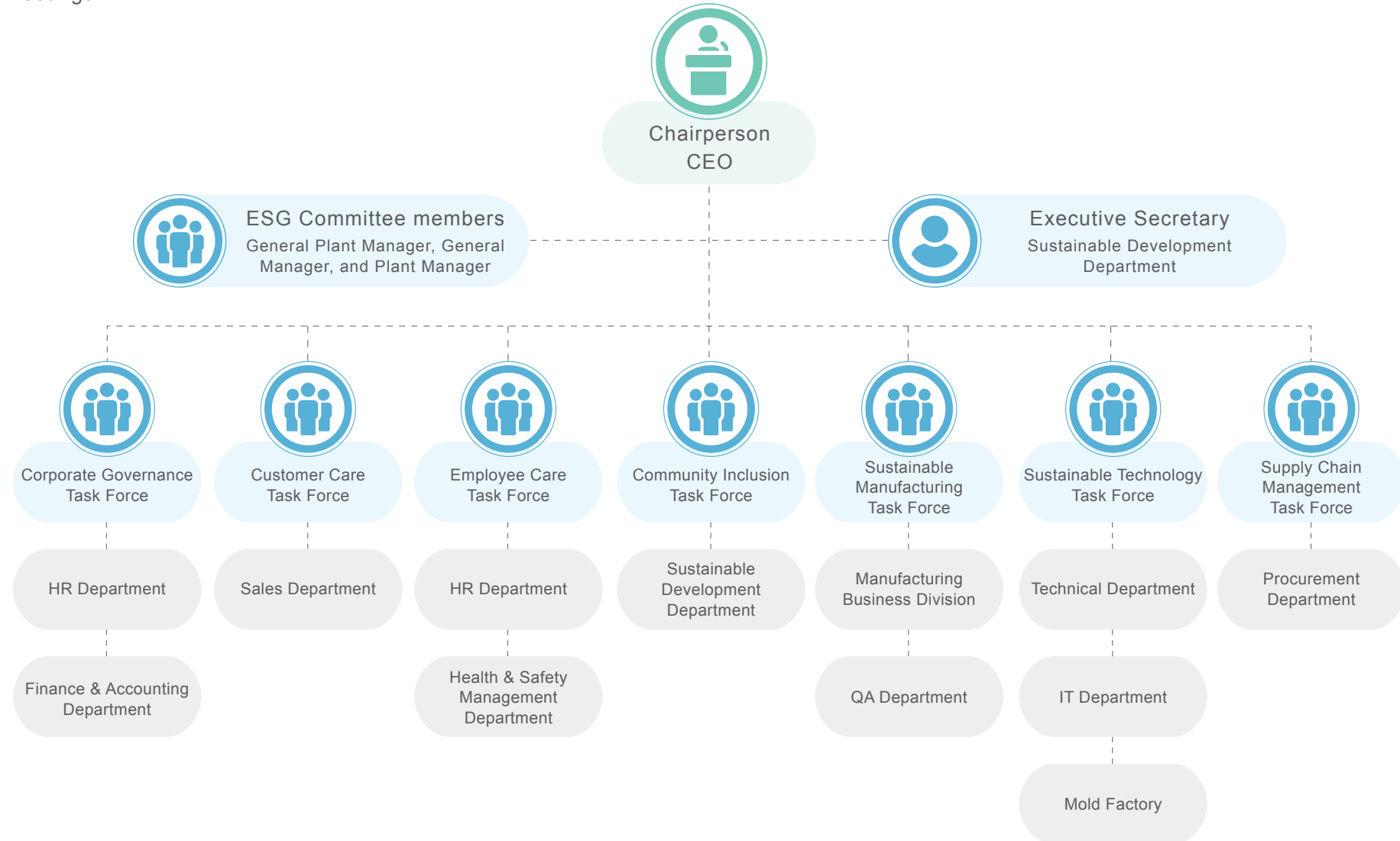
The committee's role lies in the articulation and identification of material topics, analysis of result reports to confirm the current status and positioning of the company, and planning of adequate courses of action targeting material topics with the ultimate goal of injecting positive momentum into business growth and the direction of our business operations. 6R goals are incorporated into strategy formulation to inextricably link our development direction to the core principles of corporate sustainability and gradually deploy and implement circular economy practices in pursuit of ongoing progress in the realization of relevant concepts.

◆ Implementation items

1. Sustainability strategy: coordination of sustainability strategy and goal formulation in line with our core concepts of sustainable development
2. Regular meetings: reporting of material topics and tracking and review of implementation progress and performance in the field of ESG action plans in quarterly ESG Committee meetings
3. Annual ESG targets: presentation of final annual reports and setting of targets for the following year in the final ESG Committee meeting of the year
4. Identification of risks and opportunities: identification and management of impacts, risks, and opportunities arising from ESG practices
5. Stakeholder engagement: Facilitating stakeholder conversations and compiling their opinions for analysis
6. Review and decision-making about material topics: The Sustainable Development Department serves as the executive secretary of the ESG Committee. The executive secretary analyzed the results of stakeholder opinions, created material topic matrices, and submitted the results to the ESG Committee to determine the concurrent sustainable analysis topics.
7. Corporate sustainability report: the executive secretary would prepare annual sustainability reports to the ESG Committee for approval. The reports will be verified by a third-party accreditation body for publication review.

◆ ESG Committee Organizational Chart

The CEO, who serves as committee chairperson, has designated the Sustainable Development Department as the Executive Secretary. Seven functional task forces have been formed for the following seven dimensions: corporate governance, customer care, employee care, community inclusion, sustainable manufacturing, sustainable technologies, and supply chain management. Each task force is headed by the director of the respective unit. All these directors are required to participate in ESG Committee meetings.



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and
Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and
Management

4 Sustainable Environment

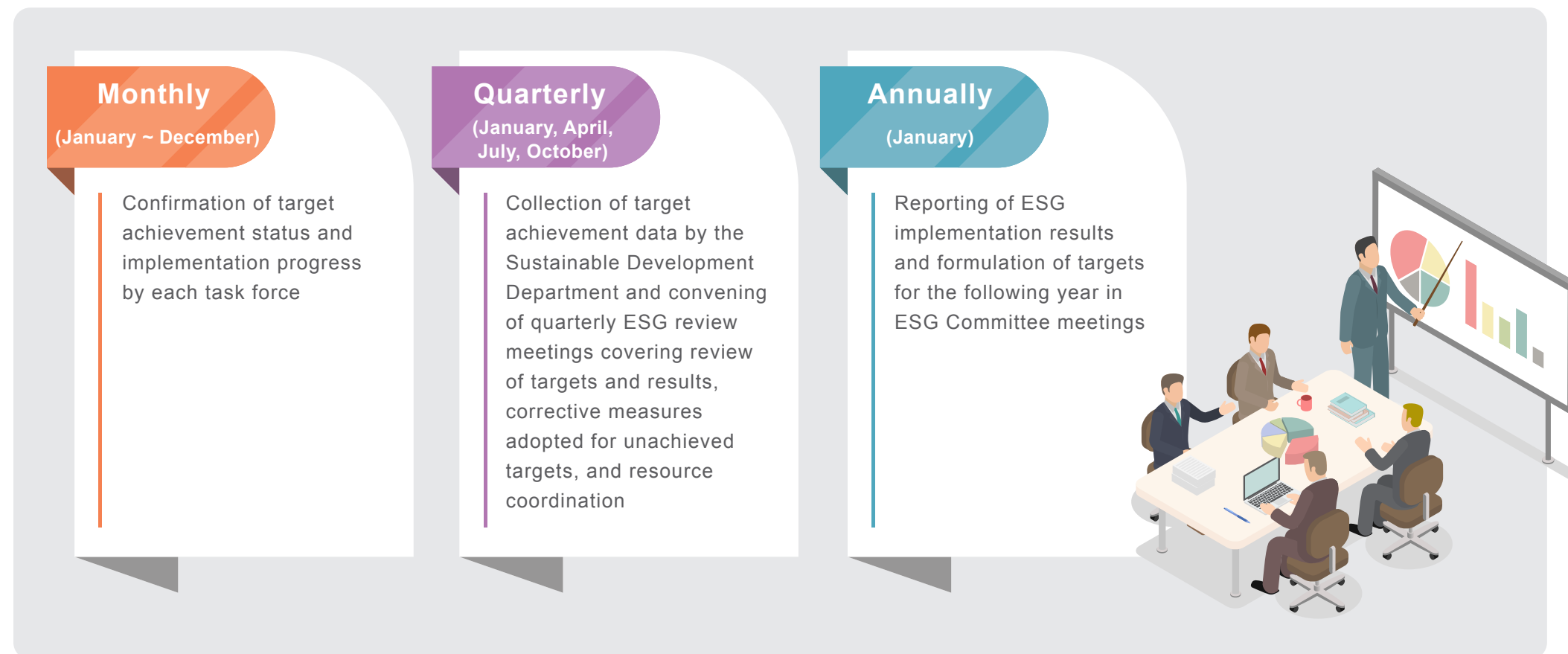
5 Employee Care

6 Social Synergy

References

◆ Meeting and Monitoring Frequency

1. Regular meetings: ESG action plan progress and performance in the previous quarter are reviewed in quarterly ESG Committee meetings. In addition to the review of the implementation status of the previous year, the Q1 meeting serves as the platform for the formulation of targets in all ESG 6R strategies for the current year.
2. Non-scheduled reporting: If material issues emerge in months where no ESG Committee meetings are scheduled, competent units deliver reports to the management team (chairperson or members) in convened meetings or via formal written correspondence or oral reporting.
3. Monitoring frequency:



2025 6R Strategy Target Setting

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and
Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

Dimension	1 [Reduce] Decreased use of materials					2 [Reuse] Optimal use of materials	3 [Recycle] Recycled materials	
Target	Direct emissions (tCO ₂ e)	Electricity (kWh)	Industrial waste (metric tons)	Mold nozzle materials reduction (%)	(Monitoring) General waste (kg)	(Monitoring) Mold nozzle material recycling rate (%)	rPET utilization rate (%)	Regrind material reuse rate (%)
Responsible unit	Warehousing, Manufacturing Technology	Manufacturing Technology, Finance & Accounting	General Affairs	Extrusion	General Affairs	General Affairs	Sales	Warehousing
2023 Results	0.0289	1,592	0.0082	0.24	N/A	N/A	17.19	46.07
2024 Target	Per-unit emissions	Per-unit power consumption	Per-unit waste	≤0.234	Monitoring	Monitoring	35	45
	≤0.0203 (Reduction of per-unit emissions by 1% compared to every year)	≤1,576	≤0.0076					
2024 Results	0.0186	1,493.3	0.00979	0.2833	13.98	92.3	21.15	47.58

Dimension	4 [Responsibility] Accountability toward stakeholders								5 [Rethink] Education	6 [Revamp] Improvement	
Target	Occupational injuries (cases)	Turnover rate (%)	Employee satisfaction (score)	Customer satisfaction (score)		Local procurement (%)	Green procurement (items)	(Monitoring) Employee care (cases)	(Monitoring) Community care (cases)	Education and visits (sessions)	Improvement projects
Responsible unit	Health & Safety	HR	HR	Sales		Procurement	General Affairs	HR	Sustainability	Sustainability	Warehousing, Manufacturing Technology
2023 Results	6	0.93	93.7	95	96.5	43.37	60	N/A	N/A	16	74 cases
2024 Target	0	≤ 1.17	≥ 90	Domestic	Overseas	55.37	70	Ongoing	Ongoing	12	(1) Energy Saving : 1% (2) 60 cases
				≥ 95							
2024 Results	3	0.71	95	95	97.2	96.31	70	6	17	32	(1) >1% , (2) 69 cases

❖ Red indicates the areas in need of improvement

❖ Achievement rate: 71.43% (10 out of 14 targets achieved, 4 not achieved, and 4 others under ongoing tracking)

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

2024 6R Strategy Execution Results

Dimension	1 [Reduce] Decreased use of materials					2 [Reuse] Optimal use of materials	3 [Recycle] Recycled materials				
Target	Direct emissions (tCO2e)	Electricity (kWh)	Industrial waste (metric tons)	Mold nozzle materials reduction (%)	(Monitoring) General waste(kg)	(Monitoring) Mold nozzle material recycling rate (%)	rPET utilization rate (%)	Regrind material reuse rate (%)	Waste reuse rate (%)	closed-loop recycling	
										PET container recycling rate (%)	Number of participating stores
Responsible unit	Warehousing, Manufacturing Technology	Manufacturing Technology, Finance & Accounting	General Affairs	Extrusion	General Affairs	General Affairs	Sales	Warehousing	Procurement	Sales	Sales
2025 Target	≤ 0.0184	≤ 1,536.8	≤ 0.0076	≤ 0.234	Monitoring	Monitoring	40	50	≥ 60	≥ 50	≥ 15

Dimension	4 [Responsibility] Accountability toward stakeholders								5 [Rethink] Education	6 [Revamp] Improvement
Target	Occupational injuries (cases)	Turnover rate (%)	Employee satisfaction (score)	Customer satisfaction (score)	Local procurement (%)	Green procurement (items)	(Monitoring) Employee care (cases)	(Monitoring) Community care (cases)	Education and visits (sessions)	Improvement projects
Responsible unit	Health & Safety	HR	HR	Sales	Procurement	General Affairs	HR	Sustainability	Sustainability	Warehousing, Manufacturing Technology
2025 Target	≤ 0	≤ 1	≥ 93	≥ 95	≥ 80	80	5	11	12	Energy Saving > 1.5%

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

3.2.4 Risk Management

Material topic	Risk Management
Significance for the Company	Risk management is a key element of successful business operations; therefore, identifying major ESG risks, implementing effective response measures, and controlling targets would ensure company sustainability, enhance market competitiveness, and protect stakeholder interests.
Policy and Commitment	Conduct risk management across all operational aspects of the company to identify potential impacts.
Short-term goal	Each year, relevant departments are required to set and regularly review the achievement status of “Food Safety and Quality, Environmental Health and Safety, and Energy Conservation” targets.
Medium- and long-term goals	Achieve the goal of sustainable operations through effective risk control.
Course of action	In response to industrial growth and market changes, we actively incorporate risk awareness into training to enhance supervisors' and staff's ability to identify risks. We continuously revise strategies in response to environmental changes to effectively prevent and mitigate the possibility and severity of risk occurrence. 1. Improve food safety, quality, and customer satisfaction: production and QA units track quality anomalies and review customer complaints. 2. Energy conservation, and environmental protection: reduce electricity consumption and carbon emissions, and increase the use of rPET. 3. Prevent occupational hazards: reduce disability injuries and severity, conduct regular employee health checks, and monitor the working environment.
Results	1. In 2024, the food safety and quality target achievement rate was 85.42%. 2. In 2024, the environmental target achievement rate was 62.50%. 3. In 2024, the occupational safety and health target achievement rate was 100%. * Refer to the “ISO System Management Review Meeting” section of this chapter for details.
Responsible unit	Management team



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and
Management

4 Sustainable Environment

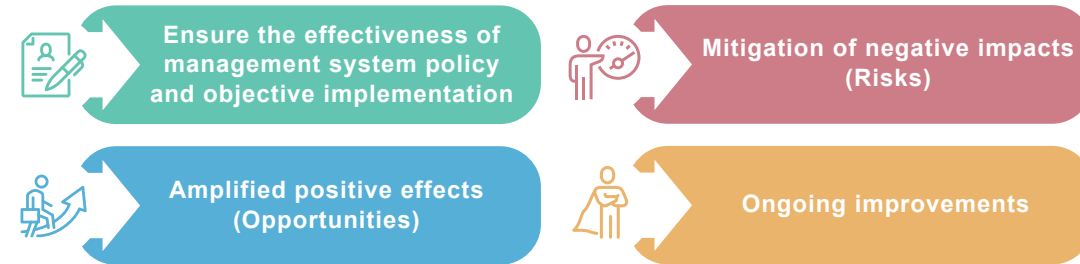
5 Employee Care

6 Social Synergy

References

3.2.4.1 Purpose of Risk Management

To strengthen corporate governance, reduce potential operational risks, and achieve stable operations and sustainable development, we conduct risk management across four dimensions: quality, environment, food safety, and occupational health and safety, with the following objectives:



Dimension	Targets and Policies
Quality	Quality, safety, and customer satisfaction first
Food safety	Quality, safety, and customer satisfaction first
Environment	Energy conservation, environmental protection, and cherishing our planet
Occupational health and safety	Care for employee physical and mental well-being

3.2.4.2 Risk Management Process

Each department provides stakeholders with various grievance and reporting channels annually. In accordance with the “Data Analysis and Continuous Improvement Management Procedure” and the “Hazard Identification and Risk Assessment Management Measures,” identifies and evaluates system-specific risks, and formulates corresponding response strategies and improvement measures.

Management system	Quality	Food safety	Environment	Occupational Health and Safety
Procedures	Data Analysis and Continuous Improvement Management Procedure			Hazard Identification and Risk Assessment Management Measures
Risk assessment units	All departments of the Company			
Grievance mechanism / communication channels	- Feedback to Sales Unit - Internal Abnormality Report - Real-time Verbal Communication - Meetings		- Internal Abnormality Report - Real-time Verbal Communication	- Feedback to the Health & Safety Management Department - Real-time Verbal Communication - Occupational Health and Safety Committee Meeting

3.2.4.3 Risk Management Policy

Risk items	Risk scenarios	Risk management strategy (contingency measures)
Occupational Hazards	Workers may experience operational errors during procedures, resulting in occupational injuries.	- Maintain ISO 45001 Occupational Health and Safety Management System standards and continually improve workplace safety. - Conduct regular hazard identification and risk assessments to detect and resolve potential safety issues. - Encourage employees to participate in national technician certification to improve skills and awareness. - Provide training on potential risks and hazards to enhance employee safety awareness.
Product Safety	Customer complaints and returns due to foreign objects in products.	- Establish relevant quality and safety management systems (e.g., ISO 9001, BRCGS). - Provide regular training for staff at critical control points (CCP). - Conduct internal audits to ensure all processes are effectively implemented.
Continued increase of GHG emissions	- Customers require upstream and downstream supply chain participation in sustainability initiatives. - The EU Carbon Border Adjustment Mechanism (CBAM) is about to take effect. Taiwan is scheduled to begin levying carbon fees in 2026. - The Ministry of Economic Affairs (Taiwan) requires major electricity consumers to set an annual energy-saving target of 1.5% starting in 2025.	- Promote rPET products to customers. - Continue deepening the Company's circular economy and social responsibility initiatives. - Use recycled materials to develop low-carbon products (e.g., rPET). - Promote energy conservation and seek appropriate green electricity sources within the plant.
Labor shortage	In response to widespread labor shortages, recruitment becomes increasingly difficult.	- Utilize multiple recruitment channels. - Ensure employee welfare to strengthen recruitment competitiveness. - Emphasize employee rights to reduce turnover rates.

- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

- 3.1 Company Profile
- 3.2 Corporate Governance
- 3.3 Operational Performance
- 3.4 Supply Chain Management
- 3.5 Information Security Policy and Management

- 4 Sustainable Environment
- 5 Employee Care
- 6 Social Synergy
- References

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and
Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

3.2.5 Audit Mechanism

To ensure the continued and effective implementation of the Company's various management systems and to identify and correct issues in a timely manner, we have established the "Internal Audit Management Procedure." Internal and external audits are conducted regularly to maintain the effectiveness and continual improvement of our ISO systems and relevant certifications. In 2024, third-party certification bodies conducted external audits across all systems, and no major non-conformities were issued. All certifications remain valid.



ISO System Management Review Meeting

We have established a “Management Review Procedure” and convened an annual management review meeting for ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 22000 Food Safety Management System/HACCP, and ISO 45001 Occupational Health and Safety Management System. The meeting is chaired by a management representative appointed by the responsible person to review the implementation performance of each system over the past year, including annual target achievement rates, risk assessments, internal audit results, and external audit results.

- ◆ **The achievement rate for food safety and quality targets in 2024 was 85.42%.** Moving forward, the core management concept will be “prevention over remediation.” This includes strengthening real–time monitoring of process parameters and predictive maintenance mechanisms, as well as optimizing communication channels with customers to ensure that product quality stability meets client expectations.
- ◆ **The achievement rate for environmental targets was 62.5%.** Among the four environmental targets, two were not met—“monthly electricity usage per unit of finished product” and “Increase the proportion of rPET used.”
 - Although electricity usage exceeded the target slightly in some months, the annual average was 1,493.3 kWh/ton, which was better than the set target of 1,576 kWh/ton, achieving the expected energy savings. The excess in certain months was due to the installation of cooling fans aimed at improving employee working conditions. Going forward, energy management will be further optimized and the use of high–energy–consuming equipment will be better controlled.
 - The failure to Increase the proportion of rPET used was mainly due to the market’s slow economic recovery. The higher cost of recycled materials created a crowding–out effect, slowing the progress of our sustainability promotion. In 2025, we will strengthen communication with customers and emphasize the advantages of rPET–containing products to boost adoption.
- ◆ **The achievement rate for occupational health and safety targets was 100%.** Continuous improvement of the working environment, regular risk assessments, in–depth review of incident investigations, and communication with employees have enabled the Occupational Safety and Health Management Unit to more comprehensively assess the safety and health management system, accurately identify opportunities for improvement, and enhance overall performance levels.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and
Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

- 3.1 Company Profile
- 3.2 Corporate Governance
- 3.3 Operational Performance
- 3.4 Supply Chain Management
- 3.5 Information Security Policy and Management

- 4 Sustainable Environment
- 5 Employee Care
- 6 Social Synergy
- References

3.2.6 Business Reputation and Legal Compliance

3.2.6.1 Business Ethics and Anti–corruption

In the spirit of our core values of integrity and righteousness, we strictly prohibit any form of corruption and enforce clearly defined regulations governing recusal due to conflicts of interest, political and charitable donations, and whistleblowing channels. Sound internal and external whistleblowing channels and whistleblower protection policies are in place to facilitate the early detection of anomalies and effective prevention of corruption.

We have further formulated a “Code of Ethical Conduct and Employee Integrity” to ensure that our employees embrace the highest ethical standards when engaging in operating activities, uphold our core values of integrity and righteousness, and guarantee strict adherence to high professional ethics. The ultimate goal lies in the rigorous compliance by our employees with our standards of ethical conduct in the performance of their daily duties, protection of our business reputation, and securing the respect and trust of customers, suppliers, and external audiences. This regulation applies to all staff managing company affairs and holding signing authority. Based on risk assessments, the primary corruption risk has been identified as arising from commercial interactions. To uphold high standards of integrity, all procurement staff are required to sign a “Supplier Integrity and Confidentiality Commitment” before engaging in procurement activities.

To bolster ethical management practices and reduce risks, the HR Department is responsible for the formulation and supervision of ethical business policies and related measures. Annual training and awareness sessions are held across all plants to ensure that all relevant personnel understand, accept, and strictly adhere to anti–corruption practices. In 2024, we held 2 training sessions on business ethics and anti–corruption code of conduct, with a total of 496 employee participants and 496 training hours, averaging 1 hour per participant, achieving a 100% participation rate among on–the–job employees.

To ensure company–wide awareness of the anti–corruption philosophy, anti–corruption training is conducted semi–annually. All employees are obliged to report any observed ethical misconduct or violations of moral standards to management. This includes any form of illegal or immoral conduct. No anti–corruption–related grievances or whistleblowing reports were received in 2024.

Anti–Corruption Whistleblowing Channels		
Whistleblower Identity	Internal: Employees	External: Suppliers/Contractors/Employees/Banks/Community, etc.
Contact Method	HR Department Email hr@kyf.com.tw	Benjamin.Kuo@kyf.com.tw



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

3.2.6.2 Legal Compliance

Our list of identified laws and regulations is updated twice a year by the Document Control Center, the Health & Safety Management Department, and the Sustainable Development Department. This is done to ensure that the list is consistent with the current regulations of the Laws & Regulations Database of the Republic of China (Taiwan) and to verify that all our operational practices are in compliance with the most recent legal standards in Taiwan and countries we export to.

In 2024, a total of three penalties were imposed: one related to occupational safety and two related to social responsibility. Details and follow-up improvements are listed below.

2024 Violations and Follow-up Improvements			
Nature	Year	Legal basis and fine amount	Follow-up Improvement
Occupational safety	2024	A fine of TWD 60,000 was imposed due to factory facilities failing to comply with the Regulations for the Occupational Safety and Health Equipments and Measures, resulting in a workplace accident.	1. Conducted hazard identification and risk assessment to identify potential risks within the factory, take corrective actions, and implement improvements. 2. Strengthened awareness on passage safety and 5S management to enhance hazard awareness. 3. Intensified on-site inspections to ensure passageways remain unobstructed during operations.
Social Responsibility	2024	A fine of TWD 120,000 was imposed due to extended working hours in violation of the Labor Standards Act.	1. Actively addressed labor shortages by implementing diversified recruitment strategies, such as posting job openings on public employment service websites to increase visibility and participating in joint job fairs for talent acquisition. 2. Reviewed and optimized internal policies to improve employee retention. 3. Evaluated labor-saving or automation equipment to alleviate manpower burden.
Social Responsibility	2024	A fine of TWD 150,000 was imposed due to extended working hours and violation of the “one day off in seven days” regulation.	



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

3.3 Operational Performance

Material topic	Operational performance
Significance for the Company	Corporate sustainability is deeply rooted in stable operational performance. We have long embraced business stability as our operating guideline. Reasonable allocation of resources enables us to provide proper care for our employees, foster mutually beneficial partnerships, and engage in community welfare efforts to pursue shared well-being.
Policy and Commitment	Fostering a positive cycle of mutual prosperity for the company and stakeholders while maintaining financial stability.
Short-term goal	Achievement of the revenue target ≥ TWD 5.717 billion (in 2025)
Medium- and long-term goals	Achievement of the revenue target ≥ TWD 6 billion (before 2029)
Course of action	Actively expand customer base domestically and internationally while strengthening relationships with existing clients to boost sales performance. The Finance & Accounting Department regularly reviews costs and expenses to achieve cost control and stable growth.
Results	Total revenues of TWD 5.57 billion in 2024 (2024 revenue target ≥ TWD 5.2 billion)
Responsible unit	Sales Department, Finance & Accounting Department

3.3.1 Revenue

In 2024, the revenue increase was mainly driven by the depletion of high inventory levels in 2023, which prompted customers to resume order placements. Additionally, our strategic efforts in developing new products and clients both locally and overseas contributed to a growth rate of 13.67%.

In 2025, we will:

- Maintain flexibility in production planning to fulfill existing orders on time and ensure production-sales balance.
- Continue active engagement with customers and adjust actions in response to global developments such as tariffs and carbon taxes.
- Sustain efforts in developing new products and customers to diversify our client base and create new revenue sources.

Historical Revenue Amounts (Rounded to the Nearest Whole Number for Calculation Purposes)

Unit: TWD billion

Revenue Source	Export sales		Domestic sales		Total	
Year	Amount	Ratio	Amount	Ratio	Amount	Year-over-year change
2022	43.9	90.33%	4.7	9.67%	48.6	−2.41%
2023	45.0	91.84%	4.0	8.16%	49.0	0.82%
2024	51.5	92.46%	4.2	7.54%	55.7	13.67%

Note: Since we are a non-publicly traded company, our financial reporting is not publicly disclosed. However, we are committed to aligning with disclosure standards.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and
Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

3.4 Supply Chain Management

We have stipulated Supplier Management Procedures to ensure a steady supply of high-quality raw and other materials and guarantee the production of excellent products of consistent quality. Most of our suppliers deliver packaging materials.

Material topic	Supply chain management
Significance for the Company	To ensure the quality of customer shipments and consumer food safety, we implement food safety control over the quality and source of raw materials. This demonstrates our responsibility and commitment to consumers. We actively promote sustainable supplier management, urge suppliers to increase investment in ESG, and aim to establish a stable and high-quality supply chain that helps communicate our core values and continuously generate a positive social impact.
Policy and Commitment	When expanding our procurement policy, we actively integrate environmental sustainability concepts to strengthen suppliers' ESG management. Our goal is to build a comprehensive supply chain aligned with our sustainability strategy and to develop more green suppliers.
Short-term goal	- By 2025, all suppliers must achieve at least a grade B in ESG evaluations covering environmental and social aspects. - Achieve an on-time delivery rate of 95% by 2025. - Ensure that local Taiwanese suppliers account for at least 80% by 2025.
Medium- and long-term goals	- Suppliers must achieve at least a grade B in environmental and social ESG evaluations. - On-time delivery rate by suppliers reached 98%. - To promote local procurement, the proportion of suppliers based in Taiwan increased to over 85%.
Course of action	- Supplier conferences: We engage directly with suppliers to promote KYF's green supplier policies and deepen cooperative consensus. - Implementation of supplier delivery barcode systems: These enhance delivery accuracy and speed up goods-in processes to improve the on-time delivery rate.
Results	- In 2024, all 42 evaluated suppliers met the environmental and social aspects review criteria. - In 2024, supplier on-time delivery rate reached 99.76% (target: 95%). - In 2024, local Taiwanese suppliers accounted for 96.31% (target: >55%). - In 2024, 100% of suppliers completed self-assessments, and none failed.
Responsible unit	Procurement Department

- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics
- 3 About King Yuan Fu
 - 3.1 Company Profile
 - 3.2 Corporate Governance
 - 3.3 Operational Performance
 - 3.4 Supply Chain Management
 - 3.5 Information Security Policy and Management

- 4 Sustainable Environment
- 5 Employee Care
- 6 Social Synergy
- References

3.4.1 Sustainability Actions

In the increasingly competitive supply chain environment, we engage suppliers through conferences and surveys to share market trends and strengthen supply–demand collaboration, thereby achieving mutual benefit and jointly advancing toward sustainable development.

Supplier Sustainability Surveys Over the Years					
2022 Supplier Conference		2023 Supplier Conference		2024 Supplier Survey	
No. of Participating/ Surveyed Suppliers	No. of Participants/ Responses	No. of Participating/ Surveyed Suppliers	No. of Participants/ Responses	No. of Participating/ Surveyed Suppliers	No. of Participants/ Responses
27	50	35	62	37	29
Focus Topics: Supplier Code of Conduct (integrity commitment), ESG sustainability, green supply chain promotion, supplier carbon inventory, RE100		Focus Topics: KYF Sustainability Policy, Supplier Code of Conduct (integrity commitment), ESG feedback analysis, future direction (digitalization, decarbonization)		Focus Topics: For high carbon–emitting and critical suppliers, a green supply chain is being established by surveying their sustainability and carbon reduction action plans, greenhouse gas (GHG) inventory status, and transportation–related carbon emissions.	

Note: The “Supplier Code of Conduct” is available at <https://esg.kyf.com.tw/永續經營/供應商行為準則/> for potential suppliers’ reference.

3.4.2 Local Procurement Ratio

All of KYF’s major operations are located in Taiwan. Procurement categories include raw materials, machinery and equipment, office supplies, and services. In recent years, we have proactively worked to reduce carbon emissions. The local procurement ratios are shown in the table below:

Year	2022	2023	2024
(A) Number of total suppliers	80	248	294
(B) Number of local suppliers	65	243	283
(B)/(A) Local suppliers ratio (%)	81.25%	97.98%	96.31%
Local procurement amount ratio (%)	83.64%	97.85%	86%

- Note:
1. In 2022, “local suppliers” were defined as those located within a 30 km radius of the company. In 2023, the definition was revised to refer to suppliers based in Taiwan.
 2. In 2022, only 80 suppliers were selected to assess the proportion of local procurement. To enhance data completeness, all suppliers have been included in the assessment starting in 2023.
 3. The local procurement amount ratio dropped to 86% in 2024 from 97.85% in 2023 because production units procured new equipment from international vendors, resulting in nearly 12% higher overseas transactions compared to 2023.

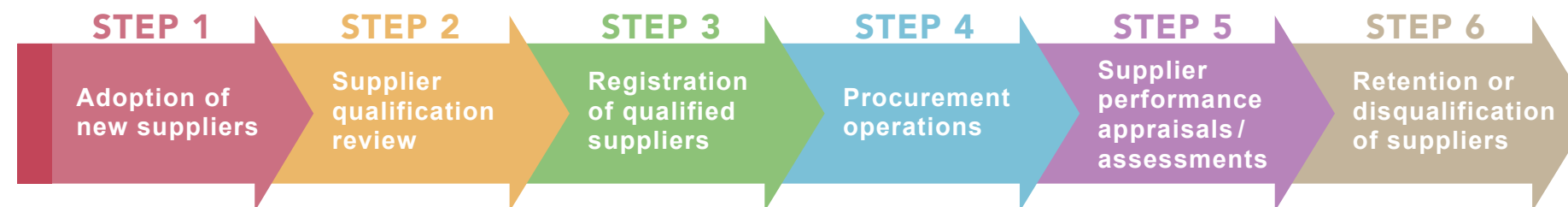
- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

- 3.1 Company Profile
- 3.2 Corporate Governance
- 3.3 Operational Performance
- 3.4 Supply Chain Management**
- 3.5 Information Security Policy and Management

- 4 Sustainable Environment
- 5 Employee Care
- 6 Social Synergy
- References

3.4.3 Supply Chain Management Process



3.4.3.1 Supplier Qualification Screening

New suppliers must comply with government laws and regulations and international labor and human rights standards. We evaluate suppliers based on criteria such as quality, production and delivery capacity, environment, hygiene, social responsibility, and occupational safety. If more than one supplier meets the requirements, those hiring disadvantaged groups will be given priority.

All new suppliers are required to sign the following documents: “Supplier Basic Information Form,” “Smoking Ban Commitment,” “Anti–Terrorism Statement,” “Supplier Code of Conduct,” “Allergen List,” “Allergen Ingredient Confirmation Statement,” “Supplier Integrity Commitment,” “Supplier Self–Assessment and Evaluation Form,” and “Non–Prohibited Substance Guarantee.”

We specialize in food packaging that comes in direct contact with food. We have therefore adopted the following regulations for different types of raw materials to guarantee consumer safety:

- Suppliers of raw materials and chemicals that come in direct contact with food products are required to confirm the use of allergens through the signature of the Allergen List and Allergic Ingredient Confirmation Declaration provided by the procurement unit to ensure effective control of allergens contained in products.
- Suppliers of chemicals or agents are requested by the procurement unit to submit a valid Safety Data Sheet (SDS) before purchase.

Note: SDS is a safety data sheet for chemicals. Such data sheets must be provided for all hazardous chemicals that pose physical or health hazards as specified in the CNS 15030 Classification Standards. Under the provisions outlined in Article 15 of the Regulations for the Labeling and Hazard Communication of Hazardous Chemicals, such data sheets must be updated every three years.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and
Management

4 Sustainable Environment

5 Employee Care

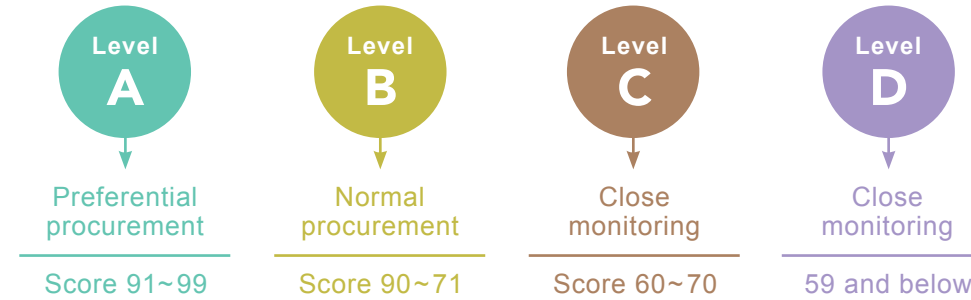
6 Social Synergy

References

◆ New supplier onboarding procedures:

- New suppliers must complete and return the signing of the aforementioned documents before the first transaction.
- Supplier Assessment Forms are scored based on the environmental and social (incl. occupational safety) categories of the ESG dimensions.

◆ Rating levels:



◆ Supplier Code of Conduct Signing Rate for First Transactions (2022–2024)

Year	2022	2023	2024
Number of new suppliers (A)	7	8	11
Suppliers signed Code of Conduct (B)	7	8	11
(B)/(A) Signing rate (%)	100%	100%	100%

Note:

(1) Figures for 2022–2023 were corrected due to data input errors.

(2) Suppliers included in evaluation are selected based on procurement amount, with raw material suppliers as the major focus.



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and
Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

3.4.3.2 Supplier Assessment Method

◆ Number of evaluated suppliers and identification of those with impacts:

- Annual regular assessments are conducted for all suppliers that were in cooperation at the time of evaluation, regardless of whether they are new or existing suppliers. If new suppliers join after the evaluation date, in addition to the evaluation for new suppliers, they will also be included in the next annual regular assessment.
- In 2024, a total of 42 suppliers were evaluated, all of whom were rated A level or above.

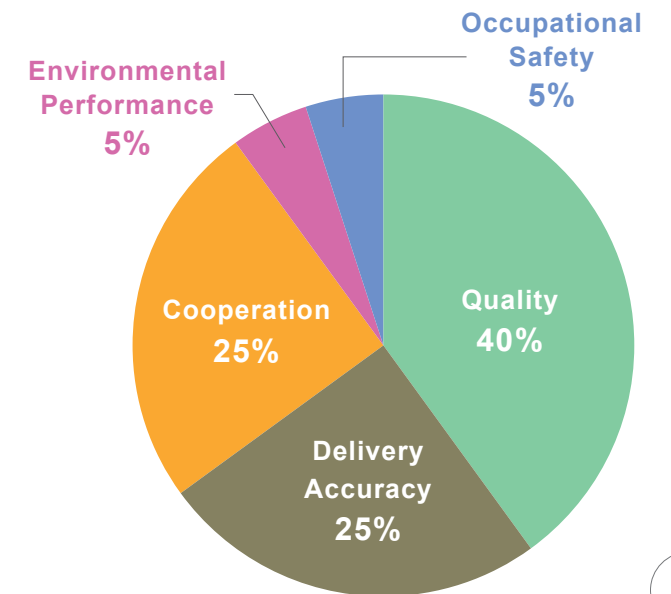
Year	2022	2023	2024
Number of suppliers assessed for social/environmental impact	27	29	42
Number of suppliers identified with significant actual or potential negative social/environmental impacts (Description of negative social/environmental impacts)	0	0	0
Percentage of identified suppliers that have made improvements upon assessment	0%	0%	0%
Percentage of identified suppliers with whom cooperation has been terminated upon assessment	0%	0%	0%

Note: (1) From 2022 to 2023, suppliers with transaction amounts over TWD 3 million were included in the assessment. Starting in 2024, the threshold was adjusted to TWD 5 million.
(2) The numbers above are based on supplier self-assessment and evaluation forms.

◆ Supplier Performance Evaluation

Suppliers are evaluated annually by the Procurement and Quality Assurance units. Assessments are based on the suppliers' monthly performance in areas such as product quality, delivery accuracy, level of cooperation, environmental performance, and occupational safety. The evaluation results are documented in the "Supplier Evaluation Form." The total score comprises the sum of scores in the following categories: quality, delivery accuracy, cooperation, environmental performance, and occupational safety, with the respective weightings outlined on the right:

To ensure a safe working environment within KYF's supply chain, respect and dignity for workers, environmentally responsible operations, and adherence to ethical standards, KYF has established a "Supplier Code of Conduct." This code requires suppliers to comply with regulations related to human rights (e.g., no employment of individuals under 18, no discrimination, no excessive working hours), health and safety (e.g., prevention of workplace injuries), environmental protection, ethical conduct, and management systems. Suppliers are required to sign the code and comply with the laws and regulations of the countries or regions in which they operate, in order to prevent incidents such as forced labor and child labor.



- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics
- 3 About King Yuan Fu
 - 3.1 Company Profile
 - 3.2 Corporate Governance
 - 3.3 Operational Performance
 - 3.4 Supply Chain Management
 - 3.5 Information Security Policy and Management
- 4 Sustainable Environment
- 5 Employee Care
- 6 Social Synergy
- References

◆ Timing of assessments

Regular assessments	The Procurement Department conducts an annual assessment by sending the “Supplier Self–Assessment Form” and “Supplier Evaluation Form” to key suppliers who have previously passed evaluations and maintained stable supply. Suppliers are required to complete the self–assessment and return the forms within a specified deadline. If the evaluation score falls between 60 and 70, the supplier will be listed as “Under Special Attention.” If the score is below 60 (exclusive), the supplier will be deemed non–compliant, and the Procurement Department will gradually cease procurement activities and replace the supplier.
Non–scheduled assessments	Irregular evaluations apply to new suppliers and to previously approved suppliers that experience major quality issues. For new suppliers, evaluations are conducted in accordance with the relevant procedures outlined in the Supplier Management Manual. For approved suppliers with quality abnormalities, the Procurement and Quality Assurance departments will investigate the root cause, and, if necessary, conduct on–site visits to address and resolve the issue jointly.

◆ Handling of serious deficiencies

For all types of assessments, if serious quality defects are found in incoming materials, or if product quality, delivery, or customer complaints are severely deficient, procurement from the supplier will be terminated upon decision by top management, and the supplier will be removed from the supplier list.



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

3.5 Information Security Policy and Management

Material topic	Information Security
Significance for the Company	Information security covers confidentiality, integrity, and availability, ensuring that data can only be accessed by authorized personnel, is not tampered with, and is available when needed. It also prevents unauthorized access and various attacks, complies with regulations to reduce legal risks, ensures business continuity, and builds trust. This is an ongoing challenge requiring multifaceted measures to maintain the security of the information environment.
Policy and Commitment	1. Risk Assessment and Management: Regularly conduct risk assessments to evaluate potential risks to information systems and data. Based on the results, formulate corresponding risk management strategies to mitigate or eliminate potential threats. 2. Education and Training: Implement information security education and training programs to ensure employees understand information security policies and have the knowledge and skills to respond to potential threats, thereby improving overall organizational security awareness. 3. Security Measures and Technical Protection: Implement appropriate security measures and technical protection, including firewalls, intrusion detection systems, encryption technologies, etc., to prevent unauthorized access, data leakage, or system intrusion. 4. Security Review and Monitoring: Establish security review and monitoring mechanisms, regularly check the security of systems and applications, and promptly detect and respond to any abnormal behavior. 5. Emergency Response Plan: Develop an emergency response plan to handle potential security incidents and ensure rapid and effective business recovery. 6. Transparency and Reporting Mechanism: Establish mechanisms for transparency and reporting, encouraging employees to proactively report potential security risks or incidents for timely response. 7. Regular Review and Update: Regularly review and update information security policies to ensure alignment with the latest threats and regulatory standards.
Short-term goal	1. Arrange information security education and training and regularly send out information security awareness emails. 2. Conduct vulnerability scanning and assessment, produce reports after analysis, and provide corresponding recommendations for improvement. 3. Implement malicious connection detection endpoint tools (Cortex XDR), use AI learning analysis and immediately available correlation rules to detect ongoing attacks, and combine with outsourced monitoring services. Monthly risk monitoring meetings are held with the external cybersecurity service provider. 4. Enhance backup policy: switch to both online & offline backup modes. 5. Conduct disaster recovery drills twice per year. 6. Password requirements strengthened from 6 digits to 12 digits, with upper and lower case letters, numbers, and special symbols required.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

3.1 Company Profile

3.2 Corporate Governance

3.3 Operational Performance

3.4 Supply Chain Management

3.5 Information Security Policy and Management

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

Material topic	Information Security
Medium– and long–term goals	Ensure that all types of information assets—including data, systems, applications, and networks—are comprehensively protected at both the physical and digital levels. Achieve zero information security incidents.
Course of action	Comprehensive Protection: ▪ Implement robust authentication and authorization mechanisms to ensure that only authorized users can access sensitive information. ▪ Encrypt sensitive data, including data in transit and data stored within systems. Risk Management: ▪ Develop specific risk response plans, prioritizing measures for high–risk areas. ▪ Update risk assessments regularly to address environmental and technological changes. Employee Education: ▪ Hold regular security awareness campaigns to remind employees to be vigilant against potential social engineering attacks and phishing activities. ▪ Emphasize personal responsibility for information security, engaging employees in the process of protecting organizational information assets. Technological Innovation: ▪ Hold regular security awareness campaigns to remind employees to be vigilant against potential social engineering attacks and phishing activities. ▪ Emphasize personal responsibility for information security, engaging employees in the process of protecting organizational information assets. Emergency Preparedness: ▪ Conduct regular emergency drills to verify the effectiveness of emergency response plans. ▪ Ensure key personnel are capable of handling security incidents. Continuous Monitoring: ▪ Implement real–time monitoring and event management systems to quickly detect abnormal behavior. ▪ Regularly conduct security reviews to assess system and application vulnerabilities and remediate them promptly. Evaluation and Improvement: ▪ Periodically evaluate information security performance to assess the effectiveness of security systems. ▪ Perform regular security vulnerability testing to detect and address potential system weaknesses.



- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

- 3.1 Company Profile
- 3.2 Corporate Governance
- 3.3 Operational Performance
- 3.4 Supply Chain Management
- 3.5 Information Security Policy and Management

- 4 Sustainable Environment
- 5 Employee Care
- 6 Social Synergy
- References

Material topic	Information Security
Results	2024: 1. Arranged information security education and training (twice per year) and regularly sent out information security awareness emails. 2. Implemented malicious connection detection endpoint tools (Cortex XDR), utilizing AI learning analysis and immediately available correlation rules to detect ongoing attacks, combined with outsourced monitoring services; monthly risk monitoring meetings were held with external cybersecurity service providers. 3. Enhanced backup policy: backup operations adjusted to online & offline backup modes. 4. Disaster recovery drills conducted three times per year.
Responsible unit	IT Department

KYF places great importance on information security and is gradually establishing a comprehensive security and data protection mechanism to prevent risks such as confidential information leakage or data loss. For the Company's critical systems, a robust data backup mechanism has been specifically designed, and restoration tests are regularly conducted at different points in time to ensure that information systems can be rapidly and accurately restored under any circumstances. This approach helps reduce the risk of system interruption caused by unexpected natural disasters or human error, while ensuring that the Company meets its established system recovery objectives.

◆ No major information security incidents occurred in 2024.



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation
of Climate Change Risks

5 Employee Care

6 Social Synergy

References

4 Sustainable Environment



Sustainable Environment

KYF's environmental policy — centered on “Energy Conservation, Environmental Protection, and Cherishing our Planet” — is embodied through our ongoing efforts in the circular economy, as well as in environmental management practices such as energy conservation and waste reduction. These initiatives are comprehensively described in this chapter.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

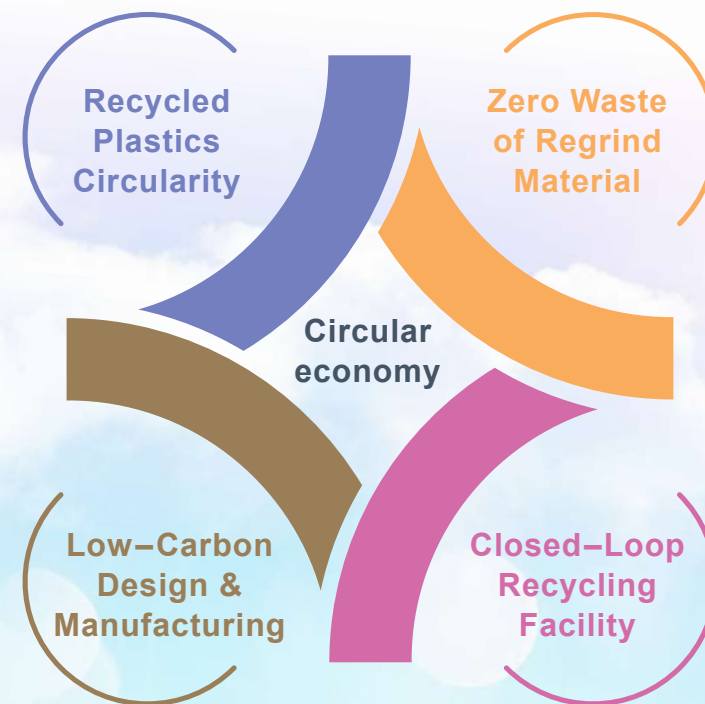
4.8 Waste Management

4.9 The Management and Adaptation
of Climate Change Risks

5 Employee Care

6 Social Synergy

References



- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics
- 3 About King Yuan Fu
- 4 Sustainable Environment**
 - 4.1 Circular Economy**
 - 4.2 Raw Material Management
 - 4.3 Environmental Management
 - 4.4 Energy
 - 4.5 Air Pollution Control
 - 4.6 Water Resource Management
 - 4.7 GHG Emissions
 - 4.8 Waste Management
 - 4.9 The Management and Adaptation of Climate Change Risks

- 5 Employee Care
- 6 Social Synergy
- References

4.1 Circular Economy

Material topic	Information Security
Significance for the Company	Circular economy has been a key pillar of KYF’s recent development strategy. In addition to strengthening the management of waste generated from current processes, KYF continues to invest in the research and development of recycled materials, with the goal of progressively increasing the proportion of recycled content utilized and actively advancing closed-loop recycling practices.
Policy and Commitment	Implementation of circular economy-based 3R principles (Reduce, Reuse, and Recycle) in all production processes.
Short-term goal	1. Maintaining a regrind material reuse rate of above 50.0% in all plants in 2025. 2. Achieve rPET usage ratio of 40.0% in 2025. 3. From 2025, actively expand closed-loop recycling sites to acquire and increase the use of more recycled plastics.
Medium- and long-term goals	Achieve an rPET usage ratio of 100.0% by 2035.
Course of action	1. Process offcuts are automatically recovered and shredded by machinery for reintegration into manufacturing. 2. The Sales Department continuously promotes rPET products to customers.
Results	1. In 2024, the in-plant regrind material reuse rate reached 47.58% (Target: 45%, achieved). 2. In 2024, the rPET usage ratio reached 21.15%. (Target: 35%, reason for not meeting the target: see 4.1.2.2 Raw Material Selection).
Responsible unit	Manufacturing unit, Sales Department



4.1.1 Trends and Responses in Plastic Packaging

The global reduction of plastics has become an international consensus. Plastics are primarily derived from petrochemical sources, and their production and disposal contribute significantly to climate change. Although many countries have legislated restrictions on single-use plastics, less than 10% of plastics worldwide are recycled and reused. Changes in lifestyle have driven a surge in demand for takeout and delivery, fueling increased consumption of plastic containers and growing plastic waste. However, the United Nations Environment Assembly (UNEA 5.2) had originally planned to establish a legally binding "Global Plastics Treaty" by the end of 2024. Due to differing views among countries regarding plastic reduction regulations, negotiations have stalled, resulting in a deadlock that underscores the need for greater international consensus and action on plastic reduction.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation
of Climate Change Risks

5 Employee Care

6 Social Synergy

References

Regardless of the progress in international regulations, low-carbon footprint sustainable packaging has become a prevailing trend, and KYF has already taken concrete actions in the following areas:

Reduce packaging:

Eliminate unnecessary packaging to minimize waste. For example, redesign products to reduce material thickness and usage while maintaining equivalent packaging performance.

Use of post-consumer recycled (PCR) materials:

Among various types, PET has the highest recycling volume, supported by a well-developed recycling system. Technologically, producing products with 100% rPET content is already feasible. At present, rPET is the most widely used recycled material in food packaging.

Expanding Sources of Recycled Input Materials:

KYF is actively expanding closed-loop recycling systems and collaborating with retailers as well as plastic washing and recycling companies to secure and increase the use of recycled plastics.

Use of Biodegradable Materials:

KYF is actively promoting PLA (polylactic acid) bioplastics derived from corn starch. These materials require specific industrial composting conditions to biodegrade effectively. The Taiwan Environmental Protection Administration restricts the use of PLA disposable tableware in designated areas. Moreover, PLA's visual similarity to PET poses contamination risks in recycling streams, which adversely affects recycling quality and sales of PLA products.

To mitigate these challenges, KYF is developing material identification technologies, such as printing unique identification patterns on products, aiming to improve sorting accuracy and support circularity in the future.

Implementing Circular Design:

KYF has adopted Cradle to Cradle design principles to facilitate continuous resource circulation, reduce raw material extraction and waste generation, and minimize environmental impact.

In 2020, KYF launched its own brand, “aGain,” which was officially registered and trademarked. This brand serves as a communication platform for KYF’s circular economy initiatives and its rPET product line.

Leveraging accumulated technical expertise and experience, KYF is committed to becoming a leader in rPET thermoformed food packaging.



4.1.2 Design, Development & Manufacturing

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

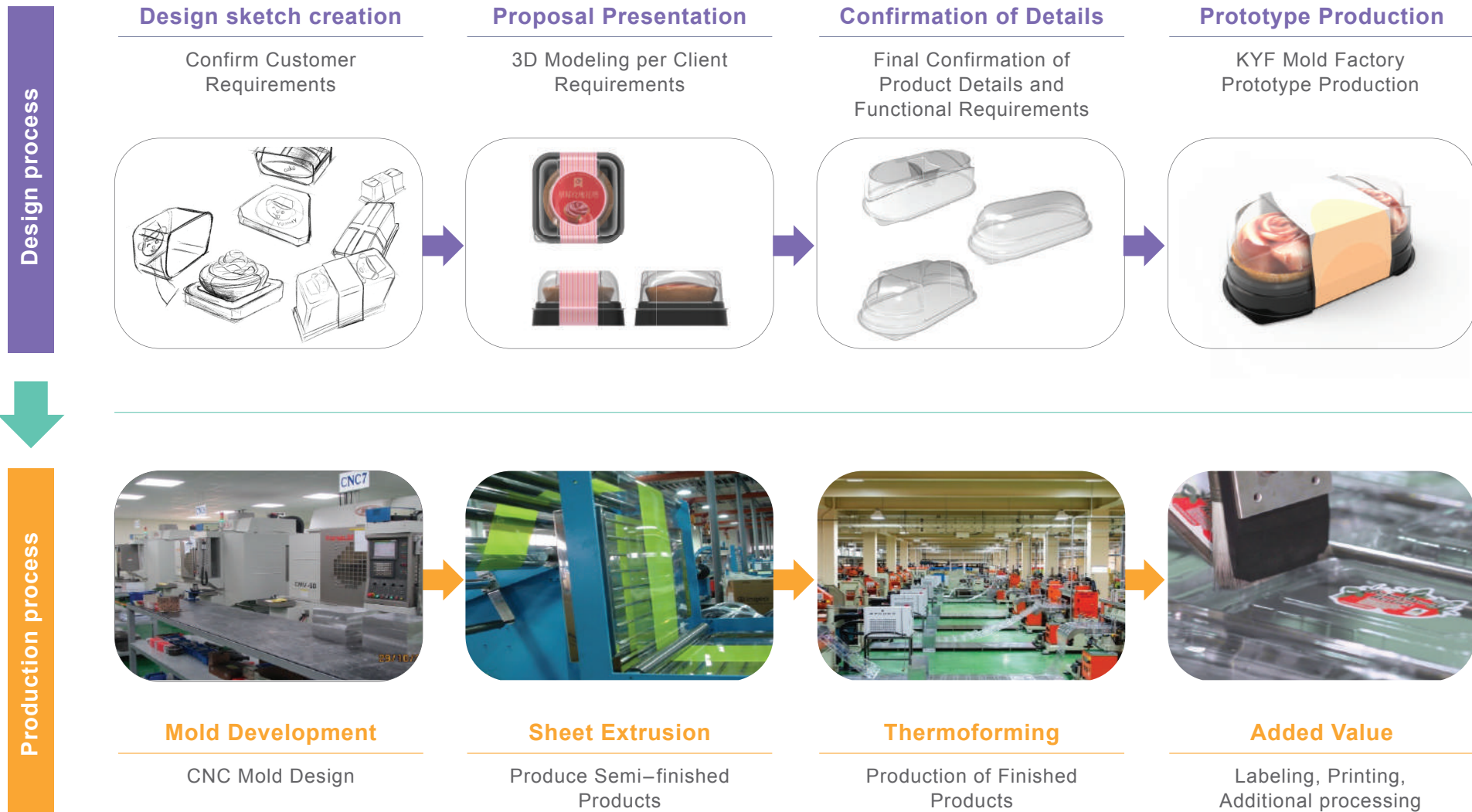
4.8 Waste Management

4.9 The Management and Adaptation
of Climate Change Risks

5 Employee Care

6 Social Synergy

References



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation
of Climate Change Risks

5 Employee Care

6 Social Synergy

References

4.1.2.1 Design & Development

- ◆ In addition to meeting customer requirements while balancing aesthetics and functionality, product design integrates circular economy principles, including the use of low-carbon materials and recycled input materials, as well as raw material reduction. The design also considers the recyclability of products post-use—such as employing mono-materials or transparent coloring—to facilitate effective processing and reuse within the recycling system.
- ◆ Since 2018, the Company has been scientifically researching ways to reduce the thickness of existing products without compromising quality or functionality, thereby lowering the consumption of virgin plastic resin. In 2024, one new thin-walled product was introduced. Over the past three years, the cumulative weight reduction of thin-walled products totaled 521 metric tons, resulting in a carbon emission reduction of 1,593 tCO₂e.

Number of new thin-walled items in the past three years

	2022	2023	2024
PET	13	8	0
PP	2	0	1
PLA	6	0	0
Total	21	8	1

Note:

Since 2021, we have actively promoted thin-walled product initiatives. Although the number of new thin-walled items has declined year by year, we continue to engage with customers to drive and optimize thinning efforts, ensuring product quality remains uncompromised.

Weight of Thin-walled Products & Reduced Carbon Emissions (by Year)

	Number of pieces	2022 Shipments		2023 Shipments		2024 Shipments	
		Weight Reduced (kg)	CO ₂ e Reduced (tCO ₂ e)	Weight Reduced (kg)	CO ₂ e Reduced (tCO ₂ e)	Weight Reduced (kg)	CO ₂ e Reduced (tCO ₂ e)
New thinning products added in 2022	PET: 13	4,772.6	15.2	177,471.7	564.9	204,678.0	651.5
	PP: 2	16,334.1	37.4	39,173.4	89.7	17,631.0	40.4
	PLA: 6	143.1	0.5	174.8	0.6	192.5	0.6
Total	21	21,249.8 Kg	53.1 tCO ₂ e	216,819.9 Kg	655.2 tCO ₂ e	222,501.5 Kg	692.5 tCO ₂ e
New thinning products added in 2023	PET: 8	—	—	6,481.7	20.6	53,810.1	171.3
	PP: 0	—	—	0.0	0.0	0.0	0.0
	PLA: 0	—	—	0.0	0.0	0.0	0.0
Total	8	—	—	6,481.7 Kg	20.6 tCO ₂ e	53,810 Kg	171.3 tCO ₂ e
New thinning products added in 2024	PET: 0	—	—	—	—	0.0	0.0
	PP: 1	—	—	—	—	122.0	0.3
	PLA: 0	—	—	—	—	0.0	0.0
Total	1	—	—	—	—	122 Kg	0.3 tCO ₂ e

Note:

- Carbon emission coefficients adopted for this report are based on the plastic material coefficients released by SimaPro (PET: 3.183, PP: 2.29, PLA: 3.26, rPET 50: 2.2815; Unit: kg CO₂e/kg).
- As most customers are long-term partners, the carbon reduction benefits continue to increase annually as thin-walled items continue to be purchased.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation of Climate Change Risks

5 Employee Care

6 Social Synergy

References

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation
of Climate Change Risks

5 Employee Care

6 Social Synergy

References

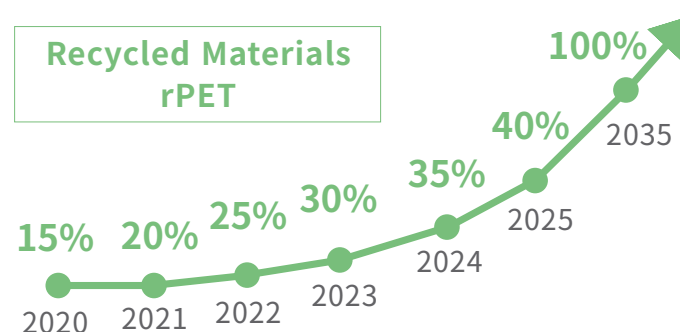
4.1.2.2 Raw Material Selection

◆ To reduce reliance on petroleum-based resources, the Company is gradually shifting its raw material selection from 100% virgin PET to increasing the proportion of recycled input materials, specifically rPET, without compromising food safety or product quality. The “r” in rPET stands for “recycled,” reflecting its origin from recycled plastic content.

◆ The Company sources food-contact grade recycled PET (rPET) pellets from leading raw material manufacturers. All rPET products are verified through SCS Certified Recycled Content, ensuring that the origin and proportion of recycled input materials comply with relevant standards.

This certification evaluates the use of pre-consumer and post-consumer recycled content and calculates the percentage of recycled material in the product, providing a reliable foundation for sustainability claims. (For more details, refer to Section 1.3: Product Certification.)

◆ The Company has set a target to progressively increase the use of rPET annually, aiming to achieve 100.0% by 2035.



◆ In 2024, the rPET usage rate was 21.15%, still below the 35% target. The main reason is that the customer market remains in an economic recovery phase, resulting in a crowding-out effect from the increased costs of using recycled materials, which impacts the progress of our environmental initiatives. In 2025, we will continue to strengthen communication with customers and highlight the benefits of rPET products to increase usage.



4.1.2.3 Manufacturing

Reused input materials (regrind):

In the production process, two major machines—the extruder and the thermoforming machine—are equipped with regrind recovery systems. Trimmed internal production scrap is shredded, sorted by material and color, and stored as regrind material, which is then reused in the production process. This internal recycling practice supports the reduction of waste diverted from disposal and promotes resource efficiency.

In 2024, reused regrind materials totaled 46,923 metric tons, accounting for 47.58% of total input materials used.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

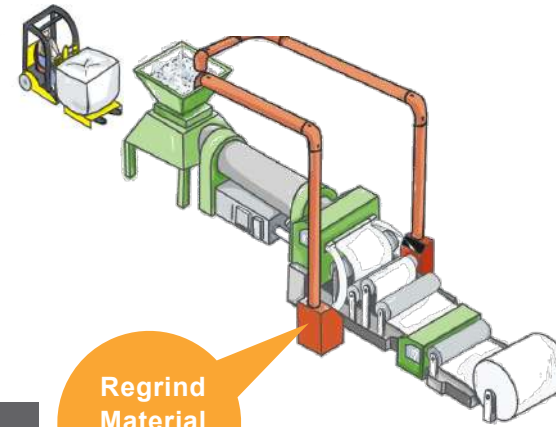
4.8 Waste Management

4.9 The Management and Adaptation
of Climate Change Risks

5 Employee Care

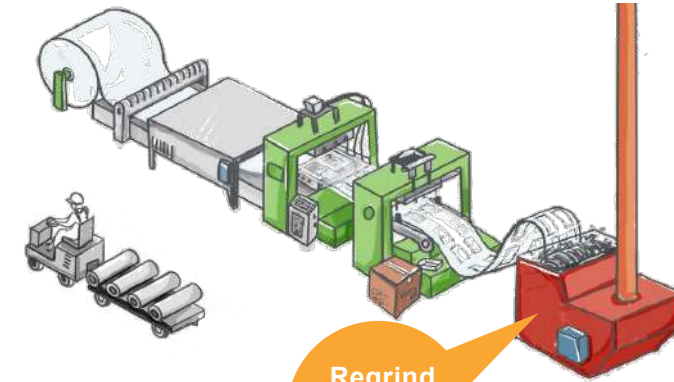
6 Social Synergy

References



Extrusion

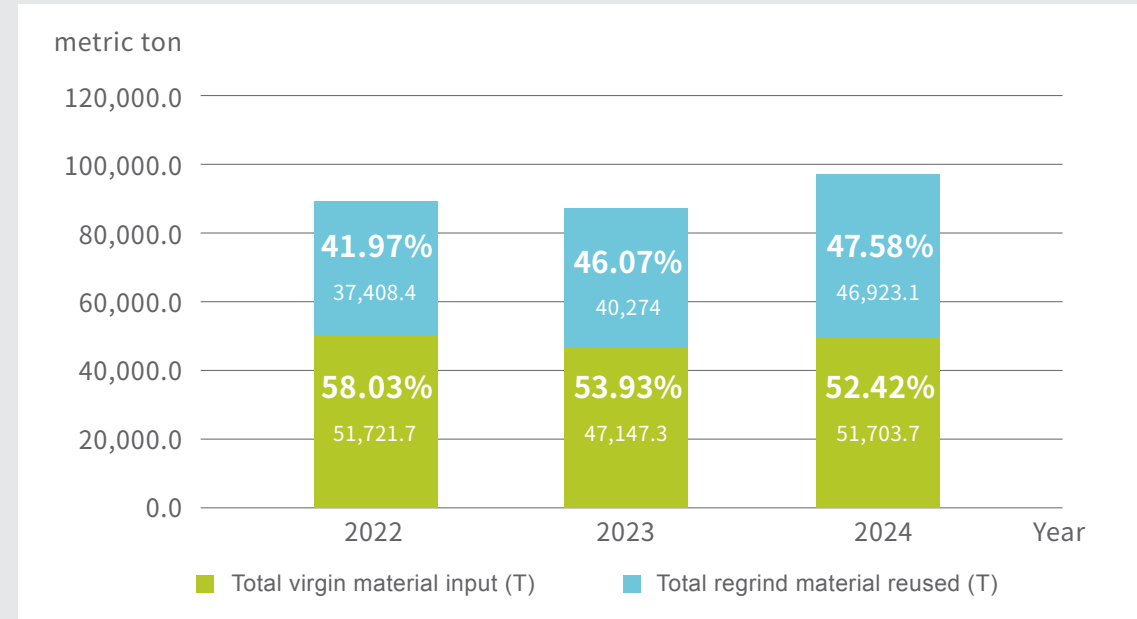
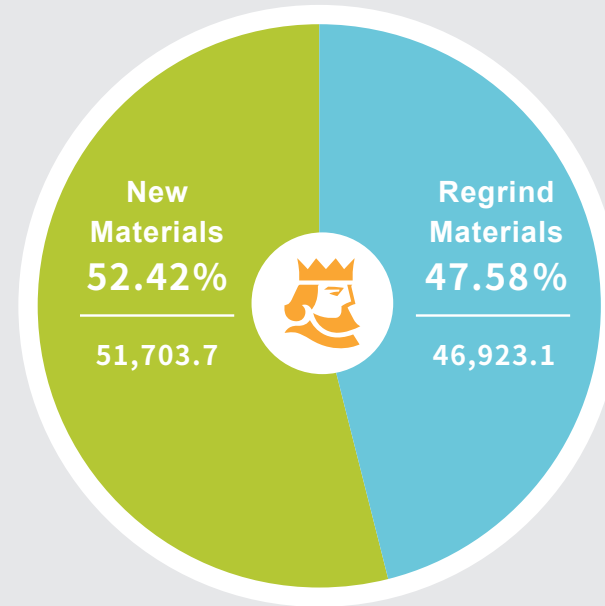
Regrind
Material
Recycling



Thermoforming

Regrind
Material
Recycling

2024



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation
of Climate Change Risks

5 Employee Care

6 Social Synergy

References

4.1.2.4 Closed-loop Recycling Station

According to data published by the Ellen MacArthur Foundation in 2016, 40% of plastic products produced globally each year are landfilled, 32% enter natural systems, and 14% are incinerated; only 14% are recycled. After accounting for losses and downcycling, only 2% of plastics can be effectively reused through post-consumer recycling (PCR). Post-consumer recycling (PCR) refers to plastics that, after being used and discarded by consumers, are recycled and remanufactured into products of the same type, rather than being turned into lower-grade items. For example, recycled PET bottles are reprocessed into food-grade plastic containers instead of being made into textile fibers for clothing. This model is referred to as **closed-loop recycling**.

Therefore, we began exploring ways to implement a circular economy within the food packaging sector, enabling plastics to be continuously recycled. This approach helps reduce the environmental impact of plastic waste and the extraction of petrochemical raw materials. Following the "cradle to cradle" regenerative design principles, we established a "clamshell to clamshell" closed-loop recycling system.

In August 2024, KYF, in partnership with Carrefour Taiwan and BoReTech, took the lead in establishing Taiwan's first closed-loop recycling site for PET clamshell packaging at Carrefour Kaohsiung Love River Store, and will continue to actively expand recycling station sites in the future. In addition, KYF participated in the Sustainable Innovation Hackathon competition as a corporate challenger, jointly exploring ways to promote the circular economy and application of related resources, and deepening industry-academic exchanges and cooperation.

Recycling station business model: Chain supermarkets and hypermarkets utilize No. 1 PET packaging boxes that protect products and reduce damage. These boxes can be recycled and remanufactured into new packaging, which is then supplied back to the retailers. This "clamshell to clamshell" circular economy ensures that packaging no longer adds extra plastic burden to the planet, reduces reliance on virgin plastic, advances toward net-zero carbon emissions, and maximizes resource value.

Reference URLs: <https://reurl.cc/gRrXG7> 、 <https://sustainabilityhackathon-tw.org/封閉式循環區域回收系統建置/>



Closed-loop PET Recycling Station at Carrefour Taiwan – Kaohsiung Love River Store



2024 Sustainable Smart Innovation Hackathon, Taiwan

4.1.3 Product Safety and Quality

Material topic	Product Safety and Quality / Customer Relationship																							
Significance for the Company	As a food packaging manufacturer, we deliver innovative and environmentally responsible solutions that safeguard food safety, minimize environmental impact, and generate sustainable value for our customers.																							
Policy and Commitment	We are committed to providing customers with safe, high-quality products. Through continuous improvement and innovation, we develop new technologies to advance sustainable packaging. We consistently deliver top quality, rapid turnaround, and highly responsive service.																							
Short-term goal	1. 2025 Customer Complaint Annual Target: <table><tr><th></th><th>Shulin</th><th>Yingge</th><th>Dongshan</th></tr><tr><td>(1) Food Safety</td><td>≤ 0 cases</td><td>≤ 0 cases</td><td>≤ 0 cases</td></tr><tr><td>(2) Quality</td><td>≤ 13 cases</td><td>≤ 6 cases</td><td>≤ 6 cases</td></tr></table> 2. 2025 Production Abnormalities Annual Target: <table><tr><th></th><th>Shulin</th><th>Yingge</th><th>Dongshan</th></tr><tr><td>Production Unit</td><td>≤ 20 cases</td><td>≤ 20 cases</td><td>≤ 20 cases</td></tr></table> 3. Customer satisfaction score of at least 95.					Shulin	Yingge	Dongshan	(1) Food Safety	≤ 0 cases	≤ 0 cases	≤ 0 cases	(2) Quality	≤ 13 cases	≤ 6 cases	≤ 6 cases		Shulin	Yingge	Dongshan	Production Unit	≤ 20 cases	≤ 20 cases	≤ 20 cases
	Shulin	Yingge	Dongshan																					
(1) Food Safety	≤ 0 cases	≤ 0 cases	≤ 0 cases																					
(2) Quality	≤ 13 cases	≤ 6 cases	≤ 6 cases																					
	Shulin	Yingge	Dongshan																					
Production Unit	≤ 20 cases	≤ 20 cases	≤ 20 cases																					
Medium- and long-term goals	1. By establishing testing methods and process controls for circular materials, we provide customers with sustainable packaging of consistent quality. 2. Active exploration of market applications and adoption of adequate design verification methods. 3. Enhancement of emergency response capabilities concerning customer complaints and strengthening of customer trust. 4. Customer satisfaction score of at least 95.																							
Course of action	Maintenance of ISO 9001, ISO 22000, HACCP, BRCGS, and food safety system certificates. Promote the "Total Quality Management (TQM)" initiative by providing quality awareness training and instilling the concept that everyone is responsible for quality. Implementation of self-inspection and reduction of quality anomalies, and aims to lower customer complaints and increase customer satisfaction.																							
Results	1. There were no incidents of fines or recalls due to violations of food-related regulations, including product safety, labeling, and advertising requirements in 2024. 2. The 2024 targets for customer complaints and production abnormalities were not met. Variations in product types and equipment conditions across production sites impacted quality control, leading to higher abnormality rates in certain lines. The Company continues to implement Total Quality Assurance across all operations. 3. Domestic customer satisfaction scored 95, while overseas customer satisfaction scored 97.2 in 2024, which achieved the target successfully.																							
Responsible unit	Manufacturing unit, QA Department																							

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation
of Climate Change Risks

5 Employee Care

6 Social Synergy

References

4.1.3.1 Food Safety and Quality Policy

We prioritize a philosophy of Quality, Safety, and Customer Satisfaction concepts. In addition, we are fully committed to the all-out implementation of the Food Safety and Quality Management System and the incessant pursuit of process improvements and problem prevention with the ultimate goal of lowering defect rates, reducing waste, and enhancing product quality, productivity, and customer satisfaction. We have made the following pledges:

Adoption, implementation, and maintenance of a sound food safety and quality management system

Ongoing effort to gain a clear understanding of customer requirements through adoption of a customer-centered approach

Timely delivery of products and services that meet customer quality expectations

Participation by all staff members in ongoing efforts to enhance the performance of all departments

Ongoing improvement of customer satisfaction

On this foundation, we have compiled a BRC Product Safety and Quality Management Manual and a Food Safety & Quality and Environmental Management Manual. All our manufacturing sites have passed the certification audits for the ISO 9001 Quality Management System, ISO 22000 Food Safety Management System, and the Hazard Analysis and Critical Control Points System (HACCP). Our Yingge and Dongshan Plants have further acquired BRCGS Packaging Materials Global Standard certificates (Note).

Note: BRCGS (Brand Reputation Compliance Global Standards for Food Packaging Materials) provides a framework of internationally recognized global standards for the management of food safety, food packaging and packaging materials, storage and distribution, agents and brokers, consumer products, and the retail industry.

4.1.3.2 Quality Management

◆ We have established a comprehensive quality assurance system following the requirements of the ISO 9001 Quality Management System. This mechanism consists of Quality Assurance System Management Procedures, Control Procedures for Non-Conforming Products, Procedures Governing Corrective and Preventive Measures, Customer Satisfaction Measurement Procedures, and setting of quality management targets.



- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics
- 3 About King Yuan Fu

4 Sustainable Environment

- 4.1 Circular Economy
- 4.2 Raw Material Management
- 4.3 Environmental Management
- 4.4 Energy
- 4.5 Air Pollution Control
- 4.6 Water Resource Management
- 4.7 GHG Emissions
- 4.8 Waste Management
- 4.9 The Management and Adaptation of Climate Change Risks

- 5 Employee Care
- 6 Social Synergy
- References

◆ Quality and Customer Satisfaction Management Procedures Overview

Procedure	Description
Quality Assurance System Management Procedures	These procedures ensure effective management of quality inspection control points, inspection methods, and judgment criteria at all process stations from receipt of incoming raw materials to manufacturing and shipment
Control Procedures for Non-Conforming Products	These procedures enable us to adopt effective countermeasures concerning existing or potential non-conformities in the food safety, quality, and environmental dimensions affecting our products during material input, processing, manufacturing, shipment, and customer complaint processes and thereby facilitate the prevention of recurrence of similar issues and achievement of the goal of ongoing improvements.
Procedures Governing Corrective and Preventive Measures	Competent units handle non-conforming products during the material input, process, finished good, and customer complaint stages by relying on rigorous control procedures to prevent misuse or continued use of non-conforming products in follow-up processes and delivery of such products to customers
Customer Satisfaction Measurement Procedures	The goal of these procedures is to gain a clear understanding of customer requirements and expectations in the fields of product quality and food safety as a driving force for ongoing improvements

- ◆ The Company has established a Quality Assurance Laboratory equipped with various instruments, including a Flake Scan analysis system, intrinsic viscosity (IV) tester, melt flow index tester, colorimeter, and thickness gauge. These facilities enable the Company to independently conduct quality control activities. Food safety-related testing, however, is currently outsourced to qualified third-party laboratories.
- ◆ For the company's series of products, representative products of different materials are sent for third-party testing based on annual risk assessments to ensure that the migration tests and material tests are 100% compliant with the "Sanitation Standards for Food Utensils, Containers, and Packaging."
- ◆ Regarding product labeling, the quality assurance team ensures that all products are labeled according to the "Principles for Labeling the Names of Plastic Materials in Food Utensils, Containers, and Packaging" before they are released to the market to ensure 100% compliance with regulatory requirements. For products that are exported to other countries, compliance with local regulations is also ensured to provide customers with safe usage information and prevent food safety incidents due to improper use.
- ◆ In 2023, considering the risks of customer transportation and storage stacking, the quality assurance department established a standard formula for estimating the risk of carton compressive strength and installed a carton compression testing machine to assess and prevent the risk of stack collapse.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation
of Climate Change Risks

5 Employee Care

6 Social Synergy

References

Lab Equipment



MI tester



IV tester



Moisture tester



Thickness meter



Flake Scan Analysis
System



Transmittance
meter



Colorimeter

Quality Abnormality
Prevention



Sealing machin



Film sealing
leaking detector



Pulling and
compression tester



Microwave Oven



Oven



Transportation
vibration tester



Box compression
tester



Hot
air-drying oven

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation
of Climate Change Risks

5 Employee Care

6 Social Synergy

References

4.1.3.3 Food Safety

- ◆ We strive to further increase staff participation and execution capabilities to further entrench a culture of food safety and instill food safety awareness and a sense of responsibility on the part of employees. Our efforts to build a food safety culture rely on the following key components: communication, training, employee feedback, and food safety performance measurement.

◆ Key Points of Food Safety Management Action Plan

Key elements	Implementation items
Communication	Convening production technology and production & marketing routine meetings and establishing a platform for regular communications
Training	Organization of training courses on food safety, personnel, and environmental hygiene, and food defense at least annually
Employee feedback	Employee suggestion box, proposals, etc.
Food safety performance measurement	Setting food safety goals and monthly performance tracking



- ◆ Under the provisions outlined in the Act Governing Food Safety and Sanitation, food packaging materials, which represent our main product category, constitute a key link to the food industry. We therefore place strong emphasis on quality and safety and have established a comprehensive food safety system to ensure that our operating personnel, operating locations, facility hygiene management, and quality assurance system conform to all applicable Food Good Hygienic Practices (GHP). We have also made a firm pledge to implement the so-called 7S methodology (Seiriせiri (Sort out), Seitonせいとん (Systematize), Seisoせいそう (Sweep and clean), Seikeせいけつ (Standardize), Shitsukeしつけ (Sustain), Safetyセーフティ, Savingセービング).
- ◆ Food safety: We are firmly committed to the formation of food safety task forces, the adoption of a Hazard Analysis Critical Control Point (HACCP) plan, and the identification, assessment, and control of hazards present in all production processes and procedures to eliminate or reduce risks to acceptable levels and thereby increase food safety.
- ◆ Food defense: We prioritize precautionary measures against and elimination of potential tasks of sabotage, deliberate contamination, and terror attacks, which pose a danger to our products. In addition, we have food defense management procedures and food defense task forces in place to ensure the effective implementation of protective measures and management practices with the ultimate goal of preventing food safety incidents and safeguarding the interests of our customers, employees, and the Company.
- ◆ We schedule internal and external audits of the ISO 22000 Food Safety Management System, the Hazard Analysis and Critical Control Points System (HACCP), and BRCGS Packaging Materials Global Standards on an annual basis to ensure the ongoing effectiveness of our food safety management system. No violations of product and service-related health and safety laws and product labeling and advertising regulations occurred in the most recent three years.

4.1.3.4 Customer satisfaction scores

Year	2022	2023	2024
Average customer satisfaction score	96.36	96.39	97.03

Note:

- The satisfaction survey score is calculated based on the revenue ratio of domestic and international sales for the respective year:
Score = (Annual average domestic satisfaction score × Annual domestic revenue ÷ Total annual company revenue) + (Annual average overseas satisfaction score × Annual overseas revenue ÷ Total annual company revenue)
- Satisfaction Score Analysis: To better understand our customers' needs and expectations, we use satisfaction surveys to help us adjust our products, services, or processes. This allows us to identify the strengths and weaknesses of our offerings. The satisfaction survey covers various aspects including "Account Manager Evaluation," "Product Quality Satisfaction," "On-time Delivery," "Mold Development," and "Sustainable Development." If any customer satisfaction score is below 95 points, a review process will be initiated to ensure that similar issues do not occur in the future.
- Over the past three years, customer satisfaction scores have consistently exceeded the target benchmark of 95. In 2024, all five evaluation criteria met or surpassed the 95–point goal. We will continue to respond to individual customer feedback to further enhance service quality.



4.2 Raw Materials Management

Material topic	Raw Material Management
Significance for the Company	To align with circular economy policies, we aim to reduce the extraction of virgin raw materials and prioritize materials that are highly efficient, low in pollution, recyclable, renewable, and reusable, thereby enhancing the circular use of resources.
Policy and Commitment	Continue to promote the use of environmentally friendly and recycled materials and strengthen quality control of raw materials.
Short-term goal	1. Develop qualified rPET suppliers to ensure the acquisition of raw materials 2. Adopt a circular business model, replacing traditional purchasing methods with recycling 3. Maintain the adoption of 5 qualified rPET suppliers in 2025. 4. Delivery accuracy rate of 100% in 2025
Medium- and long-term goals	Continue developing and introducing qualified rPET suppliers to ensure stable supply capacity

- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics
- 3 About King Yuan Fu
- 4 Sustainable Environment**
 - 4.1 Circular Economy
 - 4.2 Raw Material Management**
 - 4.3 Environmental Management
 - 4.4 Energy
 - 4.5 Air Pollution Control
 - 4.6 Water Resource Management
 - 4.7 GHG Emissions
 - 4.8 Waste Management
 - 4.9 The Management and Adaptation of Climate Change Risks

- 5 Employee Care
- 6 Social Synergy
- References

Material topic	Raw Material Management
Course of action	Incorporate circular economy principles into the green procurement framework, expand the scope of green procurement projects, and promote activities such as reducing, recycling, and reusing raw materials to achieve circular economy goals.
Results	1. Adoption of 5 qualified rPET suppliers in 2024 2. Achieving 100% on–time delivery in 2024
Responsible unit	Procurement Department

4.2.1 Raw Material Classification

The Company carefully selects raw material types and suppliers to ensure quality, food safety, and alignment with circular economy principles.

Our primary raw materials include polyester pellets (PET, rPET, PLA, and PP), along with packaging materials such as cartons and plastic bags.

As food packaging falls under fast–moving consumer goods (FMCG), we must respond quickly to market fluctuations and therefore closely monitor raw material usage. At the same time, we strive to reduce packaging where possible and give priority to environmentally preferable materials—for example, cartons made from recycled pulp.

Because plastic pellets are non–renewable resources, the Company’s commitment to the circular economy is rooted in enabling plastics to be continuously recycled. We seek to replace virgin PET with recycled materials such as rPET, maximizing resource efficiency and minimizing environmental impact.

◆ Main Raw Materials in Recent Years

Main raw materials	Name	Renewable / Non–renewable (Note)	Recyclable/ Non–recyclable	Remarks	Raw Material Procurement Weight (Ton)		
					2022	2023	2024
Raw material	Plastic pellets (PET)	Non–renewable	Recyclable	These pellets are derived from crude oil. After extraction of the oil, it takes nature millions of years to regenerate it. Crude oil is therefore referred to as a non–renewable resource.	18,010	30,368	29,345

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation
of Climate Change Risks

5 Employee Care

6 Social Synergy

References

Main raw materials	Name	Renewable / Non–renewable (Note)	Recyclable / Non–recyclable	Remarks	Raw Material Procurement Weight (Ton)		
					2022	2023	2024
Raw material	Plastic pellets (rPET)	Non–renewable	Recyclable	rPET is a recycled material that is obtained through post–consumer recycling of PET (recycled input material)	8,234	6,316	8,404
	Plastic pellets (PP)	Non–renewable	Recyclable	These pellets are derived from crude oil. After extraction of the oil, it takes nature millions of years to regenerate it. Crude oil is therefore referred to as a non–renewable resource.	10,649	10,912	9,065
	Polylactic Acid (PLA)	Renewable	Recyclable	Lactic acid generated through fermentation of a mixture of starch (derived from wheat and rice straw and corn) and cellulose is turned into PLA through polymerization. This material is derived from plants, a renewable resource that can be regenerated within a short period	3,458	2,352	3,830
Other material	Cartons	Renewable	Recyclable	Cartons are made from wood, a renewable resource that can regenerate in a relatively short period. Therefore, suppliers are required to use recycled materials. All cartons provided by our partner paper mills are FSC–certified, and FSC–related products can be sourced upon customer request.	8,011	8,587	9,462
	Plastic bags	Non–renewable	Recyclable	These bags are derived from crude oil. After extraction of the oil, it takes nature millions of years to regenerate it. Crude oil is therefore referred to as a non–renewable resource.	2,342	345	462

Note: GRI Standards: 2021(GRI 301: Materials 2016) defines renewable and non-renewable materials as follows:

- Non–renewable material: A resource that does not renew in short periods.
- Renewable material: Material that is derived from plentiful resources that are quickly replenished by ecological cycles or agricultural processes, so that the services provided by these and other linked resources are not endangered and remain available for the next generation (e.g., water, plants, sunlight).
- Recycled input material: Material that replaces virgin materials, which are purchased or obtained from internal or external sources, and that are not by–products and non–product outputs (NPO) produced by the organization.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation
of Climate Change Risks

5 Employee Care

6 Social Synergy

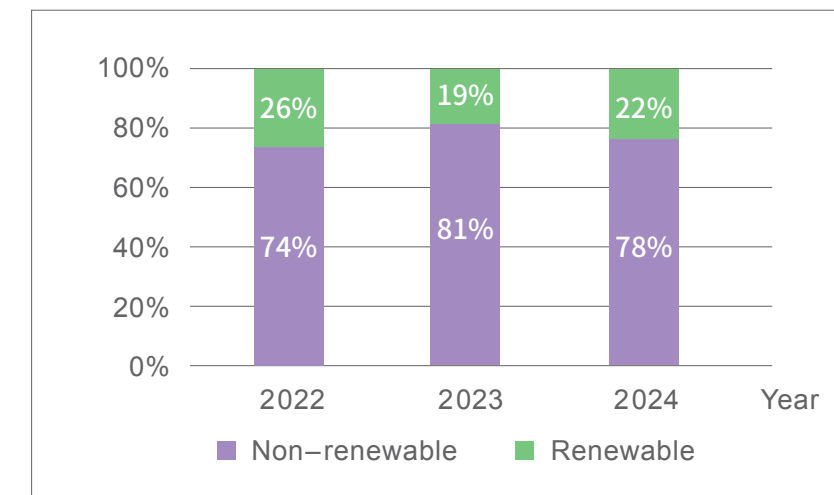
References

◆ Proportion of Renewable and Non-renewable Materials (Recent Years)

Category	2022	2023	2024
Non-renewable	74%	81%	78%
Renewable	26%	19%	22%
Total	100%	100%	100%

Note:

- (1) Procurement ratio calculation formula: (procurement amount of non-renewable materials) ÷ (added up procurement amounts of non-renewable and renewable materials) * 100%
- (2) The proportion of renewable material procurement has shown a downward trend year by year due to market demand and regulatory policy, mainly due to a decline in the procurement volume of polylactic acid (PLA).



4.3 Environmental Management

Fulfilling our responsibility as global citizens and promoting sustainable development.

With the understanding that we have only one Earth and human activity relies on the environment, the Company has designated Energy Conservation, Environmental Protection, and Cherishing our Planet as the highest guiding principles for the environmental aspect. An environmental management system has been established, with environmental goals set and performance tracked regularly.

- ◆ The Company has established Environmental Management Procedures to ensure that environmental impacts generated from various activities—such as air emissions, chemicals, waste, noise, energy resources, drinking water, and workplace hygiene—are properly handled and controlled in compliance with relevant regulations. The Company has also obtained ISO 14001:2015 Environmental Management System certification.
- ◆ Due to extreme weather patterns caused by the greenhouse effect, climate change has generally been considered one of the top three global risks in recent years. As a citizen of the earth, it is our sacred duty to actively develop a pathway to decarbonization. Due to our process characteristics, electricity represents our main energy source. Power conservation and renewable energy sources are therefore our top priorities on the low-carbon transition pathway.
- ◆ To encourage colleagues to implement energy-saving and waste-reduction measures within their respective facilities, we have established the awards based on the four following categories with monetary incentives to encourage specific initiatives. The four awards are "Energy-saving King," "Waste Reduction King," "Money-saving King," and "Solution Proposed King." These awards will be calculated and presented at the end of the year.



4.4 Energy

Material topic	Carbon emissions and Energy management
Significance for the Company	Energy management is a core focus of the Company’s environmental policy and one of the two key pillars of its decarbonization pathway. The Company invests in energy conservation equipment and actively explores renewable electricity procurement options to fulfill its RE100 commitment, reduce carbon emissions, and create a positive environmental impact.
Policy and Commitment	Establish a carbon neutrality roadmap, continuously track progress, reduce electricity intensity, and increase the share of renewable electricity.
Short-term goal	Power consumption per ton of product to be ≤ 1,536.8 kWh by 2025. Energy-saving improvement proposals to achieve at least a 1.5% reduction in 2025.
Medium- and long-term goals	Achieving RE100 commitment, 60% renewable energy in 2030, 90% renewable energy in 2040, 100% renewable energy in 2050.
Course of action	Maintain the effectiveness of the ISO 50001 Energy Management System. Continuously advance internal energy-saving improvement initiatives in alignment with ESG goals.
Results	In 2024, the Dongshan Plant maintained the effectiveness of the ISO 50001 Energy Management System. Internal energy-saving improvements led to a total electricity saving of 2,401,441 kWh. Energy-saving improvement proposals successfully achieved the 1% electricity savings target.
Responsible unit	Sustainable Development Department

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation
of Climate Change Risks

5 Employee Care

6 Social Synergy

References

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation
of Climate Change Risks

5 Employee Care

6 Social Synergy

References

4.4.1 Energy Consumption

Due to our process requirements, our main energy source is purchased electricity. Power conservation therefore represents our core strategy to maximize our positive influence in the environmental dimension. The scope of our energy consumption reporting in 2024 encompassed the Shulin, Yingge, and Dongshan plants, as well as the Yingge Plant 2 achieving a coverage rate of 100%.

◆ Energy consumption conditions in 2024

Energy categories	Type	Shulin Plant	Yingge Plant	Dongshan Plant	Yingge Plant 2	Total	MJ Coefficient	Total energy consumption (MJ)
Purchased electricity – conventional sources (kWh)	Non–renewable	6,793,997.0	32,922,858.0	49,118,886.0	5,223,000.0	94,058,741.0	1 kWh = 3.6*(10 [^] –6)TJ	338.6114680
Purchased electricity – solar (kWh)	Renewable	0	1,561,325.0	6,048,056.0	100,000.0	7,709,381.0	1 kWh = 3.6*(10 [^] –6)TJ	27.7537716
Diesel (liter)	Non–renewable	19,588.3	24.0	352.0	39.0	20,003.3	1 kcal=4.187*(10 [^] –9)TJ	0.0000838
LPG (liter)	Non–renewable	0	58.2	563.6	0	621.8	1 kcal=4.187*(10 [^] –9)TJ	0.0000026
Gasoline (liter)	Non–renewable	0	4608.5	0	1614.2	6,222.7	1 kcal=4.187*(10 [^] –9)TJ	0.0000261
Self–consumed on–site solar energy (kWh)	Renewable	0	10,866.4	134,889.7	106,146.4	251,902.5	1 kWh = 3.6*(10 [^] –6)TJ	0.9068490
Total								367.2722011

Note:

- (1) Conversion factors source: Unit conversion table from the Energy Administration, Ministry of Economic Affairs (Taiwan).
https://www.moeaea.gov.tw/ecw/main/content/wHandMenuFile.ashx?file_id=1509
- (2) Solar power procurement commenced in 2024; for details, please refer to Section 4.4.3.
- (3) Renewable electricity certificates (direct supply): Records of direct supply certificate transactions can be found at https://www.trec.org.tw/certification_trade_situation/direct_supply by searching "金元福包裝".
- (4) The plant is equipped with on–site solar facilities: Self–consumption renewable electricity certificates (search "金元福包裝" at <https://www.trec.org.tw/certification>). Certificate records for 2024 are as follows:
 - Yingge Plant Solar Power Generation Certificate number: 21SP0031–B024000001~11
 - Yingge Plant 2 Solar Power Generation Certificate number: 24SP0850–B024000001~8 (On–site solar renewable electricity generation began in October 2023; certificates were issued in November 2024 after application processing.)
 - Dongshan Plant Solar Power Generation Certificate number: Certificates were applied for in January 2025; therefore, no renewable electricity certificate data is available for 2024.



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation
of Climate Change Risks

5 Employee Care

6 Social Synergy

References

◆ Energy consumption conditions in 2024

Electricity Unit (kWh)

Category	Plant	Feed-in Meter No. / Meter No.	Installed Capacity (kW)	2022	2023	2024
Feed-in Tariff to Taipower	Dongshan	03-44-6362-99-4	498.928	407,440	472,672	238,208
Feed-in Tariff to Taipower	Dongshan	03-44-6362-98-3	288.05	263,172	285,900	176,316
Feed-in Tariff to Taipower	Dongshan	03-44-6361-99-3	187.68	171,968	181,940	113,572
Self-Consumption	Dongshan	03-44-6362-01-7	498.928	---	---	46,944
Self-Consumption	Dongshan	03-44-6362-01-7	288.05	---	---	37,116
Self-Consumption	Dongshan	03-44-6362-01-7	187.68	---	---	50,830
Self-Consumption	Yingge	05-81-5596-11-7	10.065	10,995.7	11,645	10,866.4
Self-Consumption	Yingge Plant 2	05-81-5599-11-0	104.14	---	17,821	106,146.4

Note: Beginning in August 2024, all solar power systems at the Dongshan Plant transitioned from feed-in tariff to Taipower to self-consumption.

◆ Total Plant Electricity Consumption (2022-2024):

Plant	2022	2023	2024	Difference 2024 vs 2023 (%)
Shulin Plant	10,050,658	6,596,126	6,793,997	2.91%
Yingge Plant	36,675,488	34,591,152	34,495,049	-0.28%
Dongshan Plant	49,855,056	49,291,921	55,301,832	10.87%
Yingge Plant 2	---	1,775,600 *Building in use since October 2023	5,429,146	67.3%
Total Power Consumption	96,581,202	92,254,799	102,020,024	9.57%

As shown in the table above, total electricity consumption increased by 9.57% in 2024 compared to 2023, primarily due to expanded production capacity. However, electricity consumption per metric ton of output showed a declining trend, as illustrated in the following table "Electricity Consumption per Metric Ton of Finished Product." Internal energy-saving initiatives continue to be implemented.

- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics
- 3 About King Yuan Fu

4 Sustainable Environment

- 4.1 Circular Economy
- 4.2 Raw Material Management
- 4.3 Environmental Management
- 4.4 Energy
- 4.5 Air Pollution Control
- 4.6 Water Resource Management
- 4.7 GHG Emissions
- 4.8 Waste Management
- 4.9 The Management and Adaptation of Climate Change Risks

- 5 Employee Care
- 6 Social Synergy
- References

◆ Electricity Consumption per Metric Ton of Finished Product (2022–2024):

	2022	2023	2024
Average Electricity per Metric Ton of Finished Product (kWh)	1,684.0	1,592.9	1,493.3

Note: Based on ESG Committee discussions, total shipment volume was deemed an inaccurate basis for assessing electricity consumption related to finished product manufacturing. Therefore, starting in 2022, the analysis has been based on the production volume of finished products.

Formula = [Power consumption of all plants - (Office power consumption + Dormitory power consumption)] ÷ [Total shipment volume of finished goods in all material categories × Sum of all material density parameters converted into PET density]

◆ Energy Consumption per Metric Ton of Finished Product (2022–2024):

	2022	2023	2024
Total Annual (MJ)	347,881,990.45	332,223,469.80	367,039,622.61
Total weight in tons based on converted density for each material	57,463.56	56,800.49	64,531.18
Average energy consumption per ton output of finished goods (MJ) (Energy Intensity)	6,053.96	5,848.95	5,687.79

Note: 1 kWh = 3.6 MJ; 1 kcal=4.187*(10[^]-3) MJ

4.4.2 Power Conservation and Energy Management

◆ All KYF production sites comply with Article 12 of the Energy Management Act, reporting annual energy use to the Bureau of Energy, MOEA. Reviewing the past three years of energy-saving performance, the average annual power-saving rate at each plant exceeded the regulatory requirement of 1% every year.

Year	Shulin Plant		Yingge Plant		Dongshan Plant		Yingge Plant 2	
2022	Power saving rate for the respective year: 0.11%	Average annual power saving rate: 1.95%	Power saving rate for the respective year: 0.45%	Average annual power saving rate: 1.45%	Power saving rate for the respective year: 1.7%	Average annual power saving rate:1.88%	—	
2023	Power saving rate for the respective year: 0.93%	Average annual power saving rate: 1.9%	Power saving rate for the respective year: 0.32%	Average annual power saving rate: 1.34%	Power saving rate for the respective year: 0.8%	Average annual power saving rate:1.73%	Complete preliminary declaration	
2024	Power saving rate for the respective year: 2%	Average annual power saving rate: 1.9%	Power saving rate for the respective year: 1.5%	Average annual power saving rate: 1.35%	Power saving rate for the respective year: 2.64%	Average annual power saving rate:1.84%	Power saving rate for the respective year: 1.21%	Average annual power saving rate: 1.21%

Note: According to the amendment to the Regulations for Setting and Implementing Energy Saving Targets and Action Plans for Energy Users issued by the Ministry of Economic Affairs (Taiwan) on December 25, 2019, energy users with a contracted capacity exceeding 800 kW are required to achieve an average annual power saving rate of at least 1.0% over the ten-year period from 2015 to 2024. For each year, the power saving rate under the annual energy-saving target and action plan must be greater than or equal to 1.0%. Power savings are calculated as the sum of savings achieved through all implemented energy-saving measures.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

- 4.1 Circular Economy
- 4.2 Raw Material Management
- 4.3 Environmental Management
- 4.4 Energy
- 4.5 Air Pollution Control
- 4.6 Water Resource Management
- 4.7 GHG Emissions
- 4.8 Waste Management
- 4.9 The Management and Adaptation of Climate Change Risks

5 Employee Care

6 Social Synergy

References

◆ Completion and reporting of energy-saving improvement projects for the year 2024, including cases of electricity savings and energy efficiency measures.

Plant	No. of Projects	Energy Saved (kWh)	Total Energy (TJ)
Shulin Plant	3	118,233.67	0.4256
Yingge Plant	3	523,150.71	1.8833
Dongshan Plant	12	1,489,510.67	5.3622
Yingge Plant 2	1	10,483.00	0.0377
Total	19	2,141,378.04	7.7088

◆ In addition to energy-saving reports, internal energy-saving improvement projects are tracked for effectiveness in each quarterly ESG committee meeting. The total number of internal proposals and their performance in 2024 were as follows:

Plant	No. of Energy-saving Projects	Energy Saved (kWh)	Total Energy Saved (kWh)	Total Energy (TJ)
Yingge Plant	2	556,140	2,401,441	8.65
Shulin Plant	1	63,948		
Dongshan Plant	5	1,781,354		

Outstanding Performance		Yingge Plant
Project Name	Yingge Plant Cooling Tower Replacement Energy-saving Project	
Description	Replaced outdated cooling towers to enhance cooling efficiency.	
Annual Energy Saved (kWh)	496,800	

Photo:



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation
of Climate Change Risks

5 Employee Care

6 Social Synergy

References

Outstanding Performance

Dongshan Plant

Project Name	Dongshan Plant – A/C System Efficiency Optimization
Description	- Upgraded chiller water pumps with variable frequency drives and reconfigured the high/low–temperature chilled water system to operate with separate high–temperature chillers for better cooling efficiency. - Planned energy–saving rate: 20.5%, with 1,715,575 kWh/year saved, TWD 76,347,627 in electricity cost reduction, 847.5 tCO₂e emissions reduced, and TWD 1,271,241 in carbon fee savings. - Actual performance (Aug–Dec 2024) exceeded expectations by ~50%, with an estimated annual benefit of 2,487,583 kWh.
Annual Energy Saved (kWh)	1,078,934

Photo:



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation of Climate Change Risks

5 Employee Care

6 Social Synergy

References

◆ Through thing the products' plastic sheet materials, we have increased production efficiency while reducing electricity consumption. The performance for 2024 is as follows:

Material	Shipment Volume of Light-weighted Product (T)	Density	Weight Converted to PET Density (T)	Electricity Saved (kWh)	Total Energy Saved (TJ)
PET	258.4881	1.34	258.4882	386,000.4291	1.3896
PP	17.7530	1.25	19.0312	28,419.2910	0.1023
PLA	0.1925	0.91	0.2835	423.3506	0.0015
Total Energy Savings (kWh)				414,843.0707	1.4934

Note: The saved electricity is calculated based on the electricity consumption per ton for the current year.

4.4.3 Launching Renewable Electricity Procurement to Progressively Fulfill RE100 Commitment

In August 2021, KYF officially joined the international RE100 initiative for 100% renewable electricity, becoming the first and so far only plastic container manufacturer in Taiwan to be approved by RE100. KYF is committed to achieving 100% renewable electricity by 2050, with interim targets of 60.0% by 2030 and 90.0% by 2040, gradually advancing toward net zero and contributing to the global goal of limiting warming to below 1.5°C.

KYF officially commenced renewable electricity procurement in 2024, sourced as follows:

1 Taipower Small-scale Renewable Electricity Procurement (Solar and Offshore Wind Power)

In response to Taipower's initiative to invigorate the domestic renewable electricity market and fulfill our renewable electricity demand, we participated in Taipower's small-scale green power bidding. Together, we strive to advance ESG goals and sustainable development.

2 Renewable Electricity Procurement from Electricity Retailers

【KYF x Anneal Energy】 Solar Renewable Electricity Procurement



KYF and Anneal Energy have entered into a 15-year renewable electricity procurement agreement, with approximately RE25 renewable electricity transferred annually. Together, we promote the development of renewable energy in Taiwan, demonstrating KYF's commitment to sustainable business practices.

【KYF x Taipei Fubon Bank x SunnyFounder】 Small Hydropower Renewable Electricity Procurement



KYF Packaging partnered with Taipei Fubon Bank and SunnyFounder to procure renewable electricity through a group purchasing model, continuously reducing carbon emissions and advancing green transition.

Photo: First from the left, KYF General Manager Benjamin Kuo

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation of Climate Change Risks

4.5 Air Pollution Control

Potential Pollution Sources	Management Approach	Violations in 2024
Volatile Organic Compounds (VOCs) *Potentially emitted during sheet extrusion processes.	Installation of VOC treatment systems by legal requirements, application for Stationary Pollution Source Operating Permits with local environmental agencies, and regular reporting of VOC amounts to environmental protection bureaus.	0
Vehicle exhaust gases	Company vehicles undergo emission inspections in accordance with applicable traffic laws and regulations, with regular maintenance and repair performed on their operating and exhaust system components.	0
Other gas emissions	The Company has not detected emissions of ozone-depleting substances (ODS), nitrogen oxides (NOx), sulfur oxides (SOx), or other significant gases.	0

◆ VOCs Emissions (Metric Tons):

Plant	Yingge Plant	Dongshan Plant	Shulin Plant	Total (All Plants)
2024 Q1	1.8	7.5	0.4	9.7
2024 Q2	1.7	7.1	1.3	10.1
2024 Q3	1.8	8.4	0	10.2
2024 Q4	1.8	8.5	0	10.3
Total				40.3

Note: The data presented above are based on reports submitted to the Environmental Protection Bureaus of county and city governments.



- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics
- 3 About King Yuan Fu

4 Sustainable Environment

- 4.1 Circular Economy
- 4.2 Raw Material Management
- 4.3 Environmental Management
- 4.4 Energy
- 4.5 Air Pollution Control
- 4.6 Water Resource Management**
- 4.7 GHG Emissions
- 4.8 Waste Management
- 4.9 The Management and Adaptation of Climate Change Risks

- 5 Employee Care
- 6 Social Synergy
- References

4.6 Water Resource Management

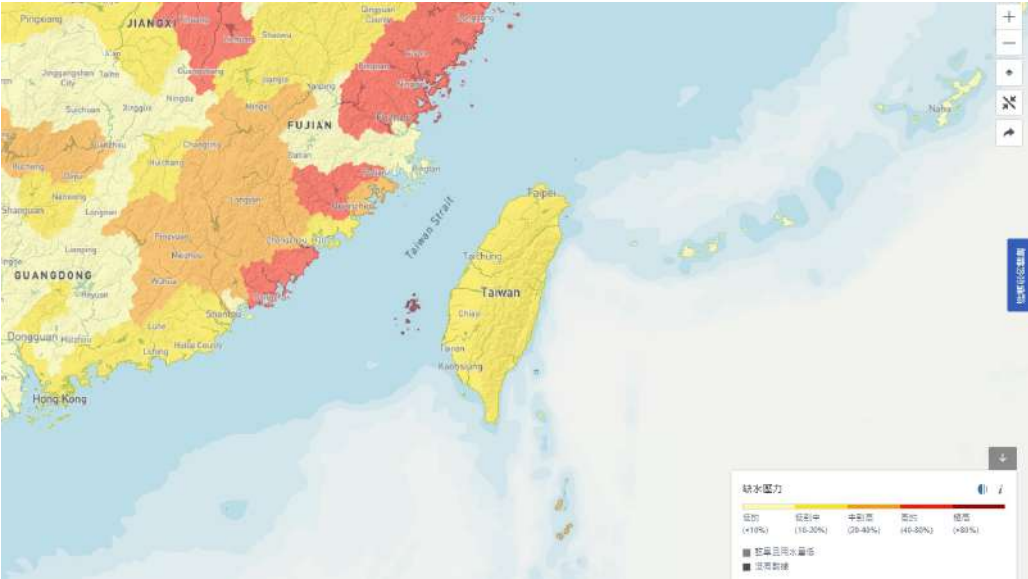
Significance for the Company	We mostly consume pure water for domestic purposes and silicone preparation for our production processes. Our water consumption is low and water use purposes are simple. We don't generate any industrial wastewater and our sewage is discharged into the public sewerage system in line with applicable regulations.
Course of action	Strict control is maintained over water tower inflow and outflow, with regular cleaning and maintenance to ensure water pipes remain unobstructed. Water conservation notices are posted in all water usage areas to promote water-saving practices.
Results	Annual inspection is conducted on process water and drinking water dispensers to ensure compliance with applicable laws and regulations.
Responsible Unit	Maintenance Department

Water sources:

Plant	Yingge Plant	Shulin Plant	Dongshan Plant
Water Supplier	Taiwan Water Corporation, 12th District Management Office, 1201 Banxin Area Supply System	Taiwan Water Corporation, 12th District Management Office, 1201 Banxin Area Supply System	Taiwan Water Corporation, 8th District Management Office, 0804 Luodong Area Supply System

Note: Water source information from Taiwan Water Corporation (<https://www.water.gov.tw/ch/AnnualReport/Detail/2293?nodeId=4571>).

According to the World Resources Institute's Water Risk Atlas, all Company sites are located in low water stress areas. Nevertheless, the Company remains highly committed to sustainable water management, implementing a variety of water efficiency measures and awareness campaigns to promote water conservation and stewardship.



Relevant data disclosed in the Water Risk Atlas of the World Resources Institute reveals that all our operating sites are located in low water stress areas.

- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics
- 3 About King Yuan Fu

4 Sustainable Environment

- 4.1 Circular Economy
- 4.2 Raw Material Management
- 4.3 Environmental Management
- 4.4 Energy
- 4.5 Air Pollution Control
- 4.6 Water Resource Management**
- 4.7 GHG Emissions
- 4.8 Waste Management
- 4.9 The Management and Adaptation of Climate Change Risks

- 5 Employee Care
- 6 Social Synergy
- References

◆ All our water is supplied by Taiwan Water Corporation. Water intake statistics for the period from 2022 to 2024 are shown in the table below.

Year	Shulin Plant water consumption in m³	Yingge Plant (incl. Yingge Plant 2) Water Consumption (m³)	Dongshan Plant water consumption in m³	Total water consumption of all plants in m³	In megaliters
2022	21,605	30,986	9,710	61,761	61.8
2023	15,091	32,417	8,983	56,491	56.5
2024	11,466	39,127	9,490	60,083	60.1

Note: All water used is freshwater ($\leq 1,000$ mg/L TDS). Water discharge equals water withdrawal.
 Conversion factor source: Water Conservation Information website, Water Resources Agency — $1 \text{ m}^3 = 1,000$ liters.

◆ Main Water Uses & Management Measures

Purpose	Management Measures	Chiller cooling water system
Domestic use	Rigorous control of water tower inflow and outflow, regular cleaning and maintenance of water pipes to ensure they remain unblocked. Posting of water conservation notices in all water use areas and water conservation advocacy.	
Drinking water	Regular maintenance and filter replacement for water dispensers are conducted. Annual water quality testing is performed in accordance with the Food Utensils, Containers, and Packaging Sanitation Standards and the Food Safety and Sanitation Act, ensuring compliance with relevant requirements.	
Process purified water *Blended with food-grade silicone and coated on rubber sheet	Annual water quality testing is conducted in accordance with the Food Utensils, Containers, and Packaging Sanitation Standards and the Food Safety and Sanitation Act, ensuring compliance with relevant regulations, alongside implementation of water balance management.	

◆ The Company generates no industrial wastewater, only domestic wastewater. Wastewater from the Yingge and Shulin Plants is discharged into the Dahan River, while that from the Dongshan Plant is discharged into the Xincheng River.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation
of Climate Change Risks

5 Employee Care

6 Social Synergy

References

4.7 GHG Emissions

- ◆ KYF voluntarily conducts greenhouse gas (GHG) inventories to effectively manage emissions at each plant, following ISO 14064–1:2018 standards. The inventory covers 100% of operational sites, including both direct and indirect emissions, with 2024 as the base year.

2024 Greenhouse Gas Emissions						Unit: tCO ₂ e
Scope	Emission source	Shulin Plant	Yingge Plant	Yingge Plant 2	Dongshan Plant	Total (All Plants)
Scope 1	Category 1 Direct Emissions	129.5780	404.3977	150.0602	304.6751	988.7110
Scope 2	Category 2 Energy indirect emissions	3,220.3546	15,605.4347	2,475.7020	23,282.3520	44,583.8433
Scope 3	Category 3 Transportation indirect emissions	9.9726	967.9823	16.3099	984.2366	1,978.5014
	Category 4 Indirect emissions from use of products by organization	3,566.9143	85,459.1656	1,132.0720	104,899.4996	195,057.6515
Total		6,926.820	1,02436.980	3,774.144	129,470.763	242,608.707

Description:

- Categories 5 and 6: No significant indirect GHG emissions.
- The GHG inventories for Yingge Plant, Yingge Plant 2, Shulin Plant, and Dongshan Plant have successfully passed third-party verification.
- Category 3 (employee commuting) was newly included in the 2024 GHG inventory.
- All calculation results have been converted into tCO₂e (carbon dioxide equivalent) based on Global Warming Potentials (GWP – an authoritative emission coefficient) of relevant substances as listed in the 6th IPCC report.
- Of the seven major greenhouse gases in 2024, KYF's emission sources include CO₂, CH₄, N₂O, HFCs, and SF₆.
- 2024 GHG Emission Intensity by Scope:

Scope	Emission Intensity (tCO ₂ e)	Note
Scope 1, Scope 2	0.7714	= 45,572.5543 ÷ 59,074.2540
Scope 3	3.3354	= 197,036.1529 ÷ 59,074.2540

Note: Carbon emissions intensity per product = Total GHG emissions from all plants ÷ Total production volume of finished products by material type.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation of Climate Change Risks

5 Employee Care

6 Social Synergy

References

2024 GHG Reduction from Action Plans:

Action Plan Items	Contents			Reduction	Carbon Emission Reduction (tCO ₂ e)
Energy Conservation Initiative	Benefits across all plants Reduced Emissions: 2,816,285.07kWh * 0.474kg CO ₂ e/kWh (Electricity Carbon Emission Factor) ÷ 1,000 = 1,334.92 tCO ₂ e			2,816,285.07 kWh	1,334.92
		kWh	Carbon emission reduction (tCO ₂ e)		
	Energy savings from improvement proposals	2,401,441	1,138.28		
	Energy reduction through material thinning	414,843.07	196.64		
	Total	2,816,285.07	1,334.92		
	Note: Electricity emission factor used: 0.474 kg CO ₂ e/kWh, published by the Energy Administration, MOEA for 2024				
Waste Reduction Initiative	Benefits across all plants Reduction: 30.9 waste tons Reduction in waste and corresponding carbon emissions based on each proposal project			30.9 tons	11.12
	Number of Proposals	Tons reduction (tCO ₂ e)	Carbon emission reduction (tCO ₂ e)		
	8	30.9	11.12		

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation of Climate Change Risks

5 Employee Care

6 Social Synergy

References

Action Plan Items	Contents	Reduction	Carbon Emission Reduction (tCO ₂ e)																		
Recycled Material Replacing New Material Use	Using recycled rPET resin or flakes to substitute virgin PET raw materials, thereby reducing carbon emissions from the raw material input phase. Virgin PET Carbon Emissions  3.183 kg CO₂e per kilogram VS Carbon Emissions of Recycled rPET Resin Compared to Virgin Materials -57%  1.380 kg CO₂e per kilogram VS Carbon Emissions of Recycled rPET Flakes Compared to Virgin Materials -97%  0.067 kg CO₂e per kilogram Based on SimaPro (2023) data, the emission factors per kilogram are as follows: virgin PET — 3.183 kg CO₂e; rPET resin — 1.380 kg CO₂e; and rPET flakes — 0.067 kg CO₂e. This clearly demonstrates that recycled materials generate significantly lower carbon emissions compared to virgin materials. 2024 Recycled Material Usage and Projected Carbon Emission Reduction: <table><tr><th></th><th>Usage (t)</th><th>PET & rPET Carbon Emissions (tCO₂e)</th><th>Carbon emission reduction (tCO₂e)</th></tr><tr><td rowspan="2">rPET – PCR Plastic Resin (Note 1)</td><td rowspan="2">6,854</td><td>PET: 21,816.282</td><td rowspan="2">12,357.76</td></tr><tr><td>rPET resin: 9,458.520</td></tr><tr><td rowspan="2">rPET – PCR Plastic Flakes (Note 1)</td><td rowspan="2">4,386</td><td>PET: 13,960.638</td><td rowspan="2">13,666.78</td></tr><tr><td>rPET flakes: 293.862</td></tr><tr><td>Total</td><td>11,240</td><td></td><td>26,024.54</td></tr></table>		Usage (t)	PET & rPET Carbon Emissions (tCO ₂ e)	Carbon emission reduction (tCO ₂ e)	rPET – PCR Plastic Resin (Note 1)	6,854	PET: 21,816.282	12,357.76	rPET resin: 9,458.520	rPET – PCR Plastic Flakes (Note 1)	4,386	PET: 13,960.638	13,666.78	rPET flakes: 293.862	Total	11,240		26,024.54	11,240 tons	26,024.54
	Usage (t)	PET & rPET Carbon Emissions (tCO ₂ e)	Carbon emission reduction (tCO ₂ e)																		
rPET – PCR Plastic Resin (Note 1)	6,854	PET: 21,816.282	12,357.76																		
		rPET resin: 9,458.520																			
rPET – PCR Plastic Flakes (Note 1)	4,386	PET: 13,960.638	13,666.78																		
		rPET flakes: 293.862																			
Total	11,240		26,024.54																		

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation of Climate Change Risks

5 Employee Care

6 Social Synergy

References

Action Plan Items	Contents	Reduction	Carbon Emission Reduction (tCO2e)																				
	Note 1. Post–Consumer Recycled (PCR): materials discarded after consumer use, which are collected, cleaned, and reprocessed for reuse in manufacturing. – PCR plastic resins: small plastic pellets made from post–consumer recycled plastic that has been sorted, washed, shredded, melted, filtered, and pelletized. – PCR plastic flakes: small flakes made from post–consumer recycled plastic that has been sorted, washed, and shredded. Note 2. Currently, only PCR plastic resin are approved for use in domestic products in Taiwan, whereas PCR flakes are used exclusively in export products. All products undergo SGS testing prior to distribution.																						
Reuse of Regrind Materials	Edge trim from production lines is collected, processed into regrind material, and reintroduced into production to reduce the use of new materials and achieve carbon reduction benefits. Carbon reduction benefits = the sum of (the total input of regrind material for each material category × the carbon emission factor for that material category). <table><tr><th></th><th>PET</th><th>PP</th><th>PLA</th><th>Total</th></tr><tr><td>(A) Total input (metric tons)</td><td>36,441.9</td><td>7,769.6</td><td>2,711.6</td><td>46,923.1</td></tr><tr><td>(B) Emission factor</td><td>3.183</td><td>2.29</td><td>3.26</td><td>——</td></tr><tr><td>(A) × (B) / 1000 Carbon reduction benefit from reduced use of new materials by material type (tCO2e)</td><td>115,994.57</td><td>17,792.38</td><td>8,839.82</td><td>142,626.77</td></tr></table>		PET	PP	PLA	Total	(A) Total input (metric tons)	36,441.9	7,769.6	2,711.6	46,923.1	(B) Emission factor	3.183	2.29	3.26	——	(A) × (B) / 1000 Carbon reduction benefit from reduced use of new materials by material type (tCO2e)	115,994.57	17,792.38	8,839.82	142,626.77	46,923.1 tons	142,626.77
	PET	PP	PLA	Total																			
(A) Total input (metric tons)	36,441.9	7,769.6	2,711.6	46,923.1																			
(B) Emission factor	3.183	2.29	3.26	——																			
(A) × (B) / 1000 Carbon reduction benefit from reduced use of new materials by material type (tCO2e)	115,994.57	17,792.38	8,839.82	142,626.77																			
		Total	169,997.35																				

- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics
- 3 About King Yuan Fu

4 Sustainable Environment

- 4.1 Circular Economy
- 4.2 Raw Material Management
- 4.3 Environmental Management
- 4.4 Energy
- 4.5 Air Pollution Control
- 4.6 Water Resource Management
- 4.7 GHG Emissions
- 4.8 Waste Management**
- 4.9 The Management and Adaptation of Climate Change Risks

- 5 Employee Care
- 6 Social Synergy
- References

4.8 Waste Management

Significance for the Company	Adhering to the principle of making the best use of materials, reducing waste helps lower production costs and carbon emissions, thereby lessening the burden on the planet.
Course of action	1. Reduce: Improving product design and production processes to minimize raw material waste and decrease scrap generation. 2. Reuse: Collect edge trim from the production process for reintroduction into manufacturing, helping to reduce both costs and greenhouse gas emissions. (See Section 4.1.2.3 Production and Manufacturing.)
Results	1. Reduce: Minimizing material changes in machines during production can reduce the generation of transition waste materials. 2. Reuse: Convert certain non–recyclable wastes, such as Epoxy Tooling Board, aluminum foil, plastic, and masterbatch bags, into Solid Recovered Fuel (SRF). In 2024, a total of 102.42 metric tons of SRF was reused, saving TWD 563,310.
Responsible Unit	Procurement Department

The Company generates domestic waste and general industrial waste, with no hazardous industrial waste produced. All removal and disposal activities are carried out by licensed service providers in accordance with the Waste Disposal Act. The final disposal method is incineration.

◆ General industrial waste sources:

Items	Description of Waste Generation	Offsite/Onsite	Diverted from disposal/ Directed to disposal	Remark
Machine cleaning materials	When the extruder changes materials or colors for production, a small amount of the new plastic raw material is first used to purge the residual plastic left from the previous process. This utilizes the melting property of the raw material when heated to clean and replace the equipment’s inner surfaces. The waste generated from this cleaning process is called "purging waste." Purging waste is collected and reused as much as possible; only non–conforming purging waste is incinerated off–site.	Onsite	Directed to disposal— Recycling & Reuse	Machine cleaning materials are recycled and reused whenever possible and are only directed to off–site incineration when they no longer meet quality standards.
		Offsite	Directed to disposal— Incineration	

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation of Climate Change Risks

5 Employee Care

6 Social Synergy

References

Items	Description of Waste Generation	Offsite/Onsite	Diverted from disposal/ Directed to disposal	Remark
Mold nozzle materials	During the sheet extrusion process, plastic that fails to form properly —often containing bubbles or impurities—accumulates as solid lumps at the die head.	Offsite	Diverted from Disposal —Recycling & Reuse (Dongshan Plant)	Mold nozzle materials are collected and processed by contractors into plastic raw materials, which are then reintroduced into the market for reuse.
		Offsite but then reintroduced into the manufacturing process for reuse	Diverted from Disposal —Recycling & Reuse (Yingge & Shulin Plants)	
Wood	This includes wooden pallets used for transporting raw materials, wood chips from extrusion pallets, and protective pads for thermoforming molds.	Offsite	Directed to disposal — Incineration	Reusable wooden pallets are retrieved by contractors.
Release paper	Label remnants from stickers used on vacuum housing products.	Offsite	Directed to disposal — Incineration	--
Aluminum foil	Waste materials generated from external packaging of imported raw materials, including epoxy tooling boards and masterbatch bags.	Offsite	Diverted from disposal —Recycling & Reuse	Aluminum foil is processed by contractors into solid recovered fuel (SRF) rods, which are used as boiler fuel in paper mills and cement plants.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation of Climate Change Risks

5 Employee Care

6 Social Synergy

References

2024 Waste Statistics by Plant (tons):

Category	Item	Shulin Plant	Yingge Plant (incl. Yingge Plant 2)	Dongshan Plant	All Plants	Total of all categories
General Industrial Waste	Machine cleaning materials	6.8200	48.6150	123.1300	178.5650	297.1150
	Mold nozzle materials (recycling by manufacturer)	N/A	N/A	N/A	N/A	
	Wood	N/A	N/A	13.9400	13.9400	
	Release paper	N/A	2.1900	N/A	2.1900	
	Aluminum foil (made into SRF)	29.5900	72.8300	N/A	102.4200	
Domestic Waste	General Waste	14.4130	23.0960	41.2350	78.7440	78.7440
Total		50.8230	146.7310	178.3050	375.8590	375.8590

2022–2024 Waste Statistics (tons):

Category	Item	Disposal method	2022	2023	2024
General Industrial Waste	Machine cleaning materials	Incineration	279.8000	175.2910	178.565
	Mold nozzle materials (recycling by manufacturer)	Recycling	228.0000	147.2270	N/A
	Mold nozzle materials (outsourced processing for personal use)	Recycling	N/A	59.9730	N/A
	Wood	Incineration	10.6000	12.3600	13.9400

- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics
- 3 About King Yuan Fu

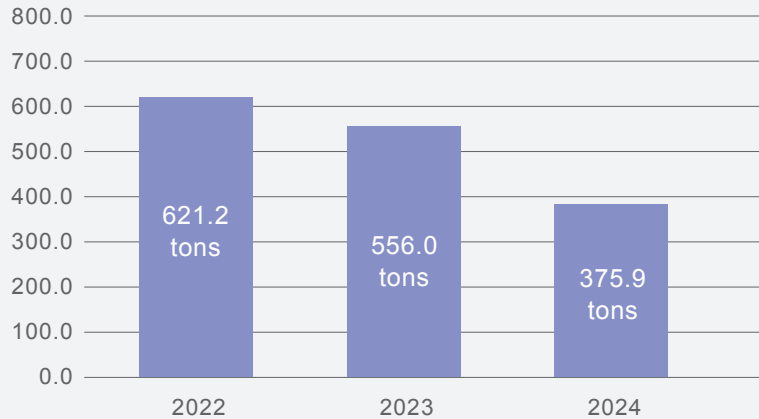
4 Sustainable Environment

- 4.1 Circular Economy
- 4.2 Raw Material Management
- 4.3 Environmental Management
- 4.4 Energy
- 4.5 Air Pollution Control
- 4.6 Water Resource Management
- 4.7 GHG Emissions
- 4.8 Waste Management**
- 4.9 The Management and Adaptation of Climate Change Risks

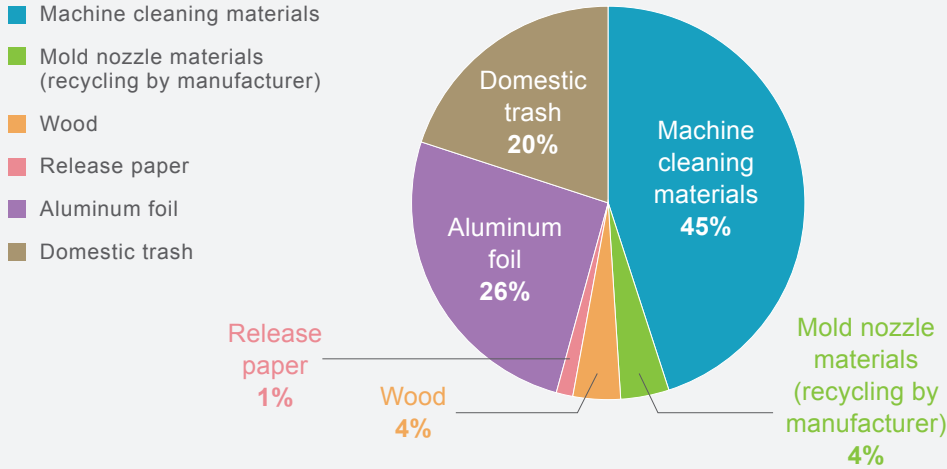
- 5 Employee Care
- 6 Social Synergy
- References

Category	Item	Disposal method	2022	2023	2024
General Industrial Waste	Release paper	Incineration	12.2000	17.6150	2.1900
	Aluminum foil (made into SRF)	Recycling	1.7000	65.0040	102.4200
Domestic Waste	--	Incineration	88.9000	78.5672	78.7440
Total	--	--	621.2000	556.0372	375.8590

Comparison of Total Waste Volume over the Past Three Years



2024 Waste Proportion by Category (All Plants)



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation
of Climate Change Risks

5 Employee Care

6 Social Synergy

References

◆ In addition to the above waste reduction measures, employees are encouraged to propose improvement initiatives. The ESG Committee tracks the results of these proposals at each quarterly meeting. Internal outcomes for 2024 are as follows:

Plant	No. of Waste Reduction Projects	Waste Reduced (tons)	Total Waste Reduced (tons)
Yingge Plant	4	27.2	30.9
Shulin Plant	0	0	
Dongshan Plant	4	3.7	



Outstanding Performance

Yingge Plant

Improvement Project Name

Cutting and Sorting Treatment of Rubber Tail-End Residue

Description

Residual rubber from tail-end scraps of various materials is carefully classified and treated to minimize rubber waste.

Waste Reduced (tons)

11.9 tons

Photo:



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation of Climate Change Risks

5 Employee Care

6 Social Synergy

References

4.9 Climate Change Risk Management and Response

Foreword

In recent years, extreme weather has become increasingly frequent, highlighting the urgent threat of global warming. Governments worldwide have placed growing emphasis on climate change, strengthening national and regional regulations to ensure that companies incorporate climate risks into business management. In addition to identifying the operational risks posed by climate change, KYF has adopted the recommendations of the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD). The four core pillars—Governance, Strategy, Risk Management, and Metrics & Targets—have been integrated into our management practices, and performance in these areas is disclosed in our sustainability report. This enables stakeholders to better understand the impacts of climate-related risks and opportunities, as well as KYF's corresponding response strategies. As there have been no significant changes over the past two years, the risk and opportunity assessment from 2022 has been retained.



1 Governance / Governance of Risks and Opportunities

The General Manager serves as Chair of climate-related risk and opportunity governance. The Sustainability Section initiates discussions, identification, and assessment at ESG Committee meetings. Climate-related decisions are submitted to the Board of Directors for approval.



2 Strategy / Business and Financial Strategic Planning (Actual and Potential)

- Refer to the 2022 table of short-, medium-, and long-term climate risks and opportunities.
- Refer to climate-related impacts.
- We conducted discussions on the 2°C scenario (2DS) during Sustainability Committee meetings, complemented by assessments of physical climate risk scenarios using tools provided by the Taiwan Climate Change Projection and Information Platform (TCCIP). We ultimately selected the 2DS/RCP2.6 scenario as the basis for assessing our physical climate risks. Under this scenario, we describe climate-related risks and opportunities, focusing on physical risks and regulatory transition risks.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation of Climate Change Risks

5 Employee Care

6 Social Synergy

References



3 Risk Management / Climate-related Risk Management Process

Risk identification, assessment, and management processes (refer to process flowchart).



4 Metrics & Targets / Metrics and Targets for Climate-related issues

- rPET sales ratio reached 21.15% in 2024.
- Annual electricity saving rate of 1%; total savings in 2024 reached 2,401,441 kWh (2.3%), exceeding the 1% target of 987,901 kWh based on 2024 electricity consumption.
- Active promotion of improvement initiatives, including energy conservation, waste reduction, and production processes, along with the enhancement of the improvement proposal system. In 2024, a total of 74 proposals were submitted, comprising 30 energy conservation initiatives and 8 waste reduction projects.
- The recycling rate of regrind material on production lines reached 47.58%.
- Completed 2024 GHG inventory with third-party verification.
Scope 1 emissions: 988.7110 tCO_{2e} ;
Scope 2 emissions: 44,583.8433 tCO_{2e} ;
Scope 3 emissions: 197,036.1529 tCO_{2e} ;
- The renewable electricity usage rate reached 7.8% in 2024.

Erratum — The “4. Metrics and Targets” section in the 2022 and 2023 reports incorrectly stated that the 2030 renewable energy usage rate target was 15%. The correct target is 60% renewable energy usage by 2030.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation of Climate Change Risks

5 Employee Care

6 Social Synergy

References



1 Governance

Climate change–related discussions and management are carried out by the ESG Committee, with relevant resolutions submitted to and approved by the Board of Directors. The Committee is supported by working groups coordinated by the Sustainability Section. An annual report on climate governance in line with the TCFD framework is submitted to the Board as a reference for decision–making.



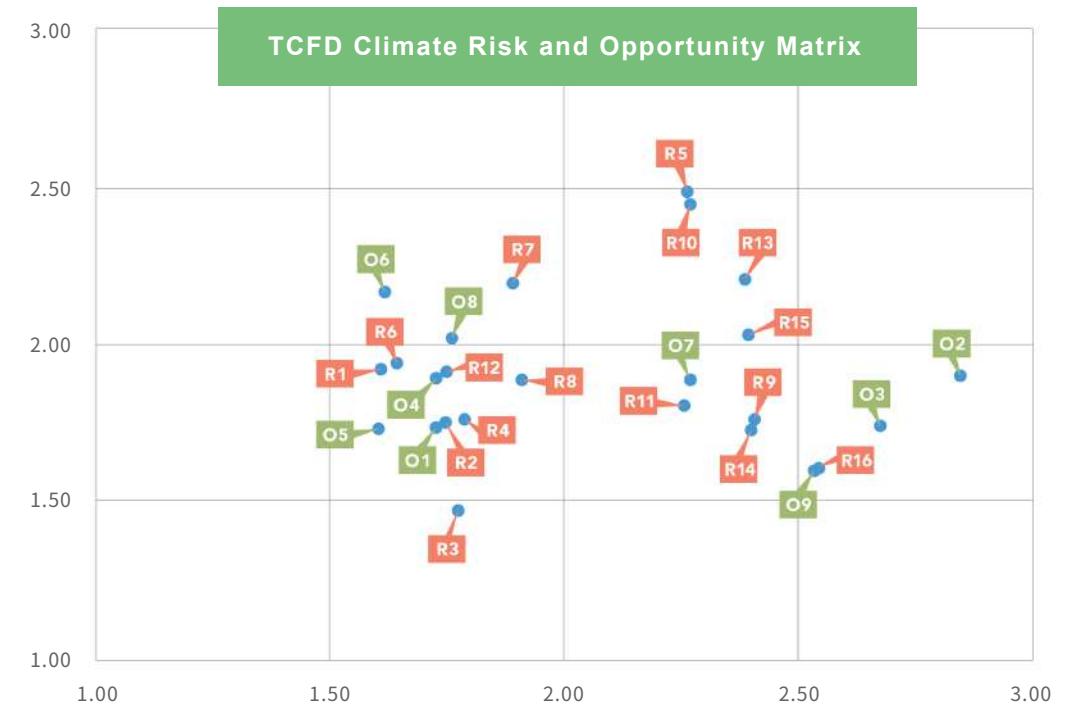
2 Strategy

To address climate–related risks and opportunities impacting the Company’s strategic and financial planning, the Company references the TCFD climate scenario framework and applies both quantitative and qualitative climate scenario analysis to support corresponding strategies. The 2°C scenario (2DS) was discussed at ESG Committee meetings, using tools provided by the Taiwan Climate Change Projection and Information Platform (TCCIP) to assess physical climate risk scenarios. As a result, the 2DS / RCP2.6 scenario was selected as the Company’s physical climate risk scenario, under which risks and opportunities related to physical and regulatory transition risks are identified and described.

Climate–related risks and opportunities relevant to the Company’s operations were ultimately identified with reference to TCFD disclosures in the manufacturing sector. For long–term business planning (defined as one decade), the Company categorizes time horizons as follows: short–term: 1–3 years; medium-term: 3–5 years; long-term: 6–10 years.

Note 1: Short–, medium–, and long–term periods are defined as 1–3, 3–5, and 6–10 years, respectively.

Note 2: The circles and squares in the above matrix indicate risks and opportunities, respectively (the background colors indicate the materiality of identified risks and opportunities).



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation of Climate Change Risks

5 Employee Care

6 Social Synergy

References

No.	Climate-related Risks	Risk Level	Time frame / scope
R1	Increase in GHG emission pricing	Low	Medium– and long-term
R2	Enhanced emissions-reporting obligations	Low	---
R3	Mandates on and regulation of existing products and services	Low	---
R4	Litigation risk	Low	---
R5	Substitution of existing products and services with lower emissions options	High	Short-, medium-, and long-term
R6	Unsuccessful investment in new technologies	Low	---
R7	Costs to transition to lower emissions technology	Low	Medium– and long-term
R8	Changes in customer behavior	Low	Medium– and long-term
R9	Uncertainty in market signals	Medium	---
R10	Increased cost of raw materials	High	Short-term
R11	Shifts in consumer preferences — Stigmatization of sector	Medium	---
R12	Increased stakeholder concern or negative stakeholder feedback	Low	---
R13	Increased severity of extreme weather events such as cyclones and floods	High	Short-, medium-, and long-term
R14	Changes in precipitation patterns and extreme variability in weather patterns	Medium	---
R15	Rising mean temperatures	Medium	---
R16	Rising sea levels	Medium	---

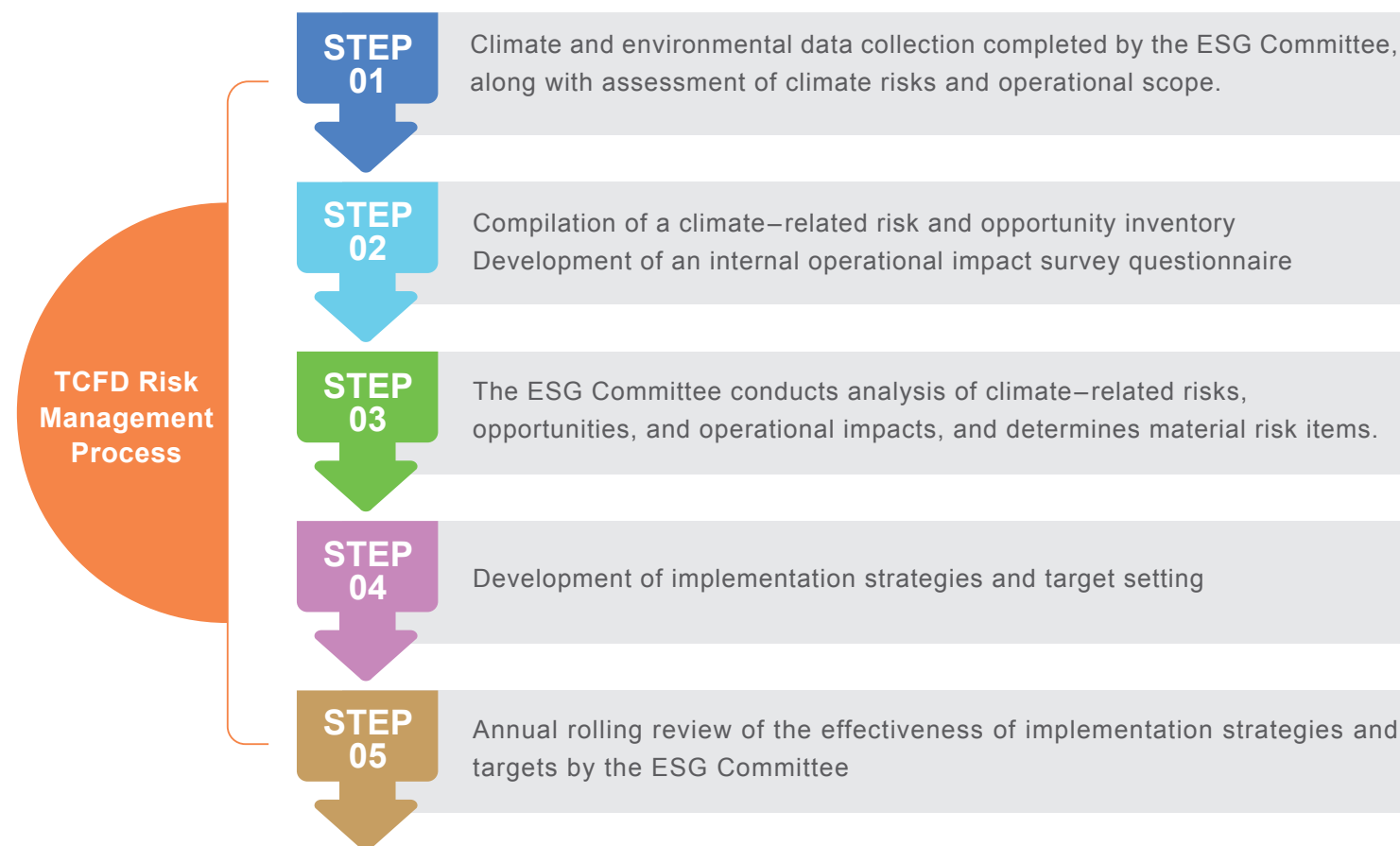
No.	Climate-related Opportunities	Opportunity Level	Time frame / scope
O1	Use of more efficient modes of transport	Low	---
O2	Use of more efficient production and distribution processes	High	Short-, medium-, and long-term
O3	Recycling and reuse	Medium	Medium– and long-term
O4	Reduced water use/consumption	Low	---
O5	Use of low-carbon energy	Low	Medium– and long-term
O6	Adoption of incentive policies	Low	---
O7	Adoption of new technology	Medium	Medium– and long-term
O8	Participation in the carbon market	Low	Long-term
O9	Shift to decentralized energy	Medium	Long-term





3 Risk management

On January 18, 2023, KYF convened a TCFD Climate–Related Financial Disclosure Discussion Meeting through the ESG Committee to discuss climate change impacts and opportunities with committee members across departments. The discussion was structured according to TCFD recommendations, focusing on transition risks (policy and regulation, technology, market, reputation), physical risks (acute and chronic), and opportunities (resource efficiency, energy sources, products/services, markets, and resilience).



Note: This flowchart illustrates how KYF tracks and monitors climate–related risks, with data collected and risk levels determined using a risk matrix. The ESG Committee conducts comprehensive analysis and review, sets strategies and targets, and performs rolling annual evaluations of performance achievement.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation of Climate Change Risks

5 Employee Care

6 Social Synergy

References

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

4.1 Circular Economy

4.2 Raw Material Management

4.3 Environmental Management

4.4 Energy

4.5 Air Pollution Control

4.6 Water Resource Management

4.7 GHG Emissions

4.8 Waste Management

4.9 The Management and Adaptation of Climate Change Risks

5 Employee Care

6 Social Synergy

References

Climate–Related Risks and Financial Impacts			
Category	Risk	Description	Financial Impact
Transition Risks	Substitution of existing products and services with lower emissions options	Because the use, promotion, or development of low–carbon products is reflected directly in rising supply chain costs and raw material prices, these two dimensions are inextricably intertwined and mutually interrelated.	Increased low–carbon product costs.
	Increased cost of raw materials		Decreased demand for products and services.
Physical Risks	Increased severity of typhoons, floods, and other extreme weather events	Smooth operations of the response mechanism are maintained through scrutiny of weather patterns and regular organization of emergency drills and training. Patrols are conducted and relevant reporting mechanisms are activated when special weather reports are received.	Impact on workforce management and planning, and decline in production capacity.
Resource Efficiency Opportunity	Use of more efficient production and distribution processes	1. We have already adopted proposals for efficiency improvements and convened quarterly ESG Committee meetings to implement tracking and reduce energy consumption through the use of high–efficiency equipment. 2. Use of self–generated renewable energy. 3. Scrutiny of freight forwarder conditions and selection of low–carbon transportation methods.	Increase capacity and revenue; lower operating costs.



4 Metrics and Targets

Based on TCFD climate–related risks and opportunities, the Company has established corresponding metrics and targets:

1. rPET sales ratio reached 21.15% in 2024.

2. Annual electricity saving rate of 1%; total savings in 2024 reached 2,401,441 kWh (2.3%), exceeding the 1% target of 987,901 kWh based on 2024 electricity consumption.

3. Active promotion of improvement initiatives, including energy conservation, waste reduction, and production processes, along with the enhancement of the improvement proposal system. In 2024, a total of 74 proposals were submitted, comprising 30 energy conservation initiatives and 8 waste reduction projects.
4. The recycling rate of regrind material on production lines reached 47.58%.

5. Completed 2024 GHG inventory with third–party verification.
Scope 1 emissions: 988.7110 tCO_{2e} ;
Scope 1 emissions: 44,583.8433 tCO_{2e} ;
Scope 1 emissions: 197,036.1529 tCO_{2e} ;

6. The renewable electricity usage rate reached 7.8% in 2024.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality
Assurance

5.6 Win–Win Labor–Management
Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

5 Employee Care



- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics
- 3 About King Yuan Fu
- 4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower Structure

- 5.2 Talent Acquisition and Turnover
- 5.3 Talent Development System
- 5.4 Compensation and Benefits
- 5.5 Social Responsibility and Equality Assurance
- 5.6 Win-Win Labor-Management Communication Channels
- 5.7 Occupational Safety

- 6 Social Synergy
- References

Employee Care

KYF considers employees as the most critical foundation for sustainable operation. We are dedicated to building up a healthy, safe, safe, and happy workplace that ensures adaptive development for employees. Throughout this chapter, "Yingge Plant" includes data for " Yingge Plant 2".We implement unified standards for all human resource policies, from labor conditions and occupational safety to training and development, to ensure every employee across all plants receives consistent care and support.

5.1 Employee Overview and Manpower Structure

Through manpower analysis, we monitor employee changes, understates the distribution of the company’s manpower structure (age, gender, academic background, and so on), enforces real-time adjustments by operation needs, and invests more in professional talents hoping that all employees can work hand-in-hand with KYF towards the path of sustainable operation and development.

We utilize “head count” in conducting statistics. As of the end of 2024, there were a total of 486 full-time employees, with 318 male (accounting for 65.4%) employees and 168 female (accounting for 34.6%) employees. Additionally, there were 11 non-employee workers.

Non-employee workers refer to indirect contract/outsourced security, cleaning, and catering staff. This headcount remained at 11 in 2024, unchanged from 2023. Due to stable business needs and job characteristics, there were no major increases or decreases.

Employee Type, Area, and Gender Statistics

Statistics /Year		2022		2023		2024	
Total Number of Employees		476		463		486	

Statistics /Year		2022		2023		2024	
Employment Contract		Non-Fixed	Fixed	Non-Fixed	Fixed	Non-Fixed	Fixed
Gender	Male	304	4	301	0	318	0
	Female	166	2	162	0	168	0
Area	Shulin	89	0	58	0	62	0
	Yingge	202	2	232	0	244	0
	Dongshan	179	4	173	0	180	0

Statistics /Year		2022		2023		2024	
Employment Category		Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
Gender	Male	306	2	301	0	318	0
	Female	168	0	162	0	168	0
Area	Shulin	89	0	58	0	62	0
	Yingge	202	2	232	0	244	0
	Dongshan	183	0	173	0	180	0

Note : Employment contracts are categorized into non-fixed term contracts for employees (full-time) and fixed-term contracts for employees (short-term—interns, and seasonal).

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality
Assurance

5.6 Win-Win Labor-Management
Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

5.2 Talent Acquisition and Turnover

5.2.1 Talent Acquisition

Talent recruitment is not influenced by gender, religion, race, nationality, political preference, educational background, or age. Once employment is confirmed, all labor conditions stipulated between the Company and employees comply with local laws, including wages, overtime pay, labor and health insurance, severance/retirement pay, and group insurance as part of employee benefits.

5.2.2 Talent Turnover

With market demand and business scale expanding, to maintain competitiveness and meet future challenges. A total of 104 new employees were recruited in 2024. This accounts for 21.4% of all employees, whose data was 2.6% increase from 2023.



Statistics for New Employees during the Last 3 Years

New Employee Statistics/Year		2022		2023		2024	
		Total	Percentage (Note)	Total	Percentage (Note)	Total	Percentage (Note)
Age	Under 30	34	7.1%	30	6.5%	43	8.8%
	Above 30 and Under 50	59	12.4%	54	11.7%	56	11.5%
	Above 50	3	0.6%	3	0.6%	5	1.0%
Gender	Male	63	13.2%	60	13.0%	70	14.4%
	Female	33	6.9%	27	5.8%	34	7.0%
Academic Background	Above University	34	7.1%	23	5.0%	28	5.8%
	College	6	1.3%	5	1.1%	7	1.4%
	Senior High (Occupational High) School	21	4.4%	9	1.9%	21	4.3%
	Below Junior High/ Primary School	35	7.4%	50	10.8%	48	9.9%
Area	Shulin Plant	6	1.3%	1	0.2%	7	1.4%
	Yingge Plant	35	7.4%	56	12.1%	55	11.3%
	Dongshan Plant	55	11.6%	30	6.5%	42	8.6%

Note: Percentage = Number of Individuals from Age, Gender, Academic Background, Region ÷ Total number of employees in the year

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality
Assurance

5.6 Win–Win Labor–Management
Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

Increase employee retention rate: In 2024, the company initiated multiple measures for hiring talents. There were a total of 81 employees resigned excluding employees leaving because of retirement or expiration of contract term. Among them, there were 28 female employees and 53 male employees. The average monthly turnover rate was 0.7% and this was 0.2% lower than the average monthly turnover rate in 2023.



Employee Turnover Statistics for the Last 3 Years

Employee Turnover Statistics / Year		2022		2023		2024	
		Total	Percentage (Note)	Total	Percentage (Note)	Total	Percentage (Note)
Age	Under 30	40	8.4%	22	4.8%	21	4.3%
	Above 30 and Under 50	79	16.6%	67	14.5%	54	11.1%
	Above 50	12	2.5%	7	1.5%	6	1.2%
Gender	Male	77	16.2%	66	14.3%	53	10.9%
	Female	54	11.3%	30	6.5%	28	5.8%
Academic Background	Above University	44	9.2%	25	5.4%	19	3.9%
	College	6	1.3%	7	1.5%	7	1.4%
	Senior High (Occupational High) School	22	4.6%	26	5.6%	22	4.5%
	Below Junior High/ Primary School	59	12.4%	38	8.2%	33	6.8%
Area	Shulin Plant	13	2.7%	13	2.8%	2	0.4%
	Yingge Plant	59	12.4%	44	9.5%	44	9.1%
	Dongshan Plant	59	12.4%	39	8.4%	35	7.2%

Note: Percentage = Number of Individuals from Age, Gender, Academic Background, Region ÷ Total number of employees in the year

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality
Assurance

5.6 Win–Win Labor–Management
Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

5.2.3 Diversity and Inclusion

- ◆ Support employment diversity and equity with actions: We uphold the concept of equality for everyone. In addition to employing foreign workers from multiple countries, the company also leverages its inclusion spirit in hiring native foreign spouses by employing 0 part–time workers and 2 interns. In terms of promotion, nationality is not a factor to be considered. Promotion is offered depending on management capability. There were 5 supervisors with foreign nationals in 2024.
- ◆ Care for disadvantaged groups: We pay special attention to employment for disadvantaged groups. The company retains a total of 7 mentally/physically disadvantaged individuals including 2 individuals with severe physical disability. In terms of proportion, our employees have 1.4% disability people, which is more than the mandatory employment 1.0% rate based on the “People with Disabilities Rights Protection Act.” In addition, the company also employs 5 financially disadvantaged employees, and this accounts for 1.1% of the total employee number. In the event the company needs extended working hours (overtime), such employees with urgent financial needs than those of other employees will be considered. Therefore, departments will be requested to arrange overtime for employees of this group to increase their income.

◆ Overview of Workforce Diversity

Statistics on Diversity / Year			2022		2023		2024	
			Number of Individuals	Percentage	Number of Individuals	Percentage	Number of Individuals	Percentage
Operation Management	Gender	Male	2	50.0%	2	50.0%	2	50.0%
		Female	2	50.0%	2	50.0%	2	50.0%
	Age	Under 50	2	50.0%	2	50.0%	1	25.0%
		50~60	1	25.0%	1	25.0%	2	50.0%
		Above 60	1	25.0%	1	25.0%	1	25.0%
	Academic Background	Above University	2	50.0%	3	75.0%	3	75.0%
		College	1	25.0%	0	0.0%	0	0.0%
		Senior High (Occupational High) School	1	25.0%	1	25.0%	1	25.0%
		Below Junior High/Primary School	0	0.0 %	0	0.0%	0	0.0%

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality Assurance

5.6 Win–Win Labor–Management Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

Statistics on Diversity / Year				2022		2023		2024	
				Number of Individuals	Percentage	Number of Individuals	Percentage	Number of Individuals	Percentage
Employee	Direct	Gender	Male	289	61.2%	286	62.3%	299	62.0%
			Female	128	27.1%	118	25.7%	120	24.9%
		Age	Under 30	76	16.1%	68	14.8%	80	16.6%
			Above 30 and Under 50	289	61.2%	281	61.2%	282	58.5%
			Above 50	52	11.0%	55	12.0%	57	11.8%
		Academic Background	Above University	17	3.6%	44	9.6%	46	9.5%
			College	65	13.8%	30	6.5%	28	5.8%
			Senior High (Occupational High) School	143	30.3%	127	27.7%	128	26.6%
			Below Junior High/Primary School	192	40.7%	203	44.2%	217	45.0%
	Indirect	Gender	Male	17	3.6%	13	2.8%	17	3.5%
			Female	38	8.1%	42	9.2%	46	9.5%
		Age	Under 30	3	0.6%	1	0.2%	4	0.8%
			Above 30 and Under 50	41	8.7%	44	9.6%	46	9.5%
			Above 50	11	2.3%	10	2.2%	13	2.7%
		Academic Background	Above University	8	1.7%	29	6.3%	38	7.9%
			College	35	7.4%	15	3.3%	15	3.1%
			Senior High (Occupational High) School	10	2.1%	9	2.0%	8	1.7%
			Below Junior High/Primary School	2	0.4%	2	0.4%	2	0.4%

Note: The management team is the same as the management team and organizational chart in 3.2.1.1.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality
Assurance

5.6 Win-Win Labor-Management
Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

Statistics for Employment of Physically Disadvantaged Individuals During the Last 3 Years

Year	Shulin	Yingge	Dongshan	Total	Employment Percentage
2022	3	2	3	8	1.7%
2023	2	3	3	8	1.7%
2024	2	3	2	7	1.4%

◆ We comply with related labor laws from the International Labour Organization, the International Organization for Migration, various international covenants, and the domestic Labor Standards Act. Starting in 2022, the company initiated a full-scale implementation of a "Zero Placement Fee" policy for migrant workers. To protect migrant worker's rights, related expenses incurred during the employment process such as domestic and foreign service fees, physical examination fees and residence certificate fees will all be assumed in full amount by the company. This not only releases migrant workers' financial pressure when coming to Taiwan to work but also allows migrant workers to utilize these saved expenses to improve their quality of life as well as that of their families. "Zero Placement Fee" policy for migrant workers has resulted in the reimbursement of fees for a total of 135 migrant workers, amounting to TWD 3,876,741 in 2024. Each migrant worker can save an average of TWD 28,717 on transportation expenses.

◆ After implementing the Zero Placement Fee, migrant workers no longer need to raise or borrow funds in their home countries to come to Taiwan, nor bear monthly agency service fees after arrival. They can focus on working and earning a living in Taiwan, demonstrating KYF's determination to protect migrant workers' rights. This helps retain migrant workers and stabilize the Company's workforce, creating a win-win outcome for both.

◆ We promoted a new workplace culture through DEI (Diversity, Equity, and Inclusion) in 2023. The cultural celebrations were held for Thailand, Vietnam, Indonesia, and the Philippines in 2024. These activities not only deepened employees' understanding and respect for different cultures but also promoted cross-cultural exchange and cooperation, further strengthening the inclusive atmosphere within the Company. Four such events attracted 1,735 participants, with a satisfaction rate of 95.5% in 2024.

Achievements in Promoting Diversity, Equity, and Inclusion

Date	Country / Festival	Event Highlights
2024-4-12	Thailand / Songkran	https://reurl.cc/VY5eky
2024-8-15	Indonesia / Eid Mubarak	https://reurl.cc/K8rDz9
2024-9-13	Vietnam / Mid-autumn	https://reurl.cc/M3kDoK
2024-12-20	The Philippines / Christmas	https://reurl.cc/bWnxol



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality
Assurance

5.6 Win–Win Labor–Management
Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

5.2.4 Upgrading Employee Skills and Transition Assistance Programs

- ◆ The company has been focused on every employee's growth and development, and will always accompany employees until their retirement. As required by the Labor Standards Act, a pension fund of no less than 6% of each month's wage is appropriated each month to the employee's personal pension fund account in the Bureau of Labor Insurance to offer protection for the employee's retirement life. To allow employees to retire comfortably, the company will send out caring e-mail to provide pre-retirement assistance for a smooth transition into the new life stage at the time when employees are approaching their retirement lives.
- ◆ For native employees, including immigrant spouses, we will award medals to them upon retirement to recognize their contribution and hard work over the years. Medals and cash gifts will also be awarded to migrant workers who leave this country upon expiration of their work contract as a wonderful memory conclusion.
- ◆ In the event of the company's termination of the employment relationship, the company will also comply with Labor Standards Act requirements and provide appropriate compensations by calculating severance pay based on average wage and years of service.



5.3 Talent Development System

Material topic	Talent Development
Significance for the Company	KYF hopes to establish a learning–type organization. We not only emphasize enhancing employees' professional knowledge, skill, and attitude but also hope to create a joint–growth learning type organization through a comprehensive education and training system. We are convinced that only employees who continue to learn will be able to ensure corporate sustainable operation and development.
Policy and Commitment	To achieve the company's talent development goals, we have established a systematic training program designed to cultivate talent in alignment with our growth strategy and financial objectives. To support this ambition, we have to equip employees with diversified knowledge, professional work skills, and a collaborative attitude.
Short–term goals	Training key talents and front–line successors, and establishing an OJT (On–the–Job Training) system for new employee development.
Medium– and long–term goals	Establishment of Professional Learning blueprints for respective functionalities
Course of action	The company's operation strategies are linked with the implementation and promotion of the Talent Quality Management System (TTQS). Complying with PDDRO (Plan/Design/Do/Review/Outcome) assessment process cycles has ensured the reliability and accuracy of the training process for the purpose to continue strengthening human capital as well as enhancing the training system's operation efficiency.
Results	In 2024, the company's total employee training hours reached 14,265.6 hours, with an average of 29.4 training hours per employee.
Responsible unit	HR Department

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality
Assurance

5.6 Win-Win Labor-Management
Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

5.3.1 Training Development System

Our training is mainly composed of 5 major systems: “New Employee Training,” “Functional Competency Training,” “Management Competency Training,” “Core Competency Training,” and “Self-development Training.” Courses for respective systems are planned and adjusted in real-time based on the company’s annual operation guidelines, changes in the external environment, department performance targets, and employee occupational development needs. Training courses needed for cultivating comprehensive talents are provided accordingly. To ensure systematic and efficient training, the company introduced a Talent Quality Management System (“TTQS”) and passed the certification in 2021. Through the promotion and implementation of TTQS as well as connection with the company’s operation strategy and compliance with the PDDRO (Plan/Design/Do/Review/Outcome) assessment cycle, the company has established a set of comprehensive and systemized training system to promote training mechanism in an orderly manner. This ensures the reliability and accuracy of the training process, strengthens manpower capital continuously, and enhances the manpower training system’s operation efficiency.



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

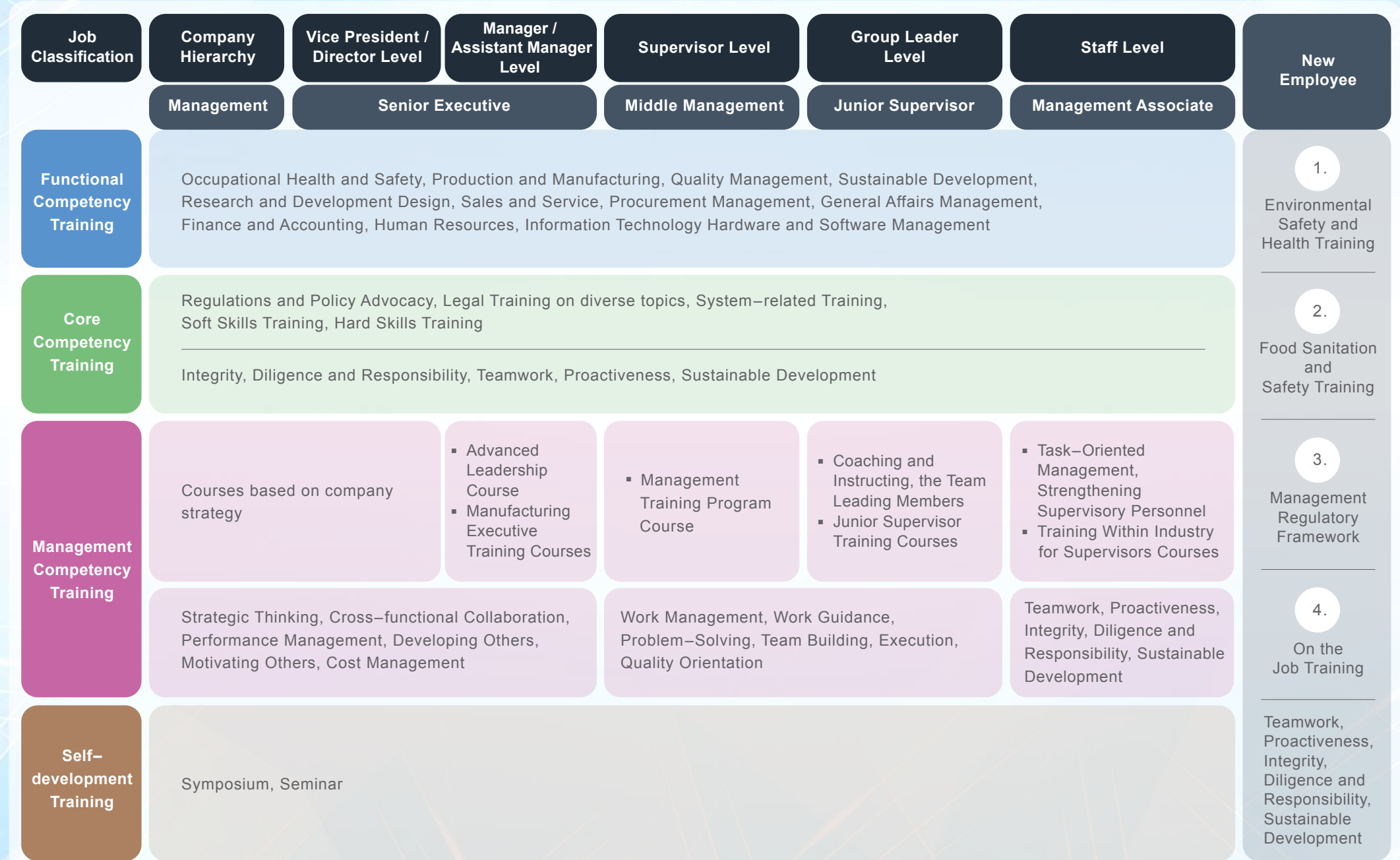
5.5 Social Responsibility and Equality
Assurance

5.6 Win–Win Labor–Management
Communication Channels

5.7 Occupational Safety

6 Social Synergy

References



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality
Assurance

5.6 Win–Win Labor–Management
Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

5.3.2 Training Performance

Our company is committed to enhancing employees' professional qualities and skill development by actively promoting various training programs. In 2024, the total training hours for our employees reached 14,265.6 hours, with an average of 29.4 hours per person. This represents an increase of 8.8 hours per person compared to the previous year. The special “Kingstone Lectures” were introduced, inviting external experts to share new knowledge, broaden employee perspectives, and strengthen external exchanges in 2024. Meanwhile, internal ESG related training was enhanced to drive the Company toward sustainable development. Additional occupational safety, health, and wellness seminars were held to support employees’ physical and mental health. These ongoing training programs not only help improve the company's overall competitiveness but also provide a solid foundation for the employees' career development.

◆ Average Training Hours Per Employee

Statistics / Year		2022	2023	2024
Average Training Hours per Employee (Note 1)		14.5	20.6	29.4
Employee Average Training Hours by Gender (Note 2)	Female	16.6	23.5	31.5
	Male	13.3	16.5	28.2
Employee Average Training Hours by Category (Note 3)	Direct	13.0	18.1	28.0
	Indirect	25.2	37.6	37.8



Note 1: Average Training Hours Per Employee: Total training hours for all employees for that year/Year–end total number of employees for that year.

Note 2: Average Training Hours Per Male/Female Employee: Total male/female employee training hours for that year/ Total number of male/female employees for that year.

Note 3: Employee Average Training Hours by Category: Total training hours for employees of that category for that year/ Total number of employees for that category for that year.

Kingstone Lectures – Event Photos & Highlights



① Speech Topic: Make an impact
Lecturer: Ms. Su Hsiao–Chen, CEO, Carrefour Foundation
Event Highlights: <https://reurl.cc/5KEEa7>

② Speech Topic: Lose Weight
Lecturer: Prof. Wu Chia-Ching, National Taipei University
Event Highlights: <https://reurl.cc/W0VVVO>

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality
Assurance

5.6 Win-Win Labor-Management
Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

Kingstone Lectures – Event Photos & Highlights



3



4

- ③ Speech Topic: Common Fraud Schemes and Personal Data Protection
Lecturer: Prosecutor Cheng Wen-Cheng,
Taiwan Changhua District Prosecutors Office
Event Highlights: <https://reurl.cc/M3GGLW>
- ④ Speech Topic: Plastic or Not
Lecturer: Prof. Ms. Hung Yi-Jou, CEO, MICRO PLASTIC CLEANSER CO., LTD
Event Highlights: <https://reurl.cc/5KEEzM>

Kingstone Lectures – Special Edition [Financial Management]



1

- ① Speech Topic: Asset Allocation
Lecturer: Manager Hsu Chen-Ping, Manager Yu Chiao-Ying, E.SUN Bank
Event Highlights: <https://reurl.cc/qG334E>

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality
Assurance

5.6 Win–Win Labor–Management
Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

5.3.3 Performance Assessment

To ensure the organization's operation goal connects completely with department and individual goals, the company conducts employee performance assessments every year. The scope of performance assessment includes the individual's work target, competence between responsibility and capability as well as disciplinary and reward records. It is hoped that through performance assessments, employees' work contributions and development potential can be effectively identified and cultivated to meet the long-term development needs of the business. This objective assessment principle aims to foster a fair and transparent relationship between the company, departments, and individuals, ensuring the development of necessary talents.

Performance assessment results also serve as a critical reference for bonus decisions, job promotion, personnel change, salary adjustment, training development, work improvement, and additional human resource operations to place employees in the right roles and develop their talents, enhancing the company's operational performance and ensuring sustainable growth.

◆ Statistics of Employees Participating in Performance Assessments

Employees Reviewed in 2024		Actual Number of Employees Reviewed	Total Number of Employees	Percentage
Gender	Male	293	318	92.1%
	Female	155	166	93.4%
Employee Category	Direct	393	420	93.6%
	Indirect	55	64	85.9%

Note: Employee performance review excludes new employees with less than 3 months of employment.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality
Assurance

5.6 Win–Win Labor–Management
Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

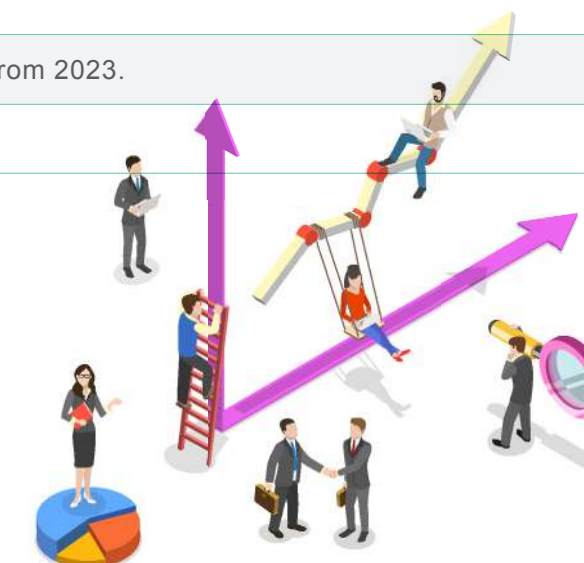
5.4 Compensation and Benefits

Our visions for talent hiring are committed by building up a qualitative, healthy, safe, friendly, and happy workplace where talents are willing to stay. It is hoped that on top of finding work value and a sense of achievement in KYF, employees will be able to take care of their families' needs. This allows employees to strike a balance between work and life, obtain real happiness in life, and do things that contribute to society.

Material topic	Compensation and Benefits
Significance for the Company	Compensation and benefits are critical factors in attracting talent; therefore, the company offers a competitive compensation system and comprehensive employee benefits to attract top talent. This approach fosters employee cohesiveness, promoting mutual growth, and creating a win–win situation for both employees and the company.
Policy and Commitment	“Talent” is the company’s most important asset. Reducing employee turnover, increasing employee loyalty, enhancing company’s reputation, and strengthening employees’ trust and sense of belonging in the company to meet the needs for the company’s development. The company has established a compensation system based on “competence and performance,” which regularly reviews industry payment standards and makes timely adjustments accordingly.
Short–term goals	90+ Points for Employee Satisfaction Survey
Medium– and long–term goals	Retention of Critical Posts and Talents
Course of action	Establishment of an employee management system for job grade, job post, responsibility allowance, promotion, and demotion as well as an annual salary adjustment system, cadre bonus system, and flexible working hour measures.
Results	Satisfaction for 2024 was 95.0 points, exceeding the target by 5.0 points and up 1.3 points from 2023.
Responsible unit	HR Department

5.4.1 Compensation System:

The company’s salary is determined based on the employee’s educational background, professionalism or technology, years of service, and experience. There are no differential treatments because of differences in gender, religion, race, or party.



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality Assurance

5.6 Win–Win Labor–Management Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

5.4.1.1 Basic Wage:

◆ Salary times between standard starting wage for basic level personnel and local basic wage

Employee Category	Gender	Standard Salary	Local Basic Wage	Percentage of Standard Salary over Local Basic Wage
Direct Personnel	Male	30,000	27,470	1.09
	Female	27,470	27,470	1.00
Indirect Personnel	Male	32,000	27,470	1.16
	Female	30,000	27,470	1.09

5.4.1.2. Salary Structure and Adjustment:

In addition to basic salary, employees are also entitled to duty allowance, shift allowance, overtime fee, holiday bonus, attendance bonus, technology bonus, and other bonuses (such as maintenance or proposal bonuses). For stability and retention of talents, we will regularly review market salary levels obtained from job banks or external salary investigation assessments and make appropriate adjustments to employee's salaries. Special salary adjustments will be offered to talents with extraordinary performance to rival competitive salary levels in the market. The number and average and median salaries of full–time employees who do not hold supervisory positions are shown in the table below.

◆ Salary Overview of Non–supervisory Employeesa

Year	Employees	Average salaries	Median salaries
2022	457	649	651
2023	452	639	634
2024	476	680	689

Unit: Employee / TWD Thousand

5.4.1.3 Professional Technology/Skill Certification Bonus:

Production units utilized practical test measures and were awarded special technology certification bonuses based on the technological capabilities of different departments (extrusion/mold/cutting/package). The purpose is to enhance employee's professional skills and improve the company's manufacturing technology and production capability. A total of TWD 5,896,650 was granted in 2024; as the timing of certification bonus proposals is now irregular, the total amount paid decreased by 2.9% compared to 2023.

◆ Statistics for Professional Technology/Skill Certification Bonus

Year	Certification Award Bonus	Maintenance Award Bonus	Mold Development R&D Award Bonus
2022	4,739,950	1,322,500	140,000
2023	4,632,200	1,325,000	115,000
2024	4,582,000	1,294,650	20,000

Technological Skill Certificate and Maintenance Award Bonus (Unit: TWD)

5.4.2 Employee Benefit Measures

We promote the “Keep Your Family Balanced” philosophy, which also symbolizes the company's acronym KYF. Because of this balance between work and family, the company continues to build up a “Lifestyles of Health and Sustainability” work environment to shape a corporate culture of friendly families.

To promote a balance between work and life and mitigate employee's burden in raising children, the company entered contracts with 2 childcare agencies such as kindergartens—each year to offer preferential services to employees' children enrolled in those agencies. The company also offers childcare allowances twice a year to children under 12 years old. The subsidy for these children is TWD 4,000 per year per child, with no limit on the number of children receiving this subsidy. In 2022, private childcare agencies were also included in the subsidy. The total number of eligible applicants in 2024 was 119, and the total amount for the company's subsidy was TWD 238,000.

- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics
- 3 About King Yuan Fu
- 4 Sustainable Environment
- 5 Employee Care**
 - 5.1 Employee Overview and Manpower Structure
 - 5.2 Talent Acquisition and Turnover
 - 5.3 Talent Development System
 - 5.4 Compensation and Benefits**
 - 5.5 Social Responsibility and Equality Assurance
 - 5.6 Win–Win Labor–Management Communication Channels
 - 5.7 Occupational Safety

- 6 Social Synergy
- References

5.4.2.1 Birth Subsidy:

To echo the government’s promotion of birth encouragement measures and to fulfill a corporation’s social responsibilities, the company establishes guidelines for employee birth subsidies. A subsidy of TWD 3,000 is provided to each child born to an employee or his/her spouse. The total amount for this subsidy in 2024 was TWD 12,000.

5.4.2.2 Provision of Dormitory:

The company offers employee dormitories to employees with accommodation needs. All dormitories are equipped with leisure facilities such as recreation rooms for employees to rest and entertain.

5.4.2.3 Benefit Subsidy:

In addition to gifts (coupons) during the employee’s birthday and three major holidays, the company also offers employee travel, children’s education subsidies, wedding subsidies, birth subsidies, relocation subsidies, medical subsidies, funeral subsidies, and so on. The company’s total subsidy amount for 2024 was TWD 4,204,700.



5.4.2.4 Designated Stores:

The company entered contracts with designated stores to offer preferential treatment to employees for activities about meals, clothes, accommodation, travel, education, and recreation.

5.4.2.5 Pension System:

The company plans employee retirement benefits by the Labor Standards Act and the Labor Pension Act, as shown in the table below:

◆ Statistics for Labor Pension

Item	Labor Pension	
	Previous System	New System
Basis of Law	Labor Standards Act	Enforcement of the Labor Pension Act started on July 1, 2005.
Applicable Party	Employees regulated by the Labor Standards Act	

- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics
- 3 About King Yuan Fu
- 4 Sustainable Environment
- 5 Employee Care**
 - 5.1 Employee Overview and Manpower Structure
 - 5.2 Talent Acquisition and Turnover
 - 5.3 Talent Development System
 - 5.4 Compensation and Benefits**
 - 5.5 Social Responsibility and Equality Assurance
 - 5.6 Win–Win Labor–Management Communication Channels
 - 5.7 Occupational Safety

- 6 Social Synergy
- References

Item	Labor Pension	
	Previous System	New System
Percentage of Pension Appropriation over Salary	The company established the “Labor Pension Fund Supervision Committee” and a labor pension fund of 3% of an employee’s monthly salary is appropriated accordingly. Currently, the company has already appropriated the full amount with an appropriation of TWD 50,000 fixed amount each month. The total amount in the old retirement accounts was TWD 19,865,685 (as of 12/31/2024, according to the Taiwan Bank accounts).	Employer: 6% of the employee’s monthly salary Employee: (paid by employee) 0~6% of monthly salary (This can be deducted in full amount from the personal total income of that year.)
Custody Unit	Bank of Taiwan	Bureau of Labor Insurance
Terms and Methods of Payment Application	In the event an employee retires in the service unit and qualifies for pension–receiving terms stipulated in the Labor Standards Act, the employer will pay the pension accordingly.	The employee is entitled to apply with the Bureau of Labor Insurance to receive the accumulated amount in a personal account at the age of 60 years old.
Level of Employee’s Participation in Retirement Plan	100%	100%

Note:

1. Labor Pension Act (new system) was enforced on July 1, 2005. Employees working for the company at that time might select a labor pension new system, old system, or temporary no selection before July 15, 2005. For those selected temporarily no selection, the old system will continue to be applied. For employees selecting the new system, labor pension under the new system will have to be paid starting from July 1, 2005. For employees selecting the old system (including temporary no selection), they may change to select the new system within 5 years (before June 30th, 2010). After July 1, 2005, the new system will be universally applied to new employees or those who are employed again after resignation.
2. Once the pension system under the Labor Pension Act (new system) is applied, employees may not swab back to apply the old pension system whose requirements are prescribed in the Labor Standards Act.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality
Assurance

5.6 Win–Win Labor–Management
Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

5.4.2.6 Employee Satisfaction

To continue to understand employee's thoughts and build up a happy work location for the company, we have used a five–point scale to conduct an employee satisfaction survey every year. The overall satisfaction score is calculated as the average across four major dimensions: work–life balance, development, compensation, and working environment. In 2024, the target satisfaction score was set at 90. The overall average satisfaction score reached 95.0, exceeding the target by 5.0 points and increasing by 1.3% compared to the 2023 score. All indicators in each dimension improved, with the largest increase of 1.7% seen in the compensation and benefits dimension.

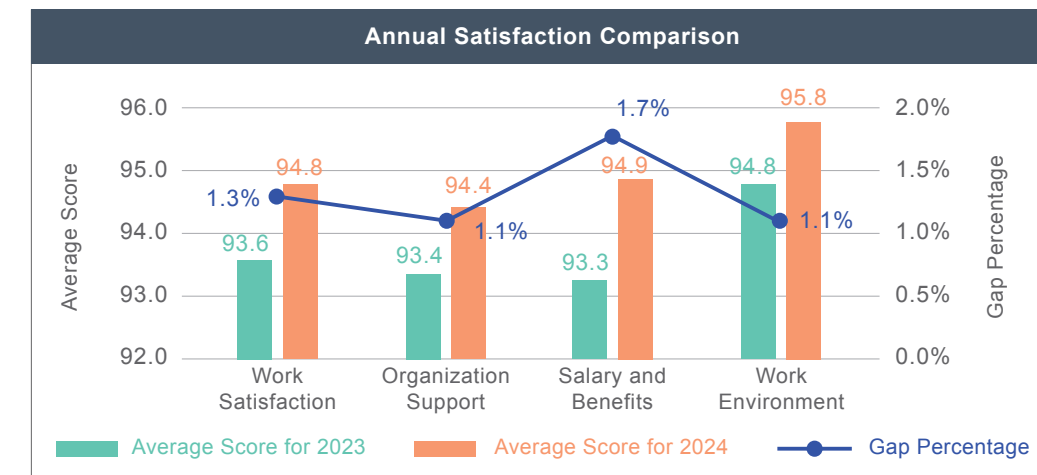
Colleagues highly recognized and were satisfied with the Company's DEI (Diversity, Equity, and Inclusion) and multicultural activities, and expressed agreement and support for the Company's emphasis on and respect for employees from different cultural backgrounds.

5.5 Social Responsibility and Equality Assurance

The company upholds the “People Oriented” spirit and is dedicated to promoting a fair and diversified work environment for employees, emphasizing the gender equality system and complying with the requirements and spirit of the Labor Standards Act and Act of Gender Equality in Employment.

5.5.1 Human Rights Protection

- ◆ To fulfill corporate social responsibility, the company protects employees' basic human rights and related rights, supports and complies with basic human rights principles of ETI fundamental requirements, the International Labor Organization Convention (ILO Declaration on Fundamental Principles and Rights at Work), and Universal Declaration of Human Rights, establishes the company's labor human rights policy, drafts the following management guidelines and discloses these guidelines in the company's internal announcement platform.
- ◆ Discrimination of any form is prohibited. Forced labor and employment of child labor are prohibited. Establish a safe, hygienic, and healthy work environment. Respect employee's rights for assembly and association. Provide fair and reasonable salary and work conditions. Enforce management over supplier's compliance with Corporate Social Responsibility (CSR) standards. Build up comprehensive employee report mechanisms. Establish official and non–official channels, including a suggestion box and e–mail complaint box that listen to employees' voices to maintain harmonious labor and management relationships, work atmosphere, and employee rights (for details, please refer to the 5.6 Win–Win Labor–Management Communication Channels). In the meantime, human rights policy is promoted through internal education and training. In 2024, the total hours for the company's employees as a whole participating in human rights training was 882 hours with a training achievement rate of 100%.



Note: Gap Percentage = (Average Score for 2024 – Average Score for 2023) / Average Score for 2023

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

**5.5 Social Responsibility and Equality
Assurance**

5.6 Win-Win Labor-Management
Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

5.5.2 Gender Equality

- ◆ Since 2023, the company has established all gender restrooms to provide all employees, regardless of gender identity, with an inclusive and respectful environment, demonstrating its commitment to diversity and inclusion.
- ◆ A breastfeeding room is established, 7 days of “pregnancy check leave and paternity leave,” 8 weeks of maternity leave, as well as parental leave, are established by laws to protect female employee’s rights. Over-time is restricted and work on related tasks with potential danger to the mother or infant is prohibited. Equal pay for equal work applies to employees with reinstatement after maternity leave. Meanwhile, an appropriate work environment is provided to pregnant colleagues to avoid their engagement in tasks that may impact their health. Special seats are installed to mitigate their discomfort during work.
- ◆ Employee’s application requests for maternity leave without pay can all be processed before their children reach 3 years old. The maximum period for the leave can be 2 years. Therefore, this company has relatively fewer employees giving birth. A total of 2 employees applied for parental leave without pay in 2024. The return-to-work rate for those returning from parental leave in 2024 reached 50%. We have comprehensive mechanisms for deputy and family care leave. A friendly environment that takes care of family is established accordingly to enhance balance in family life while allowing employees to take care of family and work at the same time.

◆ Statistics for the return-to-work rate for those returning from parental leave

Employee Parental Leave without Pay / Year	Gender	Statistics		
		2022	2023	2024
Total number of employees that were entitled to parental leave	Male	22	23	21
	Female	7	8	5
Total number of employees that took parental leave	Male	4	3	2
	Female	4	2	0
Total number of employees that should have returned to work in the reporting period after parental leave ended (A)	Male	1	4	3
	Female	8	4	1
Total number of employees that returned to work in the reporting period after parental leave ended (B) (including an early return to work)	Male	1	3	2
	Female	3	2	0
Return to work rate (B/A)	Male	100.0%	75.0%	66.7%
	Female	37.5%	50.0%	0.0%
Total number of employees retained 12 months after returning to work following a period of parental leave (C)	Male	0	1	2
	Female	1	2	2

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

**5.5 Social Responsibility and Equality
Assurance**

**5.6 Win–Win Labor–Management
Communication Channels**

5.7 Occupational Safety

6 Social Synergy

References

Employee Parental Leave without Pay / Year	Gender	Statistics		
		2022	2023	2024
Retention Rate (C/Previous Year B)	Male	0.0%	100.0%	66.7%
	Female	33.3%	66.7%	100.0%

Note 1: The total number of employees that were entitled to parental leave is based on the accumulated number of male and female employees applying for maternity leave and paternity leave during the last 3 years.

Note 2: Return to work rate = (Total number of employees that did return to work after parental leave / Total number of employees due to return to work after taking parental leave)*100%

Note 3: Retention rate = (Total number of employees retained 12 months after returning to work following a period of parental leave / Total number of employees returning from parental leave in the prior reporting period)*100%

5.6 Win–Win Labor–Management Communication Channels

The company has always been open to employee’s voices. In addition to actively caring for employees from time to time, it also holds labor and management meetings regularly as required by laws. Meanwhile, the company has already established employee complaint channels for years. If employees are treated unfairly or unreasonably during work, when their rights are infringed, or when they report other’s inappropriate infringement of the company’s interest, employees are capable of filing a complaint accordingly. In 2024, one internal workplace bullying grievance was filed workplace misconduct unlawful infringement reporting procedure. The result was discussed and decided by the personnel evaluation committee, the complainant was notified, and the disciplinary result was publicly announced and the case was closed.

5.6.1 Regular Holding of Labor / Management Meetings

The company holds labor and management meetings every 3 months. These meetings are attended by representatives from both labor and management. Management representatives explain the company’s operation’s latest status and significant matters while labor representatives may reflect voices from employees. This renders positive assistance to communications between labor and management. Labor and management meetings offer open discussions on work rules updates, promotion of win–win activities, employee travel as well as issues raised by the benefit and salary committee. This applies to all KYF employees. Currently, no collective bargaining agreement has been entered. However, we’re convinced that continuous communication between labor and management will assist in the company’s harmony and future development.

5.6.2 Migrant Worker Care Meeting

The company takes every employee’s voice very seriously. In addition to native migrant workers, the company also holds migrant worker care meetings each month, with meetings held in the Shulin and Yingge plants once every two months starting from January and in the Dongshan Plant once every two months starting from February. Through these meetings, the company promotes related policies. Additionally, the company also understands more about migrant’s life, work, and physical/mental/spiritual status through these meetings. Furthermore, the company also established text message groups with migrant workers for the sake of two–way communication from time to time.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality
Assurance

5.6 Win-Win Labor-Management Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

5.6.3 Employee Opinion Mailbox

The Company has established workplace sexual harassment prevention, complaint, and disciplinary measures, which are clearly included in the work rules. If employees encounter unreasonable situations or suffer unlawful infringement (including physical, psychological, verbal violence, or sexual harassment) while performing their duties, they can submit a complaint through oral, written, or e-mail channels, and complete the event report form to seek assistance. The HR Department will assign relevant personnel to investigate based on the severity of the case and handle the process and reports confidentially to protect the rights of complainants and provide a fair and reasonable working environment.

Report Channels

1. Employee Opinion Mailbox: Colleagues can submit paper complaints
2. Employee Suggestion Mailbox (email): hr@kyf.com.tw
3. Report Hot Line: +886 2 86776555 ext. 2321~5
4. Acceptance and Investigation Unit: hr@kyf.com.tw



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality
Assurance

5.6 Win–Win Labor–Management
Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

5.7 Occupational Safety

KYF deeply understands that “people” are the cornerstone of sustainable business development. The Company has an unshirkable responsibility to create a safe and healthy working environment for employees, contractors, and other stakeholders. To systematically implement occupational health and safety, the Company’s main operating sites have introduced an Occupational Health and Safety Management System (ISO 45001:2018), ensuring that every aspect of the operation complies with occupational health and safety laws and other relevant requirements. Through the Plan–Do–Check–Act (PDCA) continuous improvement process, we enhance workplace safety and health mechanisms, prevent unsafe behavior, environments, and equipment from causing occupational accidents, and fulfill our responsibility to protect workers’ safety and health.

Material topic	Occupational Health and Safety	
Significance for the Company	To create a zero–injury, zero–accident work environment, enabling workers to perform their duties in a healthy and safe setting, minimizing occupational accidents and diseases, and fulfilling the responsibilities of employers and business owners.	
Policy and Commitment	The Company is committed to providing a healthy and safe working environment by promoting and maintaining an Occupational Health and Safety Management System, enhancing occupational health and safety–related training for employees, optimizing the work environment, and strengthening equipment safety inspections. These efforts ensure effective occupational health and safety management, allowing employees to work with peace of mind while supporting the Company’s corporate sustainability objectives.	
Short–term goals	1. The number of occupational injuries in 2025 was zero. 2. Promote the digitalization of contractor management forms to improve the effectiveness of contractor management.	3. Continue providing on–site personnel with training courses to enhance professional occupational safety skills and safety awareness. 4. Continue to carry out health promotion activities.
Medium– and long–term goals	1. Achieve the goal of zero work injuries and zero accidents.	2. Build a healthy workplace to promote the physical and mental well–being of employees.
Course of action	1. Ongoing optimization of the ISO 45001 Occupational Health and Safety Management System.	2. Conduct targeted training on high–risk tasks to improve workers’ safety awareness.
Results	2024 Goal Achievement: 1. Occupational accidents: The number of occupational accidents decreased to one case, reflecting our ongoing efforts to improve occupational safety and reinforcing our commitment to achieving the goal of “zero incidents, zero occupational accidents.” 2. On–the–job training: In 2024, a total of 30 training sessions were conducted, with 1,419 participants and a cumulative total of 3,804 training hours. 3. Health promotion: Fat reduction competition results: A total of 38 employees participated, with a weight control success rate of 94.7% among participants.	
Responsible unit	Health & Safety Management Department	

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality
Assurance

5.6 Win-Win Labor-Management
Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

5.7.1 Occupational Health and Safety Management System

The Shulin Plant, Yingge Plant, and Dongshan Plant all comply with national laws such as the Occupational Health and Safety Act and workplace regulations to enhance occupational safety standards. In 2021, an Occupational Health and Safety Management System (ISO 45001:2018) was introduced and third-party certified. Each plant's ISO 45001:2018 system remains valid and effective, as shown below.

ISO 45001:2018 Occupational Health and Safety Management System			
Plant	Date of Initial Certificate	Renewal Date	Expiration Date
Shulin Plant	2021-07-16	2024-09-25	2027-07-15
Yingge Plant	2021-07-05	2024-09-06	2027-07-04
Dongshan Plant	2021-07-09	2024-09-25	2024-07-08

◆ Workers Covered by the Occupational Health and Safety Management System in 2024

Management System / Regulation	Inspection Category	Number of Workers	Percentage	Note
ISO 45001:2018 system	Internal or External Verification	484	100%	Yingge Plant 2 is scheduled to obtain independent verification in the future.

5.7.1.1 Occupational Health and Safety Committee

The Company has established an Occupational Health and Safety Committee in accordance with the Occupational Health and Safety Management Regulations, with the proportion of worker representatives exceeding the legally required one-third threshold. The committee convenes quarterly meetings, where worker representatives speak on behalf of all employees and jointly discuss occupational health and safety topics with management.

◆ Number of Participants and Meeting Frequency of the Occupational Health and Safety Committee

Region	Plant	Total Committee Members	Worker Representatives	Proportion of Workers	Meetings per Year
Taiwan	Shulin Plant	12	4	33.34%	4
	Yingge Plant	12	4	33.34%	4
	Dongshan Plant	12	4	33.34%	4

5.7.1.2 Contractor Management

For contractor safety management, the Company has established a “Contractor Management Procedure,” which includes pre-entry education and training, organization of contractor coordination meetings, and hazard notification. Construction is only allowed after the application for a construction permit has been approved. For specific high-risk operations, such as lifting work, toolbox meetings are held (as illustrated below) to strengthen safety supervision during construction. These measures are designed to ensure that all contractors comply with the Company's safety management procedures and to protect overall workplace safety.

Machine Hoisting and Positioning Operations (Hoisting Operation Workflow)

1 Pre-construction Toolbox Meeting



2 Incoming Inspection



3 Hoisting and Positioning via Fixed Lifting Platform



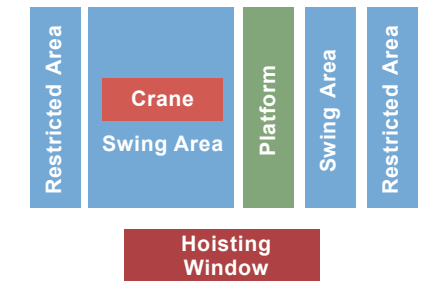
4 Equipment Move-in



5 Temporary Positioning



◆ Simple Chart



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality Assurance

5.6 Win-Win Labor-Management Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality
Assurance

5.6 Win–Win Labor–Management
Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

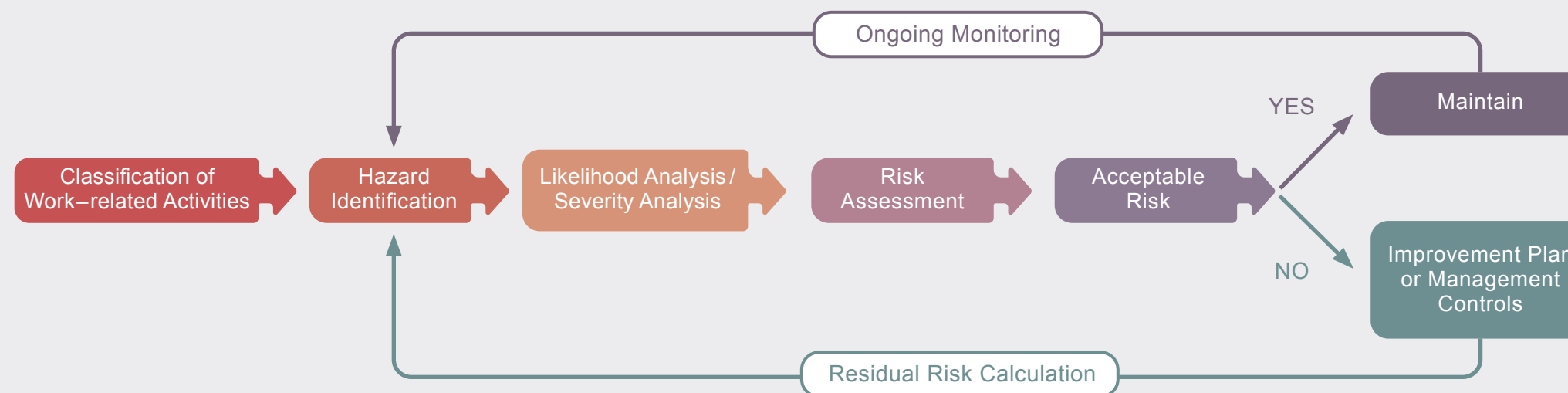
5.7.2 Hazard Identification and Risk Assessment

According to the Company’s “Hazard Identification and Risk Assessment Management Procedure,” annual hazard identification and risk assessments are conducted, covering all activities potentially impacted by organizational operations, including personnel, sites, and facilities beyond the organization’s direct control. All related matters are managed in strict accordance with this procedure.

To effectively identify operational hazards, conduct risk assessments, and develop improvement measures for high–risk activities, internal education is provided annually by occupational health and safety management personnel prior to the hazard identification process. The training guides each unit to evaluate relevant raw materials, products, activities, and services, and to identify potential hazards that may cause personal injury or equipment damage. Following risk assessment, hierarchical management and control are applied based on risk levels, improvement objectives are set, and the effectiveness of control measures is monitored to minimize the likelihood of hazards occurring.

Every March, hazard identification and risk assessment personnel from each unit conduct evaluations of their operations using the C–4F–07–14 Hazard Identification and Risk Assessment Form, in accordance with the “Hazard Identification and Risk Assessment Management Procedure.” In 2024, the Company performed hazard identification assessments for a total of 677 operations, including 251 at Yingge Plant, 176 at Shulin Plant, 209 at Dongshan Plant, and 41 at Yingge Plant 2.

Hazard Identification and Risk Assessment Flowchart



5.7.3 Occupational Accidents and Preventive Improvement Measures

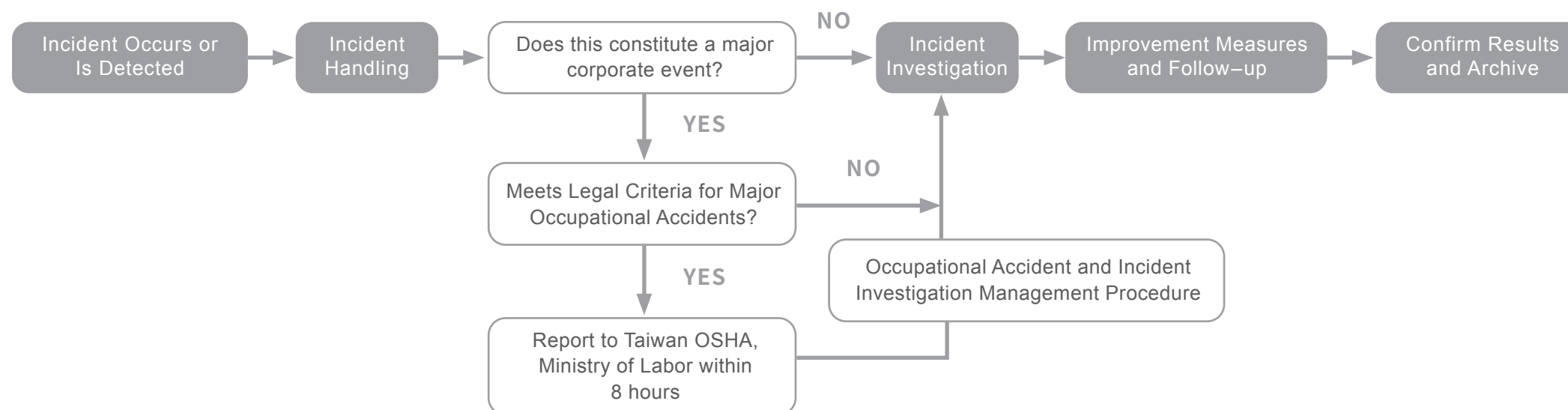
『Occupational Accident and Incident Investigation Management Procedure』

To ensure workplace safety, we have established the “Occupational Accident and Incident Investigation Management Procedure,” which guarantees prompt emergency response and incident reporting to minimize injury severity. Thorough investigations, including root cause analysis, are conducted to develop corrective and preventive actions to avoid recurrence and enhance occupational safety.

We will continue our efforts to ensure workplace safety through ongoing monitoring, continuous improvement of procedures, and strengthened training, with the goal of reducing the occurrence of incidents.

According to 2024 statistics, one occupational injury incident occurred, resulting in a total of 37 lost workdays. These figures will serve as an important reference for enhancing our safety measures.

Emergency Incident Response and Reporting Procedure



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality
Assurance

5.6 Win–Win Labor–Management
Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality
Assurance

5.6 Win–Win Labor–Management
Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

◆ “Inspection Operation Management”

An “Inspection Operation Management Regulation” has been established, under which the Health & Safety Management Department conducts targeted inspections and spot checks across various units. Key inspections include irregular weekly walkthroughs of machinery on each floor, verification that contractor work aligns with submitted application forms, random checks of machine safety devices, and onsite inspections by units based on contractor operation inspection checklists. These inspections cover areas such as general requirements, fall prevention, electric shock hazards, falling object prevention, and fire prevention, aimed at enhancing operational safety and ensuring personnel’s life safety and health.

For identified deficiencies, a “Safety and Health Violation Notice” is issued. If a notice is issued three times without rectification or if there is imminent danger, the responsible party will be required to cease operations and complete improvements within a specified deadline. Inspection results are reviewed in weekly supervisors’ meetings to discuss potential risks and possible improvement measures.

◆ Additional Relevant Procedures

To prevent and mitigate occupational health and safety impacts directly related to business activities, relevant operating procedures have been established, including the Personal Protective Equipment Management Regulations, Work Environment Monitoring Management Regulations, Special Operations Management Regulations, and Employee Health Protection Management Regulations. Through systematic management, the safety of the work environment is maintained.

Additionally, to actively promote occupational safety, a Safety Incentives and Penalties Management Procedure has been formulated. Occupational injury statistics from business units are compiled, and units demonstrating outstanding performance are awarded group incentives to foster a culture of occupational health and safety.

5.7.4 Occupational Health and Safety Management Measures

5.7.4.1 Occupational Health and Safety Training

KYF is committed to ensuring that every worker fully understands occupational health and safety regulations as well as the company’s safety and health management system. Each year, training plans for the upcoming year are developed, and in–service occupational health and safety training is conducted accordingly. We maintain an inventory of all tasks requiring the use of special equipment or professional certifications mandated by occupational health and safety regulations, and arrange for personnel to attend external training and obtain necessary licenses as needed. This builds employees’ capabilities for safe operations and fosters the integration of a safety, health, and wellness culture within the company’s work environment.

◆ In–service Education and Training

Course Name	Participants	Total Training Person–Hours
General Occupational Health and Safety Training (1 hr)	514	514
Supervisor Education Training (1 hr)	35	35
Chemical Hazard Prevention Training (1 hr)	17	17
Fire Drill (4 hrs)	795	3,180
Special Operations Safety Training (e.g., forklifts, fixed cranes, electric pallet trucks, noise-related tasks) (1 hr)	58	58
Total	1,419	3,804

- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics
- 3 About King Yuan Fu
- 4 Sustainable Environment

5 Employee Care

- 5.1 Employee Overview and Manpower Structure
- 5.2 Talent Acquisition and Turnover
- 5.3 Talent Development System
- 5.4 Compensation and Benefits
- 5.5 Social Responsibility and Equality Assurance
- 5.6 Win-Win Labor-Management Communication Channels

5.7 Occupational Safety

- 6 Social Synergy
- References

In 2024, 30 in-service training sessions were held, reaching 1,419 participant attendances, totaling 3,804 person-hours of training.

The company's in-service training hours have met the regulatory requirement of three hours every three years, demonstrating full compliance with legal obligations and a strong commitment to occupational health and safety education.



5.7.4.2 Emergency Incident Handling

An “Emergency Preparedness and Response Management Procedure” has been established, with emergency responses carried out according to procedures for various hypothetical scenarios, such as fire outbreaks, criminal threats/extortion, water or power outages, infectious disease outbreaks, chemical spills, and more. In accordance with the recommendations of the Occupational Safety and Health Administration under the Ministry of Labor, Taiwan (Taiwan OSHA), periodic emergency drills are conducted. The primary objectives are to strengthen personnel's emergency response capabilities, clarify correct handling procedures, and provide timely action guidelines in the event of a disaster. This ensures the safety of personnel and the environment, maintains normal factory operations, and minimizes potential disaster losses resulting from accidents.

Occupational Health and Safety Certifications (Certified Personnel in 2024)

Certificate Name	Number of Certified Personnel
Fixed Crane Operators (including foreign workers)	26
Aerial Work Platform Operator	1
First Aid Personnel	2
Forklift Operators (including foreign workers)	9
Organic Solvent Operations Supervisor	1



5.7.5 Employee Health Management

5.7.5.1 Health Examination

- ◆ The company commissions major hospitals annually to conduct health examinations to ensure employee health and submits the results to the competent authority for record. In 2024, 395 employees were required to undergo health examinations, and all 395 completed them, achieving a 100% participation rate. The check-ups covered staff at the Shulin Plant, Yingge Plant, and Dongshan Plant.
- ◆ In addition to general checkup items, special health checkups are conducted in accordance with the Ministry of Labor's Labor Health Protection Rules.
- ◆ Health management is carried out in a tiered manner. After examination by the occupational medicine specialist, most employees are classified under level one or two management, with only a few assigned to level four. Plant nurses provide care or recommendations based on management levels (from level one to four) and employee health check results. For any abnormal findings in special health checkups, referrals to hospitals for further examination, regular follow-up, or treatment are arranged accordingly.

2024 Employee General Health Checkups				
Plant	Yingge Plant	Shulin Plant	Dongshan Plant	Total
Number of Employees	194	55	142	391
General Health Checkup	194	55	142	391
Health Examinations for Food Handlers	76	33	86	195
Special Health Checkup	116	44	123	283
Supervisor Health Examination	35	11	11	57
Health Examination Rate	100%	100%	100%	100%
Note	▪ Compliant with statutory general health checkup requirements. ▪ Compliant with food safety health checkup requirements. ▪ Compliant with special operations (noise) health checkup requirements. ▪ Exceeds legal requirements; includes 8 examination items. ▪ Exceeds legal requirements; includes 3 supervisor-level items.			



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality
Assurance

5.6 Win-Win Labor-Management
Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

5.7.5.2 Health Promotion for Workers

Comprehensive Health Management

KYF's comprehensive health management covers both occupational disease prevention and the promotion of employees' personal health. By controlling health risks in the workplace, it helps safeguard employees' physical and mental well-being and supports a healthy work-life balance.

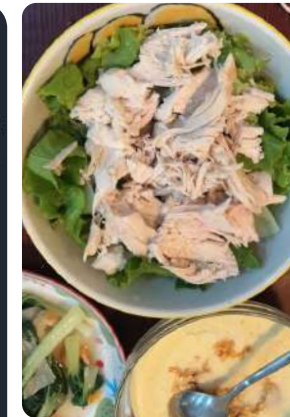
1 Health Promotion Activity: "Avengers—Fat Reduction Contest"

According to health checkup reports across all plants, a relatively high proportion of employees showed abnormalities in body mass index (BMI), waist circumference, and total cholesterol levels.

With internal consensus and strong management support, KYF organized a health promotion activity in 2024 titled "Avengers—Fat Reduction Contest," aiming to inspire employees to form teams, support one another, and work together to reduce body fat—fostering a healthy and positive workplace culture.



★ Outcome of the Health Promotion Fat Reduction Challenge: A total of 38 employees participated, with a weight control achievement rate of 94.7% among participants. ★



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality Assurance

5.6 Win–Win Labor–Management Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

2

Health Promotion Seminars

To enhance employees' health awareness, encourage healthy behaviors, reduce the risks of occupational and chronic diseases, and foster a healthy work environment, each plant started holding at least one health promotion seminar per quarter beginning in 2024. The seminars offer diverse content to meet the varied health needs of employees. In 2024, a total of 24 seminars were held, with 486 participant attendances.

◆ 2024 Employee Health and Workplace Safety Training Statistics Table

Course Name	Plant	Number of Participants
Workplace Misconduct Education	Dongshan	21
Noise Hazard Protection	Dongshan	22
Cardiovascular Disease Prevention	Dongshan	21
Skin Care and Health Seminar	Dongshan	21
Hearing Protection Training	Yingge	17
Gender Equality Seminar	Yingge	19
Prevention of Food Poisoning and Eating Whole Grains for Good Health	Dongshan	21
Physical and Mental Stress Relief Seminar (Aromatherapy)	Dongshan	21
Drug Abuse Prevention Seminar	Yingge	15
Heat–Related Illness and Summer Disease Prevention	Dongshan	25
Physical Fitness Session (With Professional Coaching)	Yingge	23
Living a Healthy Life	Yingge	17

Physical Fitness Session (With Professional Coaching)	Shulin	9
	Yingge	19
Preventing Metabolic Syndrome and Digital Eye Strain	Dongshan	22
Gender Equality and Older Worker Rights Awareness	All plants	22
Health Seminar: Run for Strength, Run for Health	Yingge	18
Mental Health Promotion	Dongshan	17
Health Seminar (NTPU, Taipei, Taiwan): Stretching and Relaxation, Massage for Stress Relief	Yingge	16
Workplace Bullying Prevention Seminar	Yingge & Shulin	32
Taekwondo for Self–Defense and Well–being	Yingge	17
Workplace Mental Health Promotion Seminar	Yingge	19
Dementia–Friendly Workplace Seminar	Dongshan	31
Metabolic Syndrome Seminar	Yingge	21
24 courses in totals		486 participant sessions

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality Assurance

5.6 Win-Win Labor-Management Communication Channels

5.7 Occupational Safety

6 Social Synergy

References

Photos of Health Promotion Seminars



Dongshan Plant:
Dementia-Friendly Workplace Seminar



Yingge Plant:
Physical Fitness Session



Shulin Plant:
Physical Fitness Session

5.7.5.3 Occupational Disease Prevention

1. Occupational Injury and Disease Statistics

Year / Item	2022	2023	2024	Note
Number of Employees	467	458	484	1. Injury Rate (IR) = Total Occupational Injury Incidents / Total Working Hours × 200,000 2. Occupational Disease Rate (ODR) = Total Occupational Disease Incidents / Total Working Hours × 200,000 3. Lost Day Rate (LDR) = Number of Lost Days / Total Working Hours × 200,000 *Calculation is based on 50 weeks per year and 40 working hours per week, standardized per 100 employees (200,000 hours basis). 2022 total working hours: 932,748 hours; lost days due to occupational injury: 188 (actual lost days). 2023 total working hours: 891,848 hours; lost days due to occupational injury: 142 (actual lost days). 2024 total working hours: 929,480 hours; lost days due to occupational injury: 37 (actual lost days). *The decrease in lost days due to occupational injuries in 2024 reflects the company's effective focus on employee safety training in recent years.
Fatal Accident	0	0	0	
Occupational Accidents	7	4	1	
Major Occupational Accidents	0	0	0	
Injury Rate (IR)	1.5	0.9	0.2	
Occupational Disease Rate (ODR)	0	0	0	
Lost Day Rate (LDR)	40.3	31.8	7.9	

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

5.1 Employee Overview and Manpower
Structure

5.2 Talent Acquisition and Turnover

5.3 Talent Development System

5.4 Compensation and Benefits

5.5 Social Responsibility and Equality
Assurance

5.6 Win–Win Labor–Management
Communication Channels

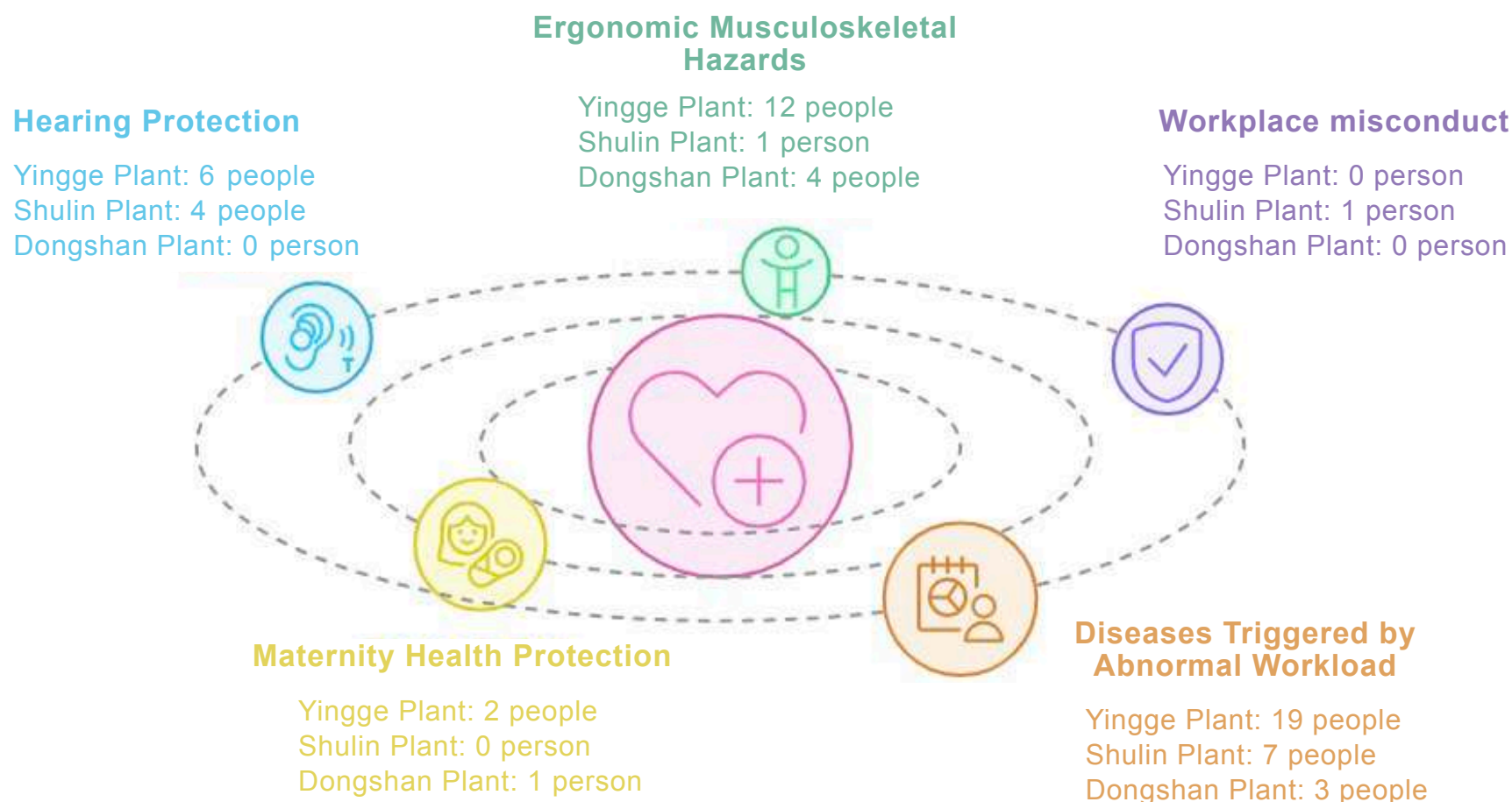
5.7 Occupational Safety

6 Social Synergy

References

2. KYF continues to build a safe and healthy work environment by continuously reviewing work tasks, identifying risk factors that may cause occupational diseases in collaboration with occupational physicians and external experts, and implementing corresponding preventive measures.

Monthly onsite health services are scheduled by the occupational medicine specialist, including health consultations and advice for high–risk groups, follow–up for employees with special health conditions, and assessment of workplace environmental impacts on employee health. Guidance is also provided for occupational disease prevention, coping with workplace stress, and preventing occupational burnout. For employees requiring specialized medical treatment, referral and health follow–up plans are arranged. In 2024, across all plants, 10 hearing protection programs, 17 ergonomic hazard prevention programs, 1 unlawful infringement prevention program, 29 abnormal workload–related disease prevention programs, and 3 maternity health protection programs were conducted. All programs involved interviews and health education delivered by the occupational medicine specialist.



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

6.1 Environmental Education

6.2 Environmental Protection

6.3 Community Care

6.4 Arts and Culture Promotion

References

6 Social Synergy



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

6.1 Environmental Education

6.2 Environmental Protection

6.3 Community Care

6.4 Arts and Culture Promotion

References

Social Synergy

We are firmly committed to becoming one of the “Best for the World” by pursuing our sustainability vision. We therefore show high concern for social welfare from a humanistic perspective. In the human, environmental, and social dimensions, we espouse the principles of tolerance, respect and mutual prosperity.

We will continue to expand our social impact, developing outward like concentric circles, deepening our local engagement, and thriving together with the community (Taiwanese: 共好有贍).

The term "贍" means surplus, abundance, or wealth. It symbolizes that while KYF ensures its operations, it is also willing to invest more resources and energy to give back to society, gradually building and enhancing relationships with the local community.

We design our social welfare initiatives around three main pillars: "Environmental Education," "Environmental Protection," and "Community Care." We continuously integrate internal and external resources to progressively expand our concern and care for society and the environment. Our beneficiaries include disadvantaged groups in local communities and student sports activities. We are also actively involved in educational philanthropy, using corporate visits and environmental education to promote environmental awareness. This connects the company with society, creating a positive cycle and fulfilling corporate social responsibility, as we advance towards the vision of becoming one of the “Best for the World.”

6.1 Environmental Education

In recent years, as environmental awareness has risen, plastic has become a target of widespread criticism. However, until a suitable alternative material is found, plastic still plays an indispensable role. By using and disposing of plastic correctly, we can hope to minimize the environmental damage it causes.

Therefore, since 2018, we have been actively promoting environmental education, dedicated to sharing sustainable knowledge about plastics and other materials with employees and the public. From production to consumption, we aim to practice sustainability principles. Only in this way can we truly achieve the goal of a circular economy, minimizing environmental threats.

6.1.1 Educational Concepts and Models

1. Internal Education — Dandelion Program: We have named our internal sustainability training program "Dandelion," symbolizing the spread of knowledge and the power of change, much like dandelion seeds dispersing and blooming. Since its inception in 2021 with the Happiness Lectures, followed by the ESG Workshop in 2022, and Topic Short Talks in 2023, Dandelion has taken various forms. In each session, different departments are responsible for brainstorming topics, combining their expertise with new sustainability knowledge to share with colleagues. We hope to plant the seeds of sustainability in the hearts of our employees, gradually embedding the importance of sustainability.
2. External Visits: By allowing visitors to see the plastic manufacturing process firsthand, we demonstrate how we implement ESG in product design, waste handling, and hardware equipment. These visits are complemented by lectures and exchange sessions, aiming to provide new perspectives on plastics and foster a shared vision and expectations for sustainable packaging.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

6.1 Environmental Education

6.2 Environmental Protection

6.3 Community Care

6.4 Arts and Culture Promotion

References

3. External Lectures/Interviews: We eagerly engage with the outside world in various formats, seizing every opportunity to tell our story and convey accurate knowledge about plastics.

6.1.2 Actual achievements

A total of 11 internal education “Dandelion” events were held, with 185 participants, which is fewer than in the previous year. This decrease was mainly because our focus shifted to external advocacy to amplify our impact. Furthermore, “Dandelion” will gradually transform, with future plans to introduce online learning modes to facilitate more flexible and long–term dissemination of sustainability knowledge. Regarding external visits, a total of 13 events were organized in 2024, attracting 633 participants.

◆ Number of Dandelion Program and External Visits and participant statistics during the Last 3 Years:

	Dandelion Program			External Visits	
Year	Theme	Number of organized events	Number of participants	Number of organized events	Number of participants
2022	ESG Workshop	1	13	5	453
2023	Topic Short Talks	39	466	9	379
2024		11	185	13	633

◆ Dandelion Program in 2024: A total of 4 topics and 11 sessions were held in 2024.

Episodes	Topics
Ep13	Fiscal ESG
Ep14	Global Plastics Treaty
Ep15	HR x Dandelion
Special Edition	KYF’s Sustainable Development Roadmap

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

6.1 Environmental Education

6.2 Environmental Protection

6.3 Community Care

6.4 Arts and Culture Promotion

References

External Visits in 2024:

Date	Participants	Type	Number of Attendees
2024-01-16	Local Enterprise: YU PANG POTTERY CO., LTD.	Enterprise visit	23
2024-04-10	Taoyuan City Innovation and Entrepreneurship Association	Enterprise visit	34
2024-05-24	National Chengchi University EMBA Association	Education visit	40
2024-06-07	Local Enterprise: WEISUN INDUSTRIAL CO., LTD.	Enterprise visit	47
2024-08-23	Chilin Education Foundation	Education visit	29
2024-09-30	Taiwan Design Research Institute, TDRI	Enterprise visit	40
2024-10-23	Wang Jin-Mu Educational Foundation — Career Learning and Judicial Pilgrimage(1)Yilan Commercial Vocational Senior High School, Luodong Senior High School	Education visit	59
2024-10-30	Wang Jin-Mu Educational Foundation — Career Learning and Judicial Pilgrimage(2)National Lan-Yang Girls' Senior High School, Su-ao Marine & Fisheries Vocational High School, Huey Deng High School	Education visit	111
2024-11-06	Wang Jin-Mu Educational Foundation — Career Learning and Judicial Pilgrimage(3)National Yilan Senior High School, National Lo-Tung Commercial Vocational High School	Education visit	74
2024-11-13	Wang Jin-Mu Educational Foundation — Career Learning and Judicial Pilgrimage(4)National Touching Commercial Vocational High School, National Lotung Industrial Vocational High School	Education visit	74
2024-11-14	National Chengchi University IMBA	Education visit	32
2024-11-18	Industrial Development Administration, Ministry of Economic Affairs (Taiwan) — Energy Management Demonstration and Observation	Enterprise visit	30
2024-12-06	National Chengchi University EMBA	Education visit	40

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

6.1 Environmental Education

6.2 Environmental Protection

6.3 Community Care

6.4 Arts and Culture Promotion

References

◆ Event images:



Dandelion Program for the plant cadres.



Dandelion Program for employees.



The enterprise visits the showroom of Yingge Plant.



The enterprise visit to Dongshan Plant.



External Lectures. Mr. Benjamin Kuo,
General Manager invited to give a speech at the
“GC Sustainable Living Symposium 2024” in Thailand.



External Lectures. Mr. Benjamin Kuo,
General Manager invited to give a speech at the
“Plastics Industry Innovation Forum.”

- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics
- 3 About King Yuan Fu
- 4 Sustainable Environment
- 5 Employee Care
- 6 Social Synergy**
 - 6.1 Environmental Education
 - 6.2 Environmental Protection**
 - 6.3 Community Care
 - 6.4 Arts and Culture Promotion

References

6.2 Environmental Protection

In line with UN SDG 15 “Life on Land” and the Trillion Trees Act, we gradually initiated various environmental protection actions (beach cleaning, mountain cleaning, adoption of forest areas, removal of Mikania micrantha, and judicious use of fertilizer) starting in 2018 and will persist in our efforts to achieve brilliant results. This program not only helps absorb carbon dioxide, purify the air, and conserve soil and water but also represents a valuable contribution to environmental beautification, protection of local biodiversity, and bringing out the beauty of our island.

- **Forestation:** Since 2009, we have been engaged in an afforestation program in cooperation with the Forestry Bureau. We have planted a total of 12,474 trees covering an area of 11.9 hectares. Since each of these trees absorbs 12kg of carbon per year (Note 1), annual CO₂ absorption amounts to approximately 149.68 metric tons.
- **2019~2022 Adoption of forest areas:** We signed a contract with the Forestry Bureau for the adoption of two areas of forest land totaling 1.21 hectares in the Four Beasts Hiking Trail forest planting area. In addition to the planting of new trees, we also engage in mowing, weeding (bitter vine control), and replanting. Annual carbon absorption of this project equals 13.19 tons (Note 2) (2022 Ecological Restoration Program in Land Areas of Concern – Project No.12).
- **In 2024, the contract with the Forestry Bureau will be renewed to remove Mikania micrantha, and we will contribute to environmental sustainability.**
- **In 2024, through collaboration with HetengTech Co., Ltd., KYF joined the “judicious use of fertilizer” program, as promoted by the Northern Region Water Resources Branch, WRA, MOEA. By judicious use of fertilizer technology and farmland adoption, KYF reduces the environmental impact of agricultural activities, enhances soil health, and improves agricultural product quality. Furthermore, KYF returns part of the agricultural harvest (oldham bamboo shoot) to both internal stakeholders and local communities, reflecting care for employees and society, and realizing sustainable development in environmental, economic, and social.**

We hope to encourage more enterprises and farmers to join this program, expand the product, and continue promoting the judicious use of fertilizer and farmland stewardship to realize the vision of sustainable agriculture, so that more people can experience the positive change and warmth brought by this initiative.

Outcomes of the Project “Judicious use of fertilizer”		
Environmental Benefits	Economic Benefits	Social Benefits
Through judicious use of fertilizer, the use of chemical fertilizers is reduced, decreasing nitrogen and phosphorus runoff into water bodies, and significantly improving soil structure and fertility.	The farmland adoption model provides farmers with a stable source of income, alleviates the pressure of agricultural production costs, and increases the market value of agricultural products.	Agricultural products are returned to employees and the local community, strengthening internal cohesion and enhancing the company's external social responsibility image. For example, employees enjoy fresh ingredients from the adopted farmland in the company cafeteria, experiencing the company's care; while elders at the local community kitchen benefit from improved meals with these agricultural products.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

6.1 Environmental Education

6.2 Environmental Protection

6.3 Community Care

6.4 Arts and Culture Promotion

References

Oldham bamboo shoot harvested and given back to employees and the community



Employee competition prize — Oldham bamboo shoot gift box



Employee meal supplement — Oldham bamboo shoot salad



Sponsor communal meals supplement — Oldham bamboo shoot dishes in Shulin Zhenming Community. (Photo from Zhenming Community representative Wang Qian's Facebook)

◆ “Judicious use of fertilizer” Project (Social Investment Assessment under B4SI Framework):
Total investment: TWD 60,000; Estimated output value: TWD 28,960; Estimated SROI: 2.1
B4SI category: Community Investment. This is a long-term project jointly promoted by the company and government departments to enhance local soil and community health and well-being.
Detailed benefits are analyzed in the following table:

Item	Impact Quantification	Estimated Value (TWD)	Type of Benefit	SDGs
Employee meal supplement	100 tkg, 485 participants	9,500	Employee Benefit Measures	SDG 3 Good Health and Well-Being
Support for the local community kitchen	60 tkg, 195 participants	1,800	Elder Care	SDG 2 Zero Hunger, SDG 3 Good Health and Well-Being

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

6.1 Environmental Education

6.2 Environmental Protection

6.3 Community Care

6.4 Arts and Culture Promotion

References

Item	Impact Quantification	Estimated Value (TWD)	Type of Benefit	SDGs
Farmers with a stable source of income	---	60,000 (input)	Income Security	SDG 1 No Poverty, SDG 8 Decent Work and Economic Growth
Employee encouragement guide	8 tkg, 4 participants	532	Recognition & Motivation	SDG 8 Decent Work and Economic Growth
Benefiting society with local partners	32 tkg, 13 participants	2,128	Stakeholder Relations	SDG 17 Partnerships for the Goals
Carbon emission reduction (estimate)	200 tkg judicious use of fertilizer reduction → Estimated CO2 reduction: 158 kg	158 (kg)	Environmental Protection	SDG 13 Climate Action, SDG 15 Life on Land

Note:

1. The Environmental Quality Protection Foundation states in the chapter titled “Contributions of Trees to Our Environment” of its annual report that “observations of the Memorial Forest indicate that each tree absorbs 12kg of carbon dioxide per year.” Source: <http://www.eqpf.org/sf/3-1.htm>

2. The Environmental Information Center has reported that 1 hectare of forest land can absorb around 10.9 metric tons of CO2. Source: <https://e-info.org.tw/node/232749>

3. The rational fertilization project uses SROI methodology for estimation, which has not yet been third-party verification, but follows B4SI disclosure principles and is supported by clear inputs and impact results, serving as a substantive reference for internal evaluation.



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

6.1 Environmental Education

6.2 Environmental Protection

6.3 Community Care

6.4 Arts and Culture Promotion

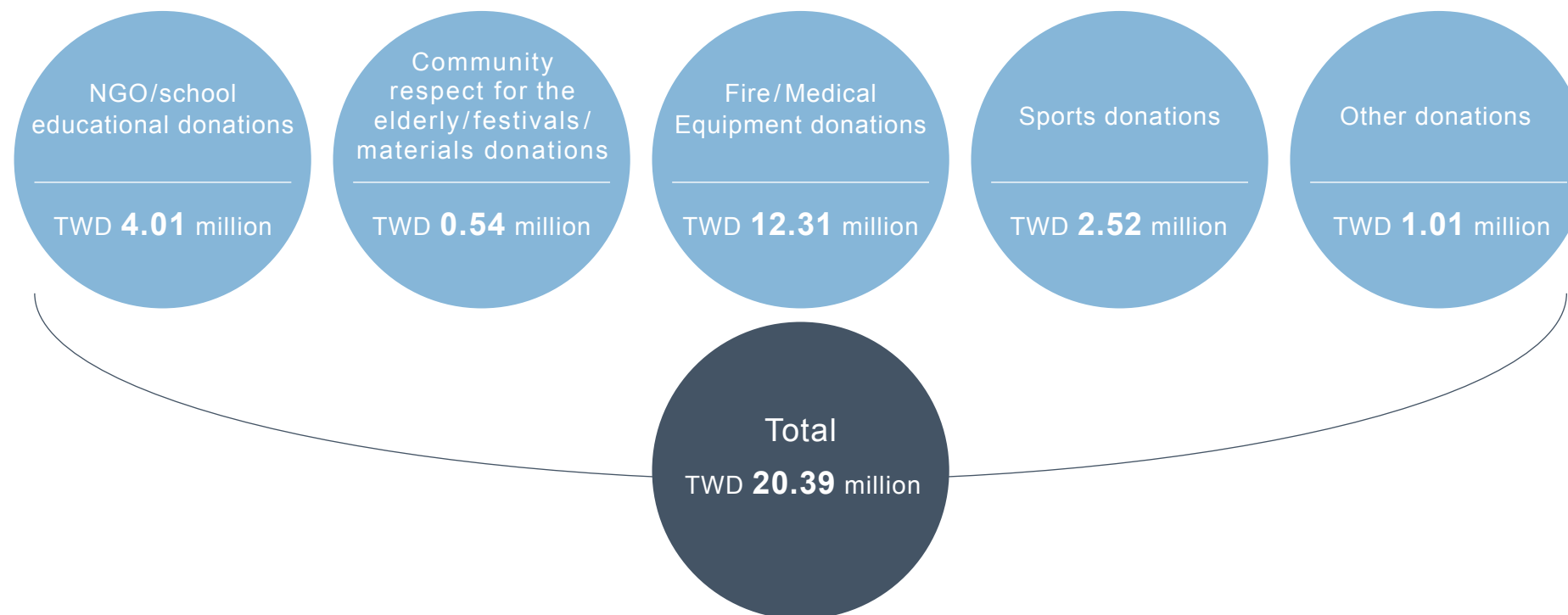
References

6.3 Community Care

We uphold a spirit of giving back to local communities, show genuine concern for community development, and participate in local activities. We have made a lasting commitment to ongoing donations to NGOs. We support sports and social medical needs and hope that more corners in need can be reached and cared for more effectively. The total amount of sponsorship/donation in 2024 was TWD 20.39 million, and the cooperating partners were as follows:

- NGO/school educational donations: Donation of Taiwan Fund for Children and Families in Yingge, Yilan Chilin Foundation, Dong Shing Elementary School of Yilan County, Asia University (2024 Sustainability Hackathon), New Taipei Municipal Yingge Vocational High School(Skills Competition).
- Community respect for the elderly/festivals/materials donations: Donation of Dongcheng and Xianghe Community in Yilan, Yongchang Community in Yingge, and Zhenming Community in Shulin.
- Fire/Medical Equipment donations:Donations of the Department of Social Welfare New Taipei City Government, the Fire Department of Yilan County and New Taipei City.
- Sports donations: Sponsorship of Taiwanese Table Tennis Player Lin Yun–Ju, National Yilan Senior High School basketball team, and Dongshan Sports Day.
- Other donations: Donation of Buddhist Compassion Relief Tzu Chi Foundation (pray for Hualien County), movie sponsorship.

Sponsorship Amounts by Category:



Community Care Projects

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

6.1 Environmental Education

6.2 Environmental Protection

6.3 Community Care

6.4 Arts and Culture Promotion

References



【Blood Donation in KYF】

We held our second blood donation event, in conjunction with the Yongchang Community in Yingge in 2024.

A total of 118 participants, including our employees, local business, and residents responded to the call, resulting in 111 bags of donated blood.

To thank the caring individuals who donated blood, we thoughtfully prepared generous gifts, including Sheltered Workshop in New Taipei — Pure Coffee and cage-free eggs. Through these sustainability-minded gifts, we aim to integrate ESG values into daily life.

Related video: <https://reurl.cc/V0GVQ5>



【KYF's Support Yingge Program】

The donation amount used to support the school's participation in the Skills Competition. The donation covers the following: competition T-shirts, nutrition meal, and bonus.

Learn more: <https://reurl.cc/6Kp3RV>



Community Care Projects

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

6.1 Environmental Education

6.2 Environmental Protection

6.3 Community Care

6.4 Arts and Culture Promotion

References



【After School Association of Taiwan Donations】

Starting from 2024, we have donated the "After School Association of Taiwan" at Yingge, New Taipei City, providing free after-school tutoring for economically disadvantaged elementary and junior high school students, supporting them to learn and grow in a safe and happy environment.

In addition to supporting the operation of the center, we further bring environmental education integrated here, sharing sustainability concepts with the children and rooting environmental awareness from an early age. We have cooperated with the After School Association of Taiwan, using the power of knowledge to nurture the next generation.

Learn more: <https://reurl.cc/bWZjAM>



【Medical Vehicles Donation】

In 2024, we donated three ambulances to Fire Department of Yilan County and New Taipei City and three accessible buses to the Department of Social Welfare New Taipei City Government. Since donating the first accessible bus in 2014, we have donated a cumulative total of 8 vehicles as of the end of 2024, continuously contributing power to places in need.

Related news: <https://reurl.cc/36Arxj>



【Support Local Sports Activities】

Sponsorship of Taiwanese Table Tennis Player Lin Yun-Ju, National Yilan Senior High School basketball team, and Dongshan Sports Day.

Photo source: <https://reurl.cc/QYnx8p>
(World Table Tennis Official)



6.4 Arts and Culture Promotion

【Documentary <Dear Black Sheep> Sponsor】

In 2024, KYF was honored to sponsor the documentary "Dear Black Sheep", which documents the real stories of courage and transformation when facing cancer. The film presents how people try different therapies, adjust their mindsets, and regain a profound understanding of life through challenges. These sincere conversations, like precious gifts, remind us to cherish our health and embrace the present.

KYF hopes to be part of this gift, sharing the warmth and hope of life with everyone. Health is life's most valuable asset; through our own influence, we gently remind you: please take good care of yourself.

Learn more: <https://reurl.cc/4Lk7DX>



【KYF's Movie Time】

Since 2023, we have launched an irregular movie screening program, carefully selecting thought-provoking films. These movie events are not only for employees but also sincerely invite stakeholders to join in, using the power of film to share touching moments, inspire reflection, and foster consensus through post-screening discussions, continuing a deep resonance and reflection on life, the environment, and society.

By the end of 2024, four times have been held, with a total of 541 participants.

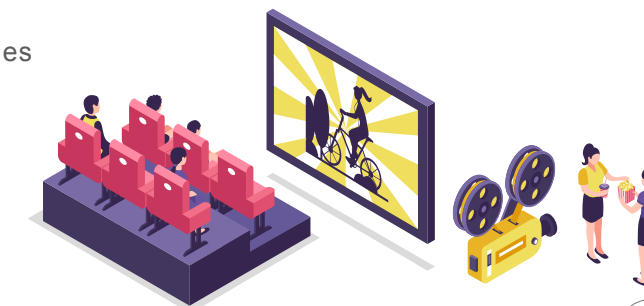
Part 1: 2023 Sound of Freedom

Part 2: 2024 How to Make Millions Before Grandma Dies

Part 3: 2024 Together, Soul of Soil

Part 4: 2024 Dear Black Sheep

Learn more: <https://reurl.cc/EVqMNa>



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- GRI Content Index
- SASB Index
- TCFD Index
- United Nations Global Compact
- Independent Third–Party Assurance Statement

References



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- GRI Content Index
- SASB Index
- TCFD Index
- United Nations Global Compact
- Independent Third-Party Assurance Statement

References

List of Issuing Units and Persons Responsible for this Report

Chairperson	CEO Vani Chen
ESG Committee members	Mr. Roy Lee, General Plant Manager Mr. Benjamin Kuo, General Manager Mr. Yang, Wen-Long, Plant Manager of the Manufacturing Business Division
ESG Executive Secretary	Sustainable Development Department
Report Preparation	Sustainable Development Department
Responsible persons of ESG Task Forces	Ms. Lin, Chu-Xin, Manager of the HR Department Mr. Yu, Hong-Ren, Manager of the IT Department Mr. Hsu, Fu-Jie, Manager of the Sales Department Mr. Chen,Chiang-Chih, Manager of the Sales Department Ms. Wu, Hsiu-Hua, Manager of the Finance & Accounting Department Mr. Lin, Jia-Rong, Assistant Plant Manager of the Manufacturing Business Division Mr. Huang, Qing-Chuan, Assistant Plant Manager of the Mold Factory Mr. Li, Qiu-Fa, Assistant Manager of the QA Department Ms. Ruan, Wan-Zhu, Department Manager of the Procurement Department Ms. Lin, Yi-Fang, Deputy Department Manager of the Finance & Accounting Department Mr. Cheng, Yun-Ju, Senior Engineer of the Health & Safety Management Department

※ Photo photography of the front cover: Mr. Li, Qiu-Fa, Assistant Manager



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- [GRI Content Index](#)
- SASB Index
- TCFD Index
- United Nations Global Compact
- Independent Third–Party Assurance Statement

GRI Content Index (GRI Universal Standard 2021) ★ Material topics of this year

Statement of Use	King Yuan Fu has reported following the GRI Standards for the period from January 1 to December 31, 2024
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None



GRI 2: General Disclosures 2021					
Topic	Disclosure	Description	Corresponding Chapter	Page	Reason/Explanation for the Omission
The organization and its reporting practices	2–1	Organizational details	3.1 Company Profile	29	
	2–2	Entities included in the organization’s sustainability report	About this Report 3.1 Company Profile	04 29	
	2–3	Reporting period, frequency, and contact point	About this Report	04	
	2–4	Restatements of information	About this Report 3.4.3.1 Supplier Qualification Screening 4.7 GHG Emissions	04 55 91	
	2–5	External assurance	About this Report	04	
Activities and workers	2–6	Activities, value chain, and other business relationships	3.1.1 Company Overview 3.1.5 Business Scope 3.1.6 Relationship Between Upstream and Downstream Sectors	29 34 35	
	2–7	Employees	5.1 Employee Overview and Manpower Structure	107	
	2–8	Workers who are not employees	5.1 Employee Overview and Manpower Structure	107	
Governance	2–9	Governance structure and composition	3.2.1 Organizational Framework	37	
	2–10	Nomination and selection of the highest governance body	--	--	Not applicable / no nomination and selection procedures are in place since KYF is a non–listed private company.
	2–11	Chair of the highest governance body	3.2.1 Organizational Framework	37	
	2–12	Role of the highest governance body in overseeing the management of impacts	3.2.1 Organizational Framework	37	
	2–13	Delegation of responsibility for managing impacts	3.2.1 Organizational Framework	37	
	2–14	Role of the highest governance body in sustainability reporting	3.2.2.2 ESG Committee	40	

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- **GRI Content Index**
- SASB Index
- TCFD Index
- United Nations Global Compact
- Independent Third–Party Assurance Statement

Topic	Disclosure	Description	Corresponding Chapter	Page	Reason/Explanation for the Omission
Governance	2–15	Conflicts of interest	3.2.1.2 Recusal by the Management Team Due to Conflicts of Interest	39	
	2–16	Communication of critical concerns	3.2.2 Communication of Material Issues	39	
	2–17	The collective knowledge of the highest governance body	3.2.1.3 Enhancing the Managerial Competencies of the Executive Team	39	
	2–18	Evaluation of the performance of the highest governance body	--	---	Information incomplete
	2–19	Remuneration policies	--	---	Confidentiality constraints/this information is confidential and cannot be disclosed to the public.
	2–20	The process to determine the remuneration	--	---	Information incomplete
	2–21	Annual total compensation ratio	--	---	Confidentiality constraints/this information is confidential and cannot be disclosed to the public.
Strategy, Policies and Practices	2–22	Statement on Sustainable Development Strategy	Message from the CEO	06	
	2–23	Policy commitments	3.1.4 Sustainability Vision and Policy	32	
	2–24	Embedding policy commitments	3.1.4 Sustainability Vision and Policy	32	
	2–25	Processes to remediate negative impacts	3.2.4 Risk Management 3.2.6.1 Business Ethics and Anti–corruption	45 50	
	2–26	Mechanisms for seeking advice and raising concerns	3.2.6.1 Business Ethics and Anti–corruption	50	
Stakeholder Engagement	2–27	Compliance with laws and regulations	3.2.6.2 Legal Compliance	51	
	2–28	Membership associations	3.1.7 Partners and Initiatives	36	
	2–29	Approach to Stakeholder Engagement	2.2 Stakeholder Engagement	18	
	2–30	Collective bargaining agreements	5.6.1 Regular Holding of Labor/Management Meetings. A labor union has not been established, therefore no collective bargaining agreement has been signed.	125	
GRI 3: Material Topics 2021					
Material Topics	3–1	The process of determining material topics	2.3 Identification of Material Topics	20	
	3–2	List of material topics	2.4 List of Material Topics	26	

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- **GRI Content Index**
- SASB Index
- TCFD Index
- United Nations Global Compact
- Independent Third-Party Assurance Statement

Economic Aspects					
Topic	Disclosure	Description	Corresponding Chapter	Page	Reason/Explanation for the Omission
★ Economic Aspects (Operational Performance)					
GRI 3: Material Topics 2021	3–3	Management of material topics	3.3 Operational Performance	52	
GRI 201: Economic Performance 2016	201–1	Direct economic value generated and distributed	—	—	Confidentiality constraints/this information is confidential and cannot be disclosed to the public.
	201–2	Financial implications and other risks and opportunities due to climate change	4.9 The Management and Adaptation of Climate Change Risks	100	
	201–3	Defined benefit plan obligations and other retirement plans	5.4.2.5 Pension System	121	
	201–4	Financial assistance received from the government	—	—	The amount of financial subsidies received from the government in 2024 was approximately TWD 9,617,498.
Market Presence (Compensation and Benefits)					
GRI 202: Market Presence 2016	202–1	Ratios of standard entry-level wage by gender compared to local minimum wage	5.4 Compensation and Benefits	119	
	202–2	The proportion of senior management hired from the local community	3.2.1.1 Management Team and Organizational Chart	37	
Procurement Practices					
GRI 204: Procurement Practices 2016	204–1	Proportion of spending on local suppliers	3.4 Supply Chain Management	53	
Anti-Corruption					
GRI 205: Anti-Corruption 2016	205–1	Operations assessed for risks related to corruption	3.2.6 Business Reputation and Legal Compliance	50	
	205–2	Communication and training about anti-corruption policies	3.2.6 Business Reputation and Legal Complianc	50	
	205–3	Confirmed incidents of corruption and actions taken	3.2.6 Business Reputation and Legal Compliance	50	

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- GRI Content Index
- SASB Index
- TCFD Index
- United Nations Global Compact
- Independent Third-Party Assurance Statement

Environmental Aspects					
Topic	Disclosure	Description	Corresponding Chapter	Page	Reason/Explanation for the Omission
★ Materials (Raw material management & Circular Economy)					
GRI 3: Material Topics 2021	3–3	Management of material topics	4.1 Circular Economy 4.2 Raw Material Management	64 77	
GRI 301: Materials 2016	301–1	Materials used by weight or volume	4.2 Raw Material Management	77	
	301–2	Recycled input materials used	4.1 Circular Economy 4.2 Raw Material Management	64 77	
	301–3	Reclaimed products and their packaging materials	--	--	N/A, Sold products are currently not reclaimed and reused
★ Energy (Carbon Emissions & Energy Management)					
GRI 3: Material Topics 2021	3–3	Management of material topics	4.4 Energy	81	
GRI 302: Energy 2016	302–1	Energy consumption within the organization	4.4.1 Energy Consumption	82	
	302–2	Energy consumption outside of the organization	4.7 GHG Emissions	91	
	302–3	Energy intensity	4.4.1 Energy Consumption	82	
	302–4	Reduction of energy consumption	4.4.2 Power Conservation and Energy Management	84	
	302–5	Reductions in energy requirements of products and services	--	--	N/A
Water and Effluents					
GRI 303: Water and Effluents 2018	303–1	Interactions with water as a shared resource	4.6 Water Resource Management	89	
	303–2	Management of water discharge-related impacts	4.6 Water Resource Management	89	
	303–3	Water withdrawal	4.6 Water Resource Management	89	
	303–4	Water discharge	4.6 Water Resource Management	89	
★ Emissions (Carbon Emissions) / (Energy Management)					
GRI 3: Material Topics 2021	3–3	Management of material topics	4.4 Energy	81	
GRI 305: Emissions 2016	305–1	Direct (Scope 1) GHG emissions	4.7 GHG Emissions	91	
	305–2	Energy indirect (Scope 2) GHG emissions	4.7 GHG Emissions	91	
	305–3	Other indirect (Scope 3) GHG emissions	4.7 GHG Emissions	91	

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- **GRI Content Index**
- SASB Index
- TCFD Index
- United Nations Global Compact
- Independent Third–Party Assurance Statement

Topic	Disclosure	Description	Corresponding Chapter	Page	Reason/Explanation for the Omission
GRI 305: Emissions 2016	305–4	GHG emissions intensity	4.7 GHG Emissions	91	
	305–5	Reduction of GHG emissions	4.7 GHG Emissions	91	
	305–6	Emissions of ozone–depleting substances (ODS)	4.5 Air Pollution Control	88	
	305–7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	4.5 Air Pollution Control	88	
Waste					
GRI 306: Waste 2020 Management Approach	306–1	Waste generation and significant waste–related impacts	4.8 Waste Management	95	
	306–2	Management of significant waste–related impacts	4.1.2.3 Manufacturing 4.8 Waste Management	69 95	
GRI 306: Waste 2020	306–3	Waste generated	4.8 Waste Management	95	
	306–4	Waste diverted from disposal	4.8 Waste Management	95	
	306–5	Waste directed to disposal	4.8 Waste Management	95	
★ Supplier Environmental Assessment (Supply Chain Management)					
GRI 3: Material Topics 2021	3–3	Management of material topics	3.4 Supply Chain Management	53	
GRI 308: Supplier Environmental Assessment 2016	308–1	New suppliers that were screened using environmental criteria	3.4 Supply Chain Management	53	
	308–2	Negative environmental impacts in the supply chain and actions taken	3.4 Supply Chain Management	53	

Social Aspects					
Topic	Disclosure	Description	Corresponding Chapter	Page	Reason/Explanation for the Omission
★ Employment (Compensation and Benefits)					
GRI 3: Material Topics 2021	3–3	Management of material topics	5.4 Compensation and Benefits	119	
GRI 401: Employment 2016	401–1	New employee hires and employee turnover	5.2.2 Talent Turnover	108	
	401–2	Benefits provided to full–time employees that are not provided to temporary or part–time employees	5.4.2 Employee Benefit Measures	120	
	401–3	Parental leave	5.5.2 Gender Equality	124	

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- **GRI Content Index**
- SASB Index
- TCFD Index
- United Nations Global Compact
- Independent Third-Party Assurance Statement

Topic	Disclosure	Description	Corresponding Chapter	Page	Reason/Explanation for the Omission
★ Occupational Health and Safety					
GRI 3: Material Topics 2021	3–3	Management of material topics	5.7 Occupational Safety	127	
GRI 403: Occupational Health & Safety 2018 Management Approach	403–1	Occupational health and safety management system	5.7.1 Occupational Health and Safety Management System	128	
	403–2	Hazard identification, risk assessment, and incident investigation	5.7.2 Hazard Identification and Risk Assessment 5.7.3 Occupational Accidents and Preventive Improvement Measures	130 131	
	403–3	Occupational health services	5.7.5.1 Health Examination	134	
	403–4	Worker participation, consultation, and communication on occupational health and safety	5.7.1.1 Occupational Health and Safety Committee	128	
	403–5	Worker training on occupational health and safety	5.7.4 Occupational Health and Safety Management Measures	132	
	403–6	Promotion of worker health	5.7.5.2 Health Promotion for Workers	135	
	403–7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.7.5 Employee Health Management	134	
GRI 403: Occupational Health & Safety 2018	403–8	Workers covered by an occupational health and safety management system	5.7.1 Occupational Health and Safety Management System	128	
	403–9	Work-related injuries	5.7.3 Occupational Accidents and Preventive Improvement Measures	131	
	403–10	Work-related ill health	5.7.5 Employee Health Management	134	
★ Training and Education (Talent Development)					
GRI 3: Material Topics 2021	3–3	Management of material topics	5.3 Talent Development System	113	
GRI 404: Training and Education 2016	404–1	Average hours of training per year per employee	5.3.2 Training Performance	116	
	404–2	Programs for upgrading employee skills and transition assistance programs	5.2.4 Upgrading Employee Skills and Transition Assistance Programs 5.3.1 Training Development System	113 114	
	404–3	Percentage of employees receiving regular performance and Career development reviews	5.3.3 Performance Assessment	118	
Diversity and Equal Opportunity (Equal Opportunity and No Discrimination for Employee)					
GRI 405: Diversity and Equal Opportunity 2016	405–1	Diversity of governance bodies and employees	5.2.3 Diversity and Inclusion	110	

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- **GRI Content Index**
- SASB Index
- TCFD Index
- United Nations Global Compact
- Independent Third–Party Assurance Statement

Topic	Disclosure	Description	Corresponding Chapter	Page	Reason/Explanation for the Omission
Non–Discrimination (Equal Opportunity and No Discrimination for Employee)					
GRI 406: Non–Discrimination 2016	406–1	Incidents of discrimination and corrective actions	5.6.3 Employee Opinion Mailbox	126	
Freedom of Association and Collective Bargaining					
GRI 407: Freedom of Association and Collective Bargaining 2016	407–1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	5.5.1 Human Rights Protection	123	
Child Labor					
GRI 408: Child Labor 2016	408–1	Operations and suppliers at significant risk for incidents of child labor	5.5.1 Human Rights Protection	123	
Forced or Compulsory Labor					
GRI 409: Forced or Compulsory Labor 2016	409–1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.5.1 Human Rights Protection	123	
Supplier Social Assessment (Supply Chain Management)					
GRI 414: Supplier Social Assessment 2016	414–1	New suppliers that were screened using social criteria	3.4 Supply Chain Management	53	
	414–2	Negative social impacts in the supply chain and actions taken	3.4 Supply Chain Management	53	
★ Customer Health and Safety (Product Safety and Quality)					
GRI 3: Material Topics 2021	3–3	Management of material topics	4.1.3 Product Safety and Quality	72	
GRI 416: Customer Health and Safety 2016	416–1	Assessment of the health and safety impacts of product and service categories	4.1.3 Product Safety and Quality	72	
	416–2	Incidents of non–compliance concerning the health and safety impacts of products and services	4.1.3 Product Safety and Quality	72	
★ Marketing and Labeling (Product Safety and Quality)					
GRI 3: Material Topics 2021	3–3	Management of material topics	4.1.3 Product Safety and Quality	72	
GRI 417: Marketing and Labeling 2016	417–1	Requirements for product and service information and labeling	4.1.3 Product Safety and Quality	72	
	417–2	Incidents of non–compliance concerning product and service information and labeling	4.1.3 Product Safety and Quality	72	

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- **GRI Content Index**
- SASB Index
- TCFD Index
- United Nations Global Compact
- Independent Third-Party Assurance Statement

Topic	Disclosure	Description	Corresponding Chapter	Page	Reason/Explanation for the Omission
GRI 417: Marketing and Labeling 2016	417–3	Incidents of non–compliance concerning marketing communications	4.1.3 Product Safety and Quality	72	
★ Customer Privacy (Information Security)					
GRI 3: Material Topics 2021	3–3	Management of material topics	3.5 Information Security Policy and Management	59	
GRI 418: Customer Privacy 2016	418–1	Customer Privacy	3.5 Information Security Policy and Management	59	

Self–defined Topics					
Topic	Disclosure	Description	Corresponding Chapter	Page	Reason/Explanation for the Omission
★ Risk Management					
GRI 3: Material Topics 2021	3–3	Management of material topics	3.2.4 Risk Management	45	
Self–defined Material Topics	Self–defined	Food Safety and Quality, Environmental Health and Safety, and Energy Conservation	3.2.4 Risk Management	45	
★ Corporate Governance					
GRI 3: Material Topics 2021	3–3	Management of material topics	3.2 Corporate Governance	36	
Self–defined Material Topics	Self–defined	6R (Reduce, Reuse, Recycle, Responsibility, Rethink, and Revamp) strategy target achievement rate	3.2 Corporate Governance	36	
★ Customer Relationship					
GRI 3: Material Topics 2021	3–3	Management of material topics	4.1.3 Product Safety and Quality	72	
Self–defined Material Topics	Self–defined	Customer satisfaction survey	4.1.3 Product Safety and Quality	72	

Sustainable Accounting Standards Board (SASB) Index

◆ Sustainability Disclosure Topics & Metrics

Topic	Code	Category	Metric	Data & Unit
Greenhouse Gas Emissions	RT-CP-110a.1	Quantitative	Gross global Scope 1 emissions, percentage covered under emissions limiting regulations	(1) Refer to 4.7 GHG Emissions (2) 0% (No emissions are subject to emissions-limiting regulations now)
	RT-CP-110a.2	Discussion and Analysis	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	Scope 1 emission reduction strategies include: (1) Replacing all diesel forklifts with electric forklifts. (2) Gradually phasing out R12 and R22 refrigerant equipment. (3) Improving management processes to reduce unnecessary use of fire extinguishers.
Air Quality	RT-CP120a.1	Quantitative	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O) (2) SO _x (3) Volatile Organic Compounds (VOCs) (4) Particulate Matter (PM)	(1) N/A (2) N/A (3) Refer to 4.5 Air Pollution Control (4) N/A
Energy Management	RT-CP130a.1	Quantitative	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable (4) Total self-generated energy	(1) Total energy consumed: 367,272.09 GJ (2) Percentage grid electricity: 99.73% Taipower (3) Percentage renewable: 8.46% (4) Total self-generated energy: 906.85 GJ

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- GRI Content Index
- **SASB Index**
- TCFD Index
- United Nations Global Compact
- Independent Third-Party Assurance Statement

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- GRI Content Index
- **SASB Index**
- TCFD Index
- United Nations Global Compact
- Independent Third–Party Assurance Statement

Topic	Code	Category	Metric	Data & Unit
Water Management	RT–CP140a.1	Quantitative	(1) Total water withdrawn (2) Total water consumed (3) Percentage of each in regions with High or Extremely High Baseline Water Stress	(1) Total water withdrawn: 60,083m³ (2) Total water consumed: 60,083m³ (3) N/A
	RT–CP140a.2	Discussion and Analysis	Description of water management risks and discussion of strategies and practices to mitigate those risks	Refer to 4.6 Water Resource Management>>Main uses and management measures of the company water resources
	RT–CP140a.3	Quantitative	Number of incidents of non–compliance associated with water quality permits, standards and regulations	0 case Water is primarily used for domestic purposes and for preparing pure water for silicone compounding in the production process; usage is simple and limited, no industrial wastewater, and general wastewater is discharged into the sewer system according to regulations.
Waste Management	RT–CP150a.1	Quantitative	Amount of hazardous waste generated, percentage recycled	0 case The company does not generate any hazardous waste.
Product Safety	RT–CP–250a.1	Quantitative	(1) Number of recalls issued (2) Total units recalled	(1) 0 time (2) 0 unit
	RT–CP–250a.2	Discussion and Analysis	Discussion of process to identify and manage emerging materials and chemicals of concern	All chemicals are handled by the Chemical Management Manual
Product Lifecycle Management	RT–CP–410a.1	Quantitative	Percentage of raw materials from: (1) Recycled content (2) Renewable resources (3) Renewable and recycled content	(1) rPET rate: 21.15% Regrind material reuse rate: 47.58% (2) PLA rate: 5.94% (3) N/A

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- GRI Content Index
- **SASB Index**
- TCFD Index
- United Nations Global Compact
- Independent Third–Party Assurance Statement

Topic	Code	Category	Metric	Data & Unit
Product Lifecycle Management	RT–CP–410a.2	Quantitative	Revenue from products that are reusable, recyclable, or compostable	rPET: TWD 3,345,196,790 PLA: TWD 658,415,567
	RT–CP–410a.3	Discussion and Analysis	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	(1) Increased rPET rate (2) All cartons supplied by cooperating paper mills are FSC certified, and FSC–related product procurement is available to meet customer needs.
Supply Chain Management	RT–CP–430a.1	Quantitative	Total wood fibre procured; percentage from certified sources	N/A The company's products do not require the use of wood fibre.
	RT–CP–430a.2	Quantitative	Total aluminium purchased; percentage from certified sources	N/A The company's products do not require the use of aluminum.

◆ Activity Metrics

Activity Metrics	Code	Category	Data & Unit	
Amount of production, by substrate	RT–CP–000.A	Quantitative	Item	Weight (T)
			PET	35,096
			rPET	9,414
			PLA	3,488
			PP	10,713

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- GRI Content Index
- **SASB Index**
- TCFD Index
- United Nations Global Compact
- Independent Third–Party Assurance Statement

Activity Metrics	Code	Category	Data & Unit
Percentage of production as: (1) Paper/ wood (2) Glass (3) Metal (4) Plastic	RT–CP–000.B	Quantitative	(1) Paper/wood: 0% (2) Glass: 0% (3) Metal: 0% (4) Plastic: 100%
Number of employees	RT–CP–000.C	Quantitative	The total workforce of all plant areas: 486



Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- GRI Content Index
- SASB Index
- **TCFD Index**
- United Nations Global Compact
- Independent Third–Party Assurance Statement

Task Force on Climate–Related Financial Disclosures (TCFD) Index

Item	The corresponding chapter in this report
Description of the Board and Management's oversight and governance of climate–related risks and opportunities	4.9 The Management and Adaptation of Climate Change Risks
Description of how the identified climate risks and opportunities impact the company's business, strategies, and finance (short, mid, and long–term)	4.9 The Management and Adaptation of Climate Change Risks
Description of the impact extreme climate events and transitional actions have on finance	4.9 The Management and Adaptation of Climate Change Risks
Description of how the climate risk identification, assessment, and management process is integrated into the overall risk management system	4.9 The Management and Adaptation of Climate Change Risks
Should scenario analysis be used to assess the company's resilience in the face of climate change risks, explanations of the scenario, parameters, hypothesis, analysis factors, and major financial impacts should be provided	4.9 The Management and Adaptation of Climate Change Risks
Should there be transitional programs in response to managing climate–related risks, please explain the program's content and metrics and targets used to identify and manage physical and transitional risks	4.9 The Management and Adaptation of Climate Change Risks
Should internal carbon pricing be used as the planning tool, the pricing mechanism should be explained	N/A
Should climate–related targets be in place, information such as their scope of action, GHG emissions, planned timeline, and annual achieved progress should be stated; for targets achieved through carbon offset and RECs, the source of offset amount and number of RECs should be stated	4.9 The Management and Adaptation of Climate Change Risks
Carbon inventory and assurance efforts, carbon reduction goals, performance, and specific action plans	4.7 GHG Emissions or refer to table 1–1 and 1–2

1-1 Recent two-year company GHG inventory and verification status

1-1-1 2023

Scope 1 (Category 1)	Total Emissions (tCO _{2e})	Intensity (tCO _{2e} / TWD million)	Certification Body / Standard	Certification status description
Total	1,071.1939	0.2186	AFNOR Certification ISO 14064-1:2018 / CNS 14064-1	King Yuan Fu Packaging Co., Ltd. Yingge Plant (HQ): No. 399, Jianguo Rd., Yingge District, New Taipei City 239011 Shulin Plant: No. 345-16, Zhongzheng Rd., Shulin District, New Taipei City 238028 Dongshan Plant: No. 275, 275-1, Xiangzhong Rd., Dongshan Township, Yilan County 269027 - Total Emissions 180,854.0409 tCO _{2e} - Category 1 Direct Emissions 1,071.1939 tCO _{2e} - Category 2 Indirect Energy Emissions 44,731.3155 tCO _{2e} - Category 3 Indirect Emissions associated with transportation 1,363.1428 tCO _{2e} - Category 4 Indirect Emissions associated with products used by the organization 133,688.3887 tCO _{2e}
Scope 2 (Category 2)	Total Emissions (tCO _{2e})	Intensity (tCO _{2e} / TWD million)		
Total	44,731.3155	9.1288		
Scope 3 (Category 3)	Total Emissions (tCO _{2e})	Intensity (tCO _{2e} / TWD million)		
Total	1,363.1428	0.2782		
Scope 3 (Category 4)	Total Emissions (tCO _{2e})	Intensity (tCO _{2e} / TWD million)		
Total	133,688.3887	27.2833		

*Intensity = Total Emissions / Total Revenues (TWD million). Revenue in 2023 was TWD 4,900 million.
Category 5&6: No indirect greenhouse gas emissions of significance threshold.
The Certification Body used ISO 14064-1:2018 / CNS 14064-1.
Category 1 and Category 2 are Reasonable Level, and Category 3 and Category 4 are Limited Level.

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and
Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- GRI Content Index
- SASB Index
- **TCFD Index**
- United Nations Global Compact
- Independent Third-Party Assurance Statement

◆ 1-1-2 2024

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- GRI Content Index
- SASB Index
- **TCFD Index**
- United Nations Global Compact
- Independent Third-Party Assurance Statement

Scope 1 (Category1)	Total Emissions (tCO _{2e})	Intensity (tCO _{2e} / TWD million)	Certification Body / Standard	Certification status description
Total	998.7110	0.1793	Taiwan Testing and Certification Center (ETC) ISO 14064–1:2018 / CNS 14064–1	King Yuan Fu Packaging Co., Ltd.
Scope2 (Category 2)	Total Emissions (tCO _{2e})	Intensity (tCO _{2e} / TWD million)		Yingge Plant (HQ): No. 399, Jianguo Rd., Yingge District, New Taipei City 239011
Total	44,583.8433	8.0043		Yingge Plant 2 (Mold Factory): No. 393, Jianguo Rd., Yingge District, New Taipei City 239011
Scope 3 (Category 3)	Total Emissions (tCO _{2e})	Intensity (tCO _{2e} / TWD million)		Shulin Plant: No. 345–16, Zhongzheng Rd., Shulin District, New Taipei City 238028
Total	1,978.5014	0.3552		Dongshan Plant: No. 275, 275–1, Xiangzhong Rd., Dongshan Township, Yilan County 269027
Scope 3 (Category 4)	Total Emissions (tCO _{2e})	Intensity (tCO _{2e} / TWD million)		- Total Emissions 242,618.7072 tCO _{2e} - Category 1 Direct Emissions 998.7110 tCO _{2e} - Category 2 Indirect Energy Emissions 44,583.8433 tCO _{2e} - Category 3 Indirect Emissions associated with transportation 1,978.5014 tCO _{2e} - Category 4 Indirect Emissions associated with products used by the organization 195,057.6515 tCO _{2e}
Total	195,057.6515	35.0193		
*Intensity = Total Emissions / Total Revenues (TWD million). Revenue in 2024 was TWD 5,570 million. Category 5&6: No indirect greenhouse gas emissions of significance threshold. The Certification Body used ISO 14064–1:2018 / CNS 14064–1. Category 1 and Category 2 are Reasonable Level, and Category 3 and Category 4 are Limited Level.				

- Foreword
- About this Report
- Message from the CEO
- 1 Sustainability Performance
- 2 Stakeholder Engagement and Identification of Material Topics
- 3 About King Yuan Fu
- 4 Sustainable Environment
- 5 Employee Care
- 6 Social Synergy

References

- GRI Content Index
- SASB Index
- **TCFD Index**
- United Nations Global Compact
- Independent Third–Party Assurance Statement

1–2 Carbon reduction goals, strategies, and specific action plans

We conduct GHG inventories voluntarily to facilitate the effective management of GHG emissions in all our plants. Direct and indirect emissions of our operating sites are inventoried by ISO 14064–1: 2018 principles and requirements. Our inventory coverage rate has reached 100% (2024 has been set as the base year).

Action plans in 2024:	1. Automatic recovery and crushing of trimmings generated in production processes by machinery and reuse for manufacturing. 2. Ongoing promotion of rPET products to customers by the sales department. 3. Collaborated with upstream and downstream partners to establish Taiwan's first closed–loop recycling site for PET clamshell packaging. (refer to 4.1.2.4 Closed–loop Recycling Station) 4. Incorporate circular economy principles into the green procurement framework, expand the scope of green procurement projects, and promote activities such as reducing, recycling, and reusing raw materials to achieve circular economy goals. 5. Officially began the procurement of renewable electricity to continuously reduce emissions and drive green transformation.
Performance in 2024:	1. A total of 46,923 metric tons of regrind materials were recycled in our plants for a recycling and reuse rate of 47.58%. rPET rate of 21.15%. 2. Total energy savings of 2,337,494 kWh through internal energy conservation initiatives in 2024. Year–over–year decrease of per–unit power consumption by 6.25% in 2024. 3. 27% of electricity supplied was renewable electricity, gradually achieving the RE100 commitment.
Carbon reduction goals:	1. rPET rate of 100.0% in 2035 2. Continue developing and introducing qualified rPET suppliers to ensure stable supply capacity. 3. RE100 commitment, 60% renewable electricity in 2030, 90% renewable electricity in 2040, 100% renewable electricity in 2050.

United Nations Global Compact



Principles	Description	Explanation	The corresponding page in this report
Human Rights			
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	ESG Policy	33
Principle 2	Make sure that they are not complicit in human rights abuses	Statement on Gender Equity in the Workplace	123
Labor			
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Employees can freely participate in club activities; no trade union has been formed	—
Principle 4	The elimination of all forms of forced and compulsory labor	Policy of Zero Placement Fees for Migrant Workers	112
Principle 5	The effective abolition of child labor	Pledge Against Child Labor	123
Principle 6	The elimination of discrimination concerning employment and occupation	Hiring decisions are not affected by factors such as gender, religion, ethnicity, nationality, political orientation, educational background, or age. All decisions are based on equality and diversity principles.	108

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- GRI Content Index
- SASB Index
- TCFD Index
- **United Nations Global Compact**
- Independent Third–Party Assurance Statement

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- GRI Content Index
- SASB Index
- TCFD Index
- **United Nations Global Compact**
- Independent Third–Party Assurance Statement



Principles	Description	Explanation	The corresponding page in this report
Environment			
Principle 7	Businesses should support a precautionary approach to environmental challenges	Adoption of ISO 14001 Environmental Management System Acquisition of ISO 14064–1 GHG certificates by all plants Adoption of ISO 50001 Energy Management System Annual electricity saving rate of 1% Membership in the RE 100 Commitment	14 , 82 , 87
Principle 8	Undertake initiatives to promote greater environmental responsibility	Same as above	Same as above
Principle 9	Encourage the development and diffusion of environmentally friendly technologies	KYF integrates closed–loop recycling across the entire value chain—from design and development, raw material selection, and manufacturing.	66
Anti–Corruption			
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	Stipulation of an anti–corruption policy and training administration	50

Independent Third–Party Assurance Statement

Foreword

About this Report

Message from the CEO

1 Sustainability Performance

2 Stakeholder Engagement and Identification of Material Topics

3 About King Yuan Fu

4 Sustainable Environment

5 Employee Care

6 Social Synergy

References

- GRI Content Index
- SASB Index
- TCFD Index
- United Nations Global Compact
- Independent Third–Party Assurance Statement



Independent Assurance Statement Based on
2024 Sustainability Report of KING YUAN FU PACKAGING CO., LTD.

Statement No.:2505017

KING YUAN FU PACKAGING CO., LTD. (hereinafter referred to as KING YUAN FU) and GREAT International Certification Co., Ltd. (hereinafter referred to as GREAT) are independent companies and organizations. Except for the evaluation and verification of the company's 2024 sustainability report, GREAT has no financial relationship with KING YUAN FU.

The purpose of this independent assurance statement (hereinafter referred to as the Statement) is only to serve as the conclusion of guaranteeing the relevant matters within the scope defined in the following relevant KING YUAN FU's Sustainability Report, and not for other purposes. Except for the Statement for fact verification, GREAT does not bear any relevant legal or other responsibilities for the use of other purposes, or anyone who reads this Statement.

This Statement is based on the conclusions made by the relevant information verification provided by KING YUAN FU to GREAT. Therefore, the scope of the review is based on and limited to the content of the information provided. GREAT believes that the information content is complete, accurate and precise. Any questions about the content of this Statement or related matters will be answered by KING YUAN FU.

The Scope of Assurance

The verification scope of KING YUAN FU and GREAT agreement includes:

- The contents of the entire sustainability report and all operating performance of KING YUAN FU from January 1, 2024 to December 31, 2024;
- According to the type 1 of AA1000 Assurance Standard v3, evaluate the nature and degree of KING YUAN FU's compliance with the AA1000 Accountability Principles (2018), excluding the verification of the reliability of the information/data disclosed in the report.
- This Statement is made in Chinese and translated into English for reference.

Verification Opinion

We summarize the content of KING YUAN FU's sustainability report, and provide a fair standpoint of KING YUAN FU 's related operations and performance. We believe that the specific performance indicators of KING YUAN FU in 2024, such as environment, society and corporate governance, are presented correctly. The performance indicators disclosed in the report demonstrate KING YUAN FU's expectations and efforts to identify and satisfy stakeholders.

Our verification work is carried out by a group of teams with verification capabilities according to the AA1000 Assurance Standard v3, as well as the planning and execution of this part of the work to obtain the necessary information data and instructions. We believe that the evidence provided by KING YUAN FU is sufficient to show that its reporting method and self-declaration in accordance with the AA1000 Assurance Standard v3 and its 2018 appendix are in line with the GRI Sustainability Reporting Guidelines.

Verification method

To gather the evidence relevant to the conclusions, we performed the following:

- To conduct a senior management review of issues from external parties related to KING YUAN FU 's corporate policies to confirm the appropriateness of the statement in this report;
- To discuss with the managers of KING YUAN FU about the way of stakeholder participations, and have no direct contact with external stakeholders;
- To interview with employees related to the preparation of the sustainability report and information provision;
- To audit the performance data of KING YUAN FU on a sampling basis;
- To evidence supporting the claims made in the review report;
- To Review the management process of the principles of inclusivity, materiality, responsiveness, and impact described in the company report and its related AA1000 Accountability Principles (2018).

Conclusion

The results of a detailed review of the AA1000 Accountability Principles (2018) including inclusivity, materiality, responsiveness, impact and GRI sustainability reporting standards are as follows:

- **Inclusivity**
KING YUAN FU has established a process of cooperation with major stakeholders, including government/competent authorities, customers, employees, suppliers/contractors/business partner contractors, certification/inspection

Page 1 of 2



agency/consulting firm/public association/academic unit/research institute, investors/shareholders/financial institutions and community residents/general public, etc., and will launch a series of stakeholder activities in 2024, involving economy, environment, society and a series of major themes. In terms of our professional opinion, this report covers the inclusivity issues of KING YUAN FU.

- **Materiality**
The report has stated that KING YUAN FU focuses on economy, environment and society topics, and identified 14 major topics including corporate governance, operating performance, product safety and quality, customer relations, circular economy, information security, risk management, raw material management, supply chain management, carbon emission, energy management, occupational safety and health, salary and benefits and talent education, etc. In terms of our professional opinion, this report appropriately covers the materiality issues of KING YUAN FU.
- **Responsiveness**
KING YUAN FU responds to requests and opinions from stakeholders. Implementation methods include telephone, email, communication software, labor inspection, face-to-face meetings, document promotion, book clubs, lectures, newsletter and events, etc., those numerous internal and external stakeholder communication mechanisms, as an opportunity to provide further responses to stakeholders, and to promptly respond to stakeholder concerns. In terms of our professional opinion, this report covers the responsiveness issues of KING YUAN FU.
- **Impact**
KING YUAN FU has identified and fairly demonstrated its impact with balanced and effective measurement and disclosure. KING YUAN FU has established a process for monitoring, measuring, evaluating and managing impacts, which helps to achieve more effective decision-making and results management within the organization. In terms of our professional opinion, this report covers the impact issues of KING YUAN FU.
- **GRI Guidelines**
KING YUAN FU provides the self-declaration of compliance with the GRI Sustainability Reporting Standards and relevant information. Based on the results of the review, we confirm that the report refers to the social responsibility and sustainability of the GRI Sustainability Reporting Standards. Relevant disclosure items for developments have been disclosed, partially disclosed, or omitted. In terms of our professional opinion, this self-declaration covers KING YUAN FU 's social responsibility and sustainability themes.

Assurance level

According to the AA1000 Assurance Standard v3 and its 2018 Appendix, we have verified that this Statement is a moderate level of assurance, as described in the scope and methods of this Statement.

Responsibility

The responsibility of the sustainability report, as stated in this Statement, is owned by the person in charge of KING YUAN FU. The responsibility of GREAT is solely to provide professional opinions based on the scope and methods described, and to provide a Statement for the stakeholders.

Ability and Independence

GREAT is composed of experts in various management system fields. The verification team is composed of members with professional background, who have received training in a series of sustainable development, environmental and social management standards such as AA1000 AS v3, ISO 9001, ISO 14001 and ISO 45001, and are qualified as lead auditors.

On behalf of the assurance team MAY 29, 2025
GREAT International Certification Co., Ltd.
Taiwan, Republic of China



Signed by General Manager W. J. Chen



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Page 2 of 2



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