



葡萄王生技

# 2023

## Grape King BIO

ESG Report

TSE 1707

This report follows the following international sustainability standards

**TCFD**

TASK FORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES

**RE**

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# Table of contents

## Introduction

About this Report.....	2
Sustainability Strategy : Goals and Commitments.....	6
Introduction to Grape King Bio.....	9
Stakeholder Communication and Analysis of Material Topics.....	18

## CH4 Happy Workplace

Target Formulation.....	86
4.1 Human Rights .....	87
4.2 Talent Recruitment and Structure.....	93
4.3 Talent Cultivation and Performance Appraisals.....	96
4.4 Employee Compensation, Benefits, and Health Care.....	99
4.5 Occupational Safety.....	105
4.6 Employee Communication.....	109

## CH1 Ethical Governance

1.1 Corporate Governance and Transparency.....	27
1.2 Corporate Integrity and Business Ethics.....	33
1.3 Risk Management.....	39
1.4 Financial Performance.....	41
1.5 Legal Compliance.....	44

## CH5 Social Prosperity

Target Formulation.....	112
[Local Creations] Grape King Bio : Supporting Local Mushroom Industries Through Mushroom Production Wufeng Shiitake Mushroom Support Program.....	113
5.1 Academic Participation.....	115
5.2 Community Development .....	116
5.3 Care for the Disadvantaged.....	119
5.4 Companionship and Assistance.....	120
5.5 Care for the Elderly.....	121
5.6 Social Participation in Response to the United Nations Sustainable Development Goals (SDGs).....	122

## CH2 Product Liability

Target Formulation.....	48
2.1 Sustainable Supply Chain.....	52
2.2 Food Safety and Responsibility.....	57
2.3 Sustainable Products.....	65

## CH6 Green Environment

Target Formulation.....	124
6.1 Grape King Bio Climate Actions Under the Task Force on Climate-Related Financial Disclosures (TCFD).....	125
6.2 Management of Energy Resources and Greenhouse Gases.....	130
6.3 Management of Water Resources.....	133
6.4 Waste Management.....	137
6.5 Biodiversity.....	139

## CH3 Innovation and R&D

Target Formulation.....	68
3.1 Innovation Management and Patents.....	69
3.2 Industry-Academia Collaborations.....	76
3.3 Customer Service.....	79

## Appendix

Table 1-Table 5.....	142
Sustainability Reporting Indicators-Food Industry.....	144
Global Reporting Initiative (GRI) Standards Index.....	145
Sustainability Accounting Standards Board (SASB) Index.....	148
ISO26000 Index.....	151
United Nations Global Compact Comparison Char.....	152
Independent Assurance Opinion Statement.....	153

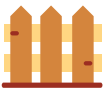




# About this Report




This Sustainability Report was issued in 2024 by Grape King Bio Inc. (hereinafter referred to as Grape King Bio, the Company, we, us, or our). This Report discloses our achievements relating to key sustainability issues for different stakeholders in an open and transparent manner. This Report includes sections on our Operational Performance, Ethical Governance, Product Liability, Production Development and Innovation, Happy Workplace, Social Prosperity, and Green Environment. This Report expresses our commitment to the vision we strive for and enables stakeholders to understand our efforts and commitment to sustainable development.




### Report Boundaries and Scope

The information and figures disclosed in this Report are taken from Grape King Bio, Pro-Partner, and Rivershine Co. Ltd. in the Taiwan region. For a detailed list of operational locations, please refer to the following table. In future, we will gradually expand the scope of this Report to include Grape King Bio International Investment, Shanghai Grape King Bio Enterprise Corporation, Shanghai Rivershine Ltd., and Elite Propartner Holdings Sdn. Bhd. to provide more comprehensive and accurate information.




### Independent Assurance

The assurance engagement for this Sustainability Report was planned and performed by Deloitte, an independent and credible firm, in accordance with Statements of Assurance Engagements Standards No. 3000 ( “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” ). Deloitte provides limited assurance on this 2023 Sustainability Report, which was compiled in accordance with GRI Standards. The results of limited assurance have been effectively communicated with governance units. For details on assurance scope and conclusions, please refer to the Independent Assurance Statement in the Appendix.




### Reporting Principles

This Report is based on the 2021 version of the GRI Standards released by the Global Reporting Initiative (GRI), the AA1000 (2008) Standard, and the Sustainability Accounting Standards Board standards for the Household & Personal Products and Processed Foods industries, as well as the Taiwan Stock Exchange “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies,” ISO 26000 Guidance on social responsibility, and the United Nations Global Compact. Finally, the disclosed financial data was derived from our consolidated financial report for 2023, which was certified by independent certified public accountants.



### Company Information within the Reporting Scope

	Scope	Address	Phone
Grape King Bio	Headquarters (Pingzhen Factory)	No. 402, Sec. 2, Jinling Rd., Pingzhen Dist., Taoyuan City	+886-3-457-2121
	Zhongli Factory	No. 60, Sec. 3, Longgang Rd., Zhongli Dist., Taoyuan City	+886-3-457-2125
	Distribution Center	No. 466, Sec. 2, Xinsheng Rd., Zhongli Dist., Taoyuan City	+886-3-453-2121
	Taipei Sales Office	11F, No. 18, Jinzhuang Rd., Neihu Dist., Taipei City	+886-2-2790-3011
	Telesales Center	3F, No. 10, Ln. 27, Linyi St., Zhongzheng Dist., Taipei City	+886-2-8178-3167
	Grape King Health and Vitality Power Center	No. 402, Sec. 2, Jinling Rd., Pingzhen Dist., Taoyuan City	+886-3-271-2121
	Grape King Biotech Research Institute (Longtan Branch)	No. 68, Longyuan 1st Rd., Longtan Dist., Taoyuan City	+886-3-499-3090
	Grape King Bio Park	No. 8, Gongye 1st Rd., Pingzhen Dist., Taoyuan City	Currently no phone number
Pro-Partner Co., Ltd.	Grape King Health And Vitality Power Center Taichung Store	C3 Booth, No.1, Sec. 1, Taiwan Blvd., Central Dist., Taichung City	+886-4-2222-3189
	Corporate Headquarters and Taipei Operations Center	No. 18, Jinzhuang Rd., Neihu Dist., Taipei City	+886-2-27922103
	Taoyuan Operations Center	8F, No. 186, Fuxing Road, Taoyuan District, Taoyuan City	+886-3-3328358
	Hsinchu Operations Center	8F, No. 192, Dongguang Rd., East Dist., Hsinchu City	+886-3-5721788
	Taichung New Operations Center (Officially commenced operations on 2022/10/11)	3F, No. 130, Gongyuan E. Rd., East Dist., Taichung City	+886-4-22655337
	Tainan Operations Center	3F, No. 189, Section 1, Yongfu Rd., West Central Dist., Tainan City	+886-6-2132208
	Kaohsiung Operations Center	7F, No. 687, Mingcheng 3rd Rd., Gushan Dist., Kaohsiung City	+886-7-5866738
	Hualien Operations Center	2F, No. 150, Ziyou St., Hualien City, Hualien County	+886-3-8310891
	Pingzhen Logistics Management Center	No. 3, Lane 679, Pingdong Rd., Pingzhen Dist., Taoyuan City	+886-3-4600029
	Rivershine Co. Ltd.	5F, No. 402, Sec. 2, Jinling Rd., Pingzhen Dist., Taoyuan City	+886-3-271-2121



### Disclosure and Publication

Grape King Bio has voluntarily issued the “Grape King Bio Sustainability Report” annually since 2014. This Report has been published for 9 consecutive years. The disclosure period for this Report spans from January 1, 2023 to December 31, 2023. Previous records and future plans may be included in order to fully disclose related ESG information. Current issue released June 2024.

**This Report is published solely in digital form to protect the environment.**

(Previous issue released May 2023)



**Download PDF file from**  
<https://www.grapeking.com.tw>



### Feedback and Contact Information

If you have any questions regarding the 2022 Grape King Bio Sustainability Report, you are welcome to contact us using the information listed below so we can continue to make improvements.

**Sustainability and ESG Committee, Grape King Bio Inc.**  
Address : No.402, Sec. 2, Jinling Rd., Pingzhen Dist., Taoyuan City  
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Corporate website : <https://www.grapeking.com.tw>





Chairman's

陳盛麟

## Chairman's Message

Since its establishment in 1969, Grape King Bio has been committed to becoming one of the top health food manufacturers in the Biotechnology Industry. We enjoy high reputation in Taiwan with leading-edge raw material and product innovations. “Technology, Health, and Hope” are the core values of Grape King Bio, which help to guide us in pursuing our vision and mission as a leader in the health food industry thus becoming the “health expert taking care of the whole family”. I am very proud of our employees for continuously working together in an exciting 2023 to ensure that the Company's operations run as smoothly as possible.

After the global pandemic restrictions were lifted in 2023, the public's demand for health food consumption did not diminish, with the global market continuing to expand. In response to the growing needs of both the Taiwan and international markets, the first phase of Grape King Bio's fourth factory was put into full production in August 2023. Also known as the “Grape King Bio Health Park”, this facility more than doubles the PKL packaging capacity and also offers room to expand other production lines according to production requirements. We also obtained two new ISO certifications, “ISO14064 Greenhouse Gas Inventory System” and “ISO37001 Anti-Bribery Management System”, demonstrating our company's continued drive to sustainable management, which helps create a better sustainable future for generations to come.

This year also marked the 10th year that Grape King Bio has been publishing our ESG report, aligned with the GRI Standards. Each year Grape King Bio works to improve transparency and add relevant disclosures for our stakeholders. In the 2023 report we have included disclosures in line with the TCFD framework and have also published disclosures according to SASB standards on our website. Under the expectation of sustainable operation, Grape King Bio continues to strengthen its corporate governance, focusing on 4 key aspects: protecting Shareholders' rights and interests, strengthening the functions

of the Board of Directors, reinforcing Corporate Social Responsibility, and enhancing information transparency. For the third year in a row Grape King Bio has been listed in the top 5% of listed companies for Corporate Governance Evaluation by the TWSE. Our Finance Department acts as the administrator for corporate governance and integrity management in order to bolster its structure and assist in formulating the code of conduct for promoting integrity management. Through internal education and evaluations, the values of integrity and ethics are actively implemented and regularly reported to the board of directors every year (see CHI Ethical Governance for details).





With regard to food safety, Grape King Bio continues to promote product responsibility through our strict food safety record system. Furthermore, we hold multiple international certifications such as PIC/S GMP, ISO22000, HACCP, NSF GMP, TQF, HALAL and ISO/IEC 17025 TAF certified laboratories, FSSC22000, etc. In 2023, we completed 220 onsite and virtual audits on our vendors and suppliers to ensure raw material safety and ethical sourcing. We currently have strict standards to ensure that consumers can drink and eat our products with peace of mind (see CH2 Product Responsibility for details).

The Grape King Biotech Research Institute has, for many years, used industry-leading fermentation expertise to develop raw materials and products that are beneficial to the society. In 2023 Grape King Bio's R&D achievements were recognized with 30 Gold, 2 Silver, and 14 Special International Invention and Innovation awards as well as the 2023 Taiwan BIO Outstanding Biotechnology Industry Award. Furthermore, Grape King Bio was awarded the numerous other awards related to parts of the business, including Marketing and Products. Myself and my colleagues are also actively involved in various academic and talent programs where we mentor and develop the potential talent for the future. Students are welcomed into our business and are encouraged to learn and gain practical work experience for their future careers (see CH3 R&D Innovation for details).

Grape King Bio continues to have an Occupational Safety and Health Committee and is equipped with full-time nurses. I encourage them to hold regular health lectures where employees can learn more about their own well-being. In 2023 we obtained ISO/CNS 45001, and continued to encourage various sporting events and competitions for colleagues to take part in. Furthermore, Grape King Bio was awarded Occupational Health and Safety certification as well as Employee Wellbeing with the Happy Enterprise Gold Award from the 2022 1111 Job Bank for the fourth year in a row. (see CH4 Happy Workplace for details).

Knowing the importance of social responsibility and prosperity, Grape King Bio for many years has worked closely with both local and national organizations, charities, communities, schools and other academia to understand and assist with all aspects of life. Our Sustainability and ESG Committee have split these needs into the fields of "Environmental sustainability", "Social participation", and "Corporate governance", to ensure we are able to fairly contribute across all sectors. Grape King Bio in 2023 donated NT\$19.78 million, along with 655 volunteering man hours. (see CH5 Social Prosperity for details).

In order to provide a sustainable environment for the next generation, Grape King Bio deeply understands the urgency to set positive goals for climate change. Our Pingzhen Factory/Headquarters is both ISO 14001 and ISO 50001 certified, and adopts the PDCA model for environmental management. In 2023 we managed to start procuring renewable energy, with 2% now being used. Furthermore, we were awarded the ISO 14064 and signed our commitment to complete SBTi target setting by the end of 2024. Grape King Bio therefore continues to plan and implement changes in order to reach our RE100 commitment to use 100% renewable energy by 2024.

We welcome your feedback on our 2023 ESG report in order to better communicate what is important to all of our stakeholders. Grape King Bio remains focused on utilizing our strengths in research and development to offer products that improve the health and overall wellness of consumers and society. "Live Healthy, Think Grape King."





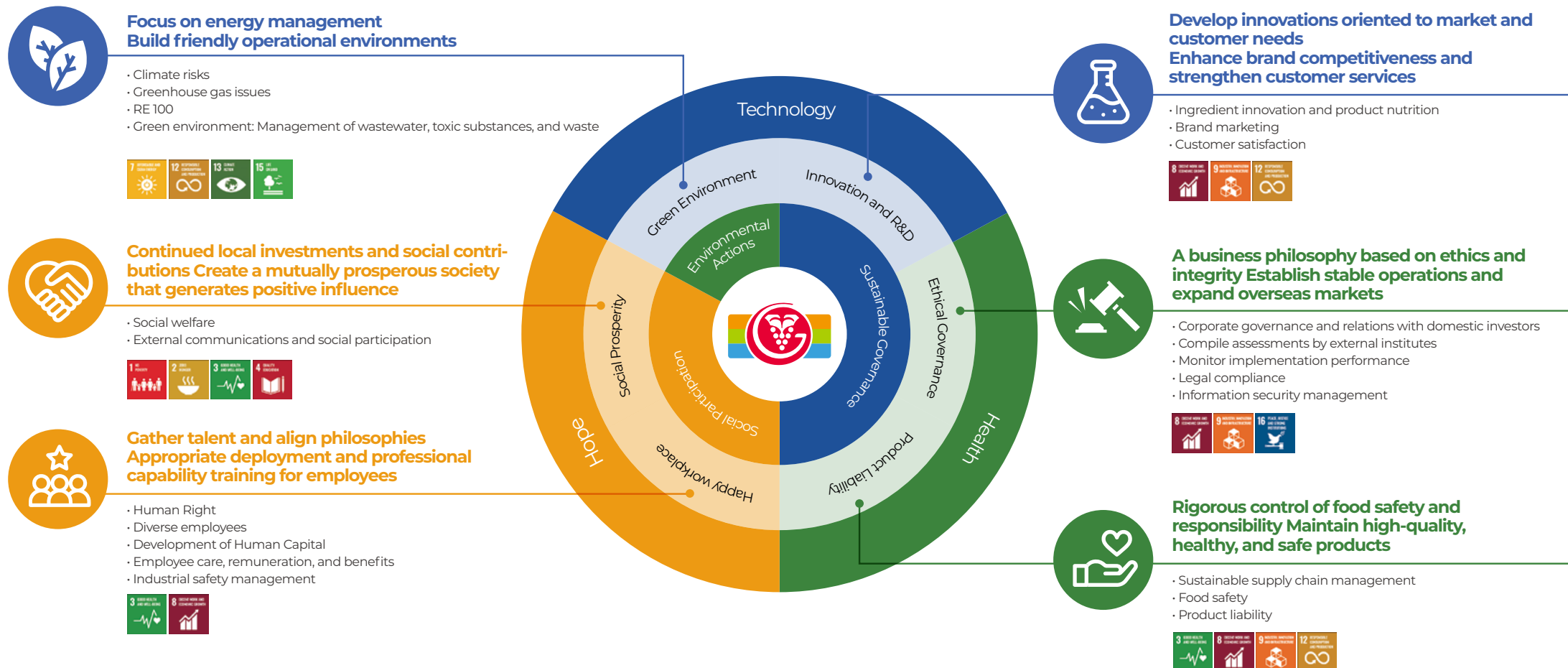
# Sustainability Strategy : Goals and Commitments



# Corporate Sustainability Strategy and Promotion

Since our establishment, we have not only focused on corporate governance and operational performance, but also work constantly to make strides toward sustainable environments and social welfare. We emphasize our commitments to stakeholders and seek to gradually fulfill our corporate social responsibilities through systematic management. “Contributing to a better society” is our core sustainability mission. We shoulder our responsibilities as a leader in the health foods industry in accordance with this philosophy and hope to build a better society through sustained contributions.

Grape King Bio believes in a people-oriented corporate culture and has established a blueprint for sustainable strategy under the framework of “Technology, Health, and Hope.” Grape King Bio has formulated six main categories for sustainable development: “Production Development and Innovation,” “Ethical Governance,” “Product Liability,” “Happy Workplace,” “Social Prosperity,” and “Green Environment.” We will continue to develop corporate strategies for sustainability based on these six categories and use these as a blueprint for continued investment in sustainable management at Grape King Bio over the next three years, as well as implement performance management aligned with environmental, social, and corporate governance aspects.

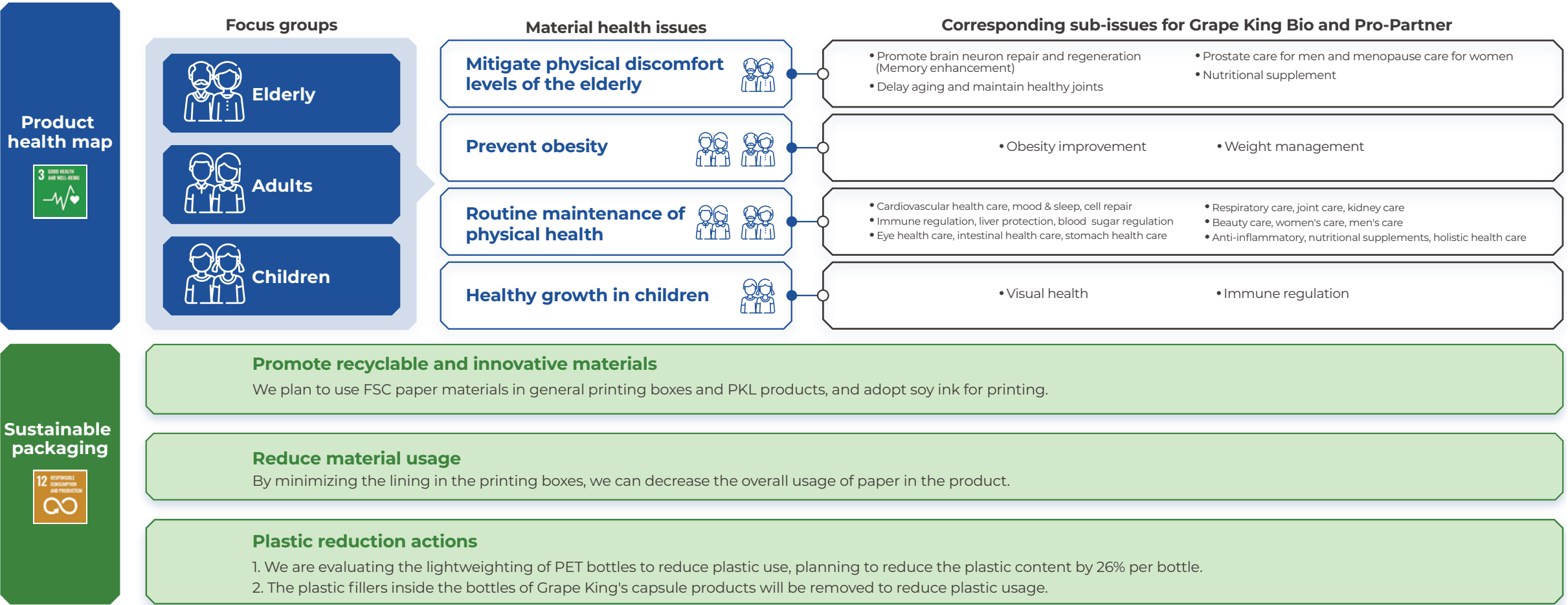




# Grape King Bio Sustainable Products

We have built up our operations in Taiwan for the past 50 years. Our core purpose and mission is to improve health in people of all ages. In 2022, we comprehensively reviewed the main markets for Grape King Bio and Pro-Partner, as well as social health issues in Taiwan, to understand how our products can help people respond to various issues and diseases. As we move into an aging society with low birth rates, we have begun to prioritize seniors and children, focusing on “mitigating physical discomfort for aged groups” and “healthy growth for children.” For other adults, we also focus on high obesity rates, cardiovascular diseases, endocrine disorders, enhanced immunity, and other important health issues related to “obesity prevention” and “routine physical maintenance.” Under this framework, we reassessed corresponding products from Grape King Bio and Pro-Partner for continued promotion to groups in need. In future, we plan to develop various products for common diseases of the elderly as we move toward a super-aged society.

In terms of sustainable packaging, we re-examined each stage of our value chain to plan and promote “innovative recyclable materials” and “plastic reduction actions” as part of our efforts to achieve our goal of zero waste.



# Introduction to Grape King Bio

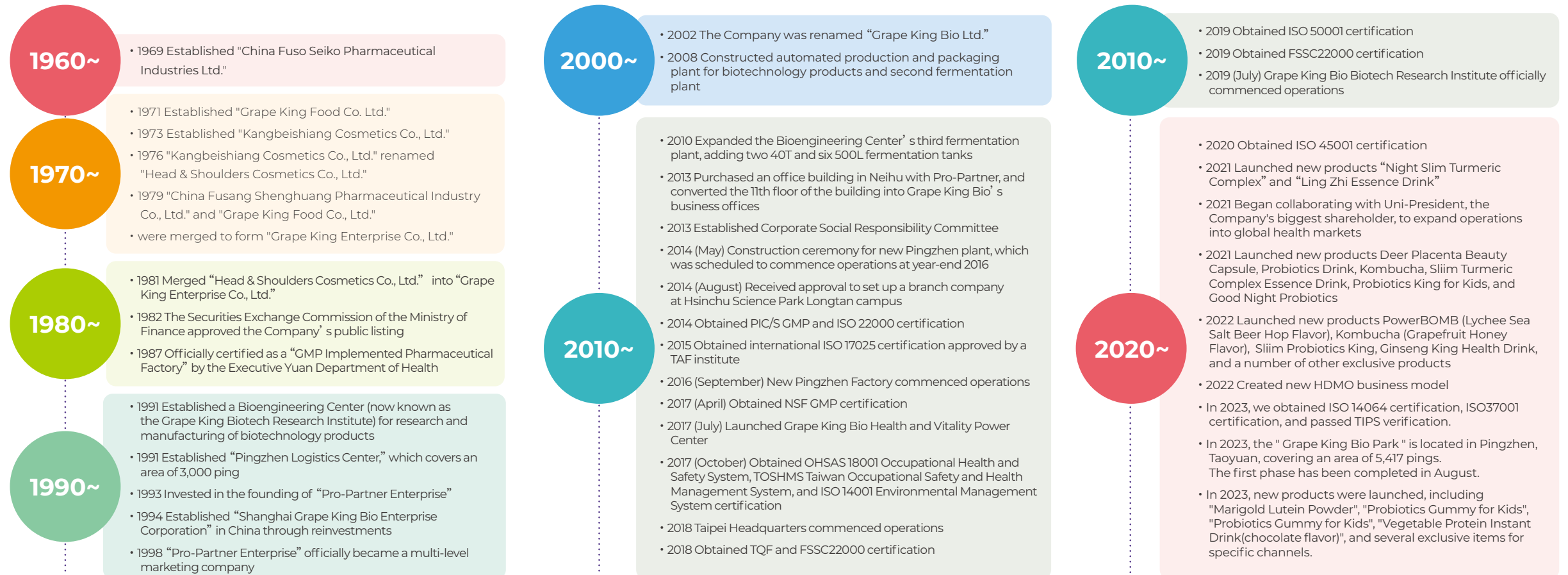


# About Grape King Bio

## Background

The late 1960s were a golden age for infrastructure construction in Taiwan. In line with this trend, Grape King Bio founder and president Shui-Zhao Tseng established China Fuso Seiko Pharmaceutical Industries Ltd. (officially renamed Grape King Bio in 1971) and produced Grape King Bio's first product, ComeBest energy drink. As time went on, our founder became conscious of the importance of business transformation, and therefore established the Bioengineering Center (now named the Grape King Bio Biotech Research Institute), officially entering the biotechnology industry and focusing on development of health foods. Our subsidiary Pro-Partner was established in 1993 and officially entered the health food market using a multi-level marketing model in 1998. In terms of overseas markets, we entered the Chinese market in 1994 and established Shanghai Grape King Bio Enterprise Corporation, which officially commenced operations in 1997. We actively expand our international markets and sell various health foods and beauty products. We have gradually established a proprietary smile curve that encompasses our upstream product development and innovation, mid-stream production and manufacturing, and downstream brands and channels.

## Grape King Bio Major Milestones and Operational Changes



## Business Philosophy

Over the past 50 years, Grape King Bio has continually striven to be at the cutting edge of technology and innovative development, and worked to become a leader in the biotechnology field. We hope to build our foundation in Taiwan and expand our reach to the world so we can become an industry leader. We continue to strengthen safety management for our foods and pharmaceuticals. We have established a food safety record system and have obtained PIC/S GMP, ISO22000, NSF GMP, TQF, HALAL, ISO/IEC 17025 TAF, and other international lab certifications as our guarantee to our consumers, and going public was a realization of our commitment to the public.

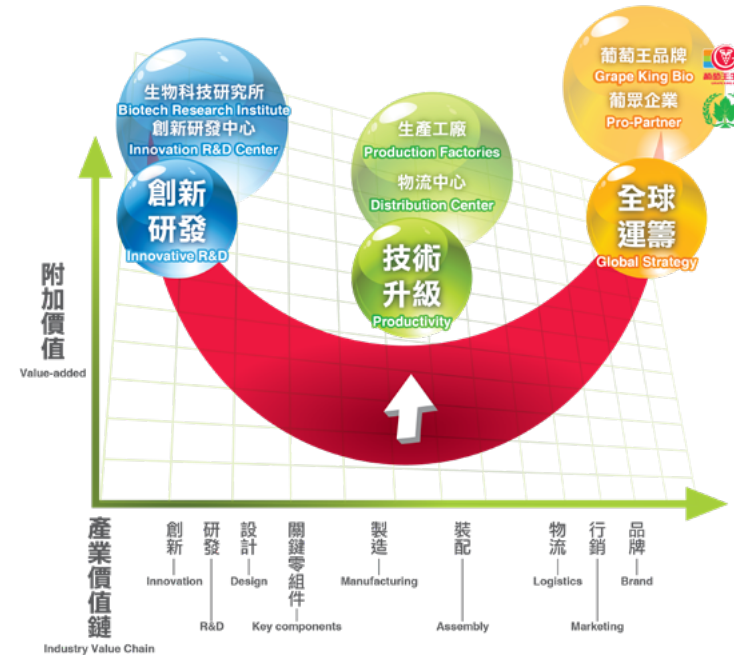
“Technology, Health, and Hope” has always been our guiding principle. We understand that biotechnology is one of the main industries of the 21st century, and this is an industry we are working to be a part of, both now and in the future. We hope to build on our current foundation and our mission is to be “A health expert for the entire family.” We work with all of our colleagues to ensure strong growth for Grape King Bio, create richer lives for the public, and build a more promising future.



## Products, Services, and Operating Locations

### Products and Services

We have our own health foods and functional drinks brands, and also provide ODM/OEM services for health foods and pharmaceuticals. We have established the smile curve shown in the following figure and advantages in biotechnology operations through innovation and development, technical enhancements, and global operations:



Our private brands have achieved impressive results. In 1993, we established our subsidiary Pro-Partner, which uses a multi-level marketing model as its main sales channel. Pro-Partner was ranked at number 38 on the DSN Global 100 List of global direct marketing companies in 2023, and has been the top local industry leader for 14 consecutive years. All Grape King Bio locations are currently located in the north, and our main production, research, and logistic operations centers are concentrated in Taoyuan. Our headquarters are located within our Pingzhen Factory, and we also established our Tourist Factory (Grape King Bio Health and Vitality

Power Center) at this location so our consumers can experience our brand story and ideals at any time. Our Zhongli Factory focuses on R&D and production. Our Taipei operational headquarters are located within the Pro-Partner Neihu building and also serve as the core sales base for Grape King Bio's private label products. Our logistics center was moved to Xinsheng Road in Zhongli District in 2018. Our research is concentrated at our “Grape King Bio Biotech Research Institute,” which is located at the Hsinchu Science Park Longtan campus. The Biotech Research Institute was built using an investment of NT\$1,600 million, and combines R&D and production functions to develop and apply raw materials (key components).

### Taipei Sales & Marketing Division

#### Zhongli Longgang Plant

Equal attentions are paid to R&D and Production

#### Headquarters in Pingzhen

Established in September, 2016  
(Including our new office building and factories)

#### Grape King Health and Vitality Power Center

Launched at the end of July, 2017

#### Grape King Biotech Research Institute

Located in Hsinchu Longtan Science Park and was established at the end of 2018

We have a total of 15,000 sales locations across Taiwan, including both physical and virtual sales channels. Physical channels: Hypermarkets, chain supermarkets, modern drugstores, traditional pharmacies, convenience stores, distribution channels. Virtual channels: Self-owned online malls, external online malls, direct sales members, TV shopping channels.





## Awards

### Corporation

- 【Grape King Bio】 Ranked in the top 5% of companies by the Corporate Governance Evaluations for three consecutive years
- 【Grape King Bio】 Received “TSAA Taiwan Sustainability Action Awards” Social inclusion - Silver Award in 2023
- 【Grape King Bio】 Grape King Bio “Functional Lactobacillus Plantarum GKM3®” won the 2023 Taiwan BIO Awards Outstanding Biotechnology Industry Innovation Award!
- 【Grape King Bio】 Received SGS 2023 ESG Awards Energy Management Award
- 【Grape King Bio】 Received SGS 2023 ISO PLUS Awards Occupational Safety and Health Management Exemplary Award
- 【Grape King Bio】 Received Silver Talent Quality Management System (TTQS) certification for our enhanced talent training and management!
- 【Grape King Bio】 Won Happy Enterprise Gold Award from the 2023 1111 Job Bank for the fourth time!
- 【Grape King Bio】 Won two awards at the “16th TCSA Taiwan Corporate Sustainability Award” (Corporate Sustainability Report Awards Traditional Manufacturing Category 1 Platinum Award and Corporate Sustainability Comprehensive Performance Category Top 100 Sustainability Model Enterprise Award)
- 【Grape King Bio】 Ranked in Top 1 of Quickseek ESGdata's biotechnology company ESG reputation survey
- 【Grape King Bio】 Received “2023 Accredited Healthy Workplace Health Care Award” from the Ministry of Health and Welfare Health Promotion Administration
- 【Grape King Bio】 Received Pandemic Prevention Gold Award from the 8th Taiwan Immunization Vision and Strategy (TIVS) in 2023
- 【Grape King Bio】 Won Outstanding Taiwanese Brand Silver Award at 19th Excellence Agency & Advertiser of the Year Awards in 2023

### Technologies & Patent

- “An active substance of Lactobacillus plantarum GKM3®, promoting longevity genes and delaying aging,” was awarded a Silver medal at the 2023 Malaysia Technology Expo.
- “Use of lignosus rhinocerus mycelia for improving chronic obstructive pulmonary disease” was awarded a Silver medal at the 2023 Malaysia Technology Expo.
- “Use of Phellinus linteus mycelia for improving sarcopenia” was awarded 1 Gold and 1 Special medal at the 2023 Russian Archimedes International Invention Exhibition.

- “A composition of Probiotics for increasing resistance against H1N1 influenza virus” was awarded a Gold medal at the 2023 Russian Archimedes International Invention Exhibition.
- “Use of Bifidobacterium lactis GKK2 for improving allergic asthma” was awarded 1 Gold and 1 Special medal at the 2023 World Genius Convention and Education Expo in Tokyo.
- “Use of an active substance of Morchella for improving sarcopenia” was awarded 1 Gold medal at the 2023 World Genius Convention and Education Expo in Tokyo.
- “Hericum erinaceus mycelia ferments for improving dementia” was awarded 1 Gold and 1 Special medal at the 2023 International Invention, Innovation & Technology Exhibition (ITEX) in Malaysia.
- “Bifidobacterium lactis GKK2 for effectively improving airway hypersensitivity” was awarded 1 Gold medal at the 2023 International Invention, Innovation & Technology Exhibition (ITEX) in Malaysia.
- “Probiotics Complex for adjusting blood glucose” was awarded 1 Gold and 1 Special medal at the 2023 International Invention & Innovation Expo in Shanghai.
- “Probiotics Complex for effectively mediating blood lipid and reducing body fat” was awarded 1 Gold and 1 Special medal at the 2023 International Invention & Innovation Expo in Shanghai.
- “Probiotics for improving alcoholic injury in stomach and intestine” was awarded 1 Gold medal at the 2023 International Invention & Innovation Expo in Shanghai.
- “Lactobacillus fermentum GKF3 for effectively improving psychotaxia” was awarded 1 Gold and 1 Special medal at the 2023 International Invention Innovation Competition in Canada (iCAN)
- “Cordyceps cicadae mycelia for improving cataract” was awarded 1 Gold and 1 Special medal at the 2023 International Invention Innovation Competition in Canada (iCAN)
- “Phellinus linteus mycelia for improving sarcopenia” was awarded 1 Gold and 1 Special medal at the 2023 World Invention and Innovation Contest (WIC) in Korea.
- “Use of Probiotics active substances for increasing resistance against Enterovirus 71” was awarded 1 Gold medal at the 2023 World Invention and Innovation Contest (WIC) in Korea.
- “Use of Cordyceps cicadae mycelia for improving steroid-induced ocular complications” was awarded 1 Gold and 1 Special medal at the 2023 INNOVERSE Invention & Innovation Expo in the USA.
- “Lactobacillus fermentum GKJOY for effectively improving psychotaxia” was awarded 1 Gold medal at the 2023 INNOVERSE Invention & Innovation Expo in the USA.
- “Use of Bifidobacterium lactis GKK2 for improving allergic asthma” was awarded 1 Gold medal at the 2023 All American DAVINCI International Innovation and Invention Expo.
- “Use of novel probiotic strains GKM3® and GKS6® for keeping bones healthy” was awarded a Gold medal at the 2023 All American DAVINCI International Innovation and Invention Expo.
- “Patent for Hericum erinaceus materials for improving dementia” was awarded 1 Gold and 1 Special medal at the 2023 International Invention Show (INOVA in Croatia).
- “Patent for Probiotics GKK2 materials for improving allergic asthma” was awarded 1 Gold medal at the 2023 International Invention Show (INOVA in Croatia).
- Use of Phellinus linteus mycelia for improving sarcopenia” was awarded 1 Gold and 1 Special medal at the 2023 International Invention and Trade Expo in London.

- “A composition of Probiotics for increasing resistance against H1N1 influenza virus” was awarded a Gold medal at the 2023 International Invention and Trade Expo in London.
- “Use of Bifidobacterium lactis GKK2 for improving allergic asthma” was awarded 1 Gold medal at the 2023 International Innovation and Invention Competition (IIIC).
- “Use of novel Probiotics-GKM3® for weight control” was awarded 1 Gold medal at the 2023 International Innovation and Invention Competition (IIIC).
- “Lactobacillus fermentum GKF3 for effectively improving psychotaxia” was awarded 1 Gold medal at the 2023 International Innovation and Invention Competition (IIIC).
- “Use of Probiotics active substances for increasing resistance against Enterovirus 71” was awarded 1 Gold medal at the 2023 International Salon of Inventions and New Technologies.
- Phellinus linteus mycelia for improving sarcopenia” was awarded 1 Gold medal at the 2023 International Salon of Inventions and New Technologies.
- “An active substance of Bifidobacterium lactis GKK2, a composition comprising thereof and its use for promoting longevity” was awarded 1 Gold medal at the 2023 Hong Kong International Invention and Design Competition.
- “Hericum erinaceus mycelia ferments - Erinacine A for preventing hearing loss” was awarded 1 Gold and 1 Special medal at the 2023 Hong Kong International Invention and Design Competition.
- Phellinus linteus for improving sarcopenia” was awarded 1 Gold and 1 Special medal at the 2023 International Invention and Innovation Show INTARG.

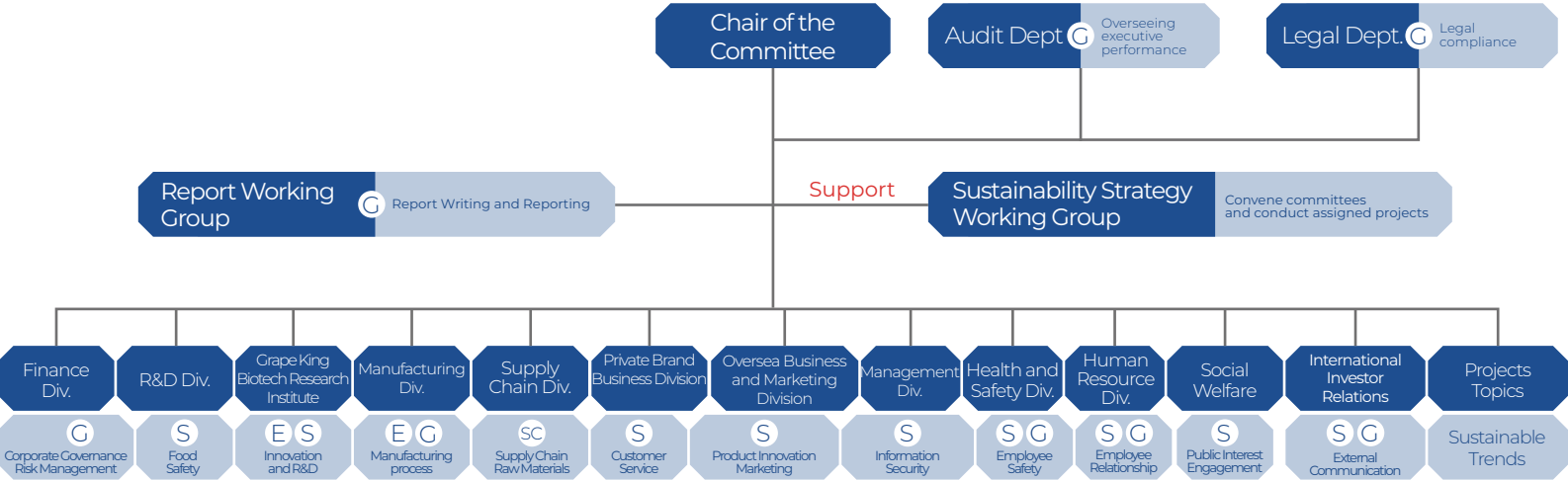


# ESG Management Structure: Sustainability and ESG Committee



General Manager's Office  
Chief Sustainability Officer  
**Duncan Aitken**

“  
*Grape King Bio strives to become a sustainable leader in Taiwan's biotechnology industry. We not only maintain our mission to be 'A health expert for the entire family' and ensure public health, but also hope to exert a positive influence on the economy, environment, and society by incorporating sustainability in our routine business decisions*  
”



As we continue to grow, we not only emphasize corporate governance and operational performance, but also consider environmental, social, and corporate governance (ESG) performance to be our best response to stakeholder expectations and the best way to communicate our corporate ideals. In order to incorporate core ESG concepts into our business philosophies and culture, we reconfigured our cross-departmental “Sustainability and ESG Committee” in 2021 in accordance with emerging sustainability issues to promote specific ESG actions through interdepartmental collaborations and internal management mechanisms.

The Sustainability and ESG Committee was established under the general manager's office. Our Chairman and General Manager serves as the highest authority of the Committee and senior executives serve as committee members. Representatives from other units (Finance Division, R&D Division, Manufacturing Division, Supply Chain Division, Sales and Marketing Division, Administration Division, Industrial Safety Department, Human Resource Department, and Foreign Investor Relations) also serve as committee members. The Sustainability and ESG Committee convenes periodically to organize and implement annual ESG plans. Apart from convening quarterly meetings with all units and related work teams, committee members also convene mid-year and year-end ESG target discussion meetings and report on ESG implementation results and plans. Implementation results and areas for improvement are periodically submitted to our Chairman and Board for review.



Sustainability Performance for 2023

Governance	Sustainability Performance 2023	Highlights for 2018-2022
	<div>Corporate Governance</div> <ul style="list-style-type: none"><li>1. The “Sustainability and ESG Committee” continued to advance the sustainability goals of each ESG working group</li><li>2. Obtained ISO 37001 certification for the anti-bribery management system upon review by an external certification body, the British Standards Institution (BSI) in 2023</li><li>3. The Board of Directors passed the “Anti-Corruption and Anti-Bribery Policy” in 2023, aiming to foster a corporate culture of ethical management through the implementation of this policy</li><li>4. Zero reports and complaints related to ethical management in 2023</li><li>5. No incidents involving corruption, bribery, conflicts of interest, money laundering, or insider trading occurred in 2023</li><li>6. Continued to adopt SASB indicators (household personal products and processed foods) for ESG communications with investors</li></ul>	<ul style="list-style-type: none"><li>1. Established performance evaluation procedures for the Board of Directors and the Remuneration Committee, and commenced yearly evaluations on the overall operational performance of the Board of Directors and the Remuneration Committee starting from 2019</li><li>2. In 2020, the Board of Directors approved the “Code of Ethical Conduct,” “Management Procedure for Insider Trading Prevention,” “The programs to forestall unethical conduct,” and “Procedures for Ethical Management and Guidelines for Conduct” as part of our proactive initiative to prevent unethical conduct</li><li>3. The “Digital Transformation Committee” was established in 2021 to integrate digital technologies into operational strategies</li><li>4. An Audit Committee was established in 2021 to take over supervisor responsibilities as well as monitor quality and integrity of corporate accounting processes, auditing processes, financial reporting processes, and financial controls</li><li>5. Began conducting assessments of CPA appropriateness using the Audit Quality Indicators (AQIs) starting in 2022</li><li>6. Performance evaluation results for the Board, individual directors, and functional committees for 2022 were all “Excellent”</li></ul>
	<div>Product Innovation</div> <ul style="list-style-type: none"><li>1. Published 21 journal papers in 2023</li><li>2. Applied for 32 patents in 2023</li><li>3. Two of our products received SNQ (Symbol of National Quality) certification in 2023</li><li>4. Received Annual Industry Innovation Award at the Taiwan BIO Awards in 2023</li><li>5. Received NT\$3.63 million grant from the Hsinchu Science Park Bureau, National Science and Technology Council for the Precision Health Cross-domain Promotion Project in 2023</li></ul>	<ul style="list-style-type: none"><li>1. Officially commenced operations at the Grape King Bio Biotech Research Institute in 2019</li><li>2. Participated in a total of 30 industry-academia cooperation and commissioned research projects in 2020, with total funds exceeding NT\$28 million</li><li>3. Utilized fermentation technologies to develop a total of 219 products in 2020</li><li>4. Grape King Bio released 14 new products and Pro-Partner released 8 new products (including 2 functional beverages) in 2021</li><li>5. Three of our products (Children Lutein Drink, Qing Cai Xian Slimming Capsule, Meal Supplement for the elderly) received SNQ (Symbol of National Quality) certification in the health food group of the health food category</li><li>6. Received NT\$11.2 million grant from the Ministry of Economic Affairs for “High-Fiber and High Protein Fungal Meat Substitute Research” project</li><li>7. Received NT\$3 million grant from the Ministry of Economic Affairs Industrial Development Bureau iPAS corporate digital talent cultivation program</li></ul>
	<div>Food Safety and Supply Chain Management</div> <ul style="list-style-type: none"><li>1. Passed 15 microbiological and chemical capability tests in 2023</li><li>2. Achieved 100% recovery rate on sustainability self-assessment surveys from significant suppliers in 2023</li><li>3. Maintained regular annual evaluations for 100% of suppliers</li><li>4. Increased SIMP supplier intelligent management platform utilization rate to 89.94% in 2023</li><li>5. All follow-up inspections of production lines were completed in 2023, achieving an inspection accomplishment rate of 100%. Furthermore, 100% of our products are produced by certified production lines</li></ul>	<ul style="list-style-type: none"><li>1. Completed internal traceability system for 100% of products in 2018</li><li>2. Audit ratios for raw materials suppliers in 2019 was 100%</li><li>3. Built a “Smart supplier multi-channel communication platform” in 2020</li><li>4. Implemented HACCP, ISO/FSSC 22000, NSF GMP certification systems on soft bag production line at Pingzhen Factory in 2021</li><li>5. Received certification for Good Manufacturing Practices for Health Supplements and Nutraceuticals system implemented at Pingzhen Factory</li><li>6. Completed cGMP identification and improvement, established food safety plan for two factories, quality assurance personnel obtained PCQI qualification, and we deployed PCQI personnel to our two factories at Zhongli and Pingzhen</li><li>7. Completed TGA GMP standard inventory procedures and identified discrepancies in 2022</li></ul>

Customer Satisfaction and Legal Compliance

Brand Value

Sustainability Performance 2023	Highlights for 2018-2022
<div>1. Launched the customer complaint management system related to quality management upon the implementation of the SAP system in 2023</div> <div>2. Continuously updated with customer queries for timely understanding of customer needs and to ensure consistency and accuracy of responses</div> <div>3. Continuously conducted production education and refresher courses for each month, inviting nutritionists to conduct refresher training on products and common customer queries, thereby improving product service quality in 2023</div> <div>4. Obtained Taiwan Intellectual Property Management (TIPS) A-Class Certification in 2023</div> <div>5. Organized the seminar on “Confidential Information Management System” and conducted training related to intellectual property rights.</div>	<div>1. Initiated comprehensive electronic order handling procedures for Grape King online store in 2019, reducing shipping and handling times to 3 workdays</div> <div>2. Completed more than 40 consumer interviews in 2020 to identify opportunities for improvement and mid- to long-term plans for customer service strategies</div> <div>3. Increased personnel product knowledge scores by 27% through training courses</div> <div>4. Utilized Martech technology to establish comprehensive lifestyle and health needs for different customer profiles</div> <div>5. Completed establishment of call management system and telephone customer service satisfaction surveys, enhancing handling efficiency and service quality of customer service calls in 2021</div> <div>6. Conducted monthly reviews of satisfaction rates for customer service hotline and discussed solutions for optimizing cases with low satisfaction rates to enhance customer service quality in 2022</div> <div>7. Updated database of frequently asked questions, which is continuously renewed with customer queries for timely understanding of customer needs and to ensure consistency and accuracy of responses</div> <div>8. Established standard operating procedures for common customer complaints in 2022</div>
<div>1. Awarded the TCSA Taiwan Corporate Sustainability Award Platinum Corporate Sustainability Report Award in 2023</div> <div>2. Awarded the Top 100 Sustainability Model Enterprise Award in 2023</div> <div>3. Ranked in the top 5% of companies by the Corporate Governance Evaluations for two consecutive years in 2023</div> <div>4. Awarded “TSAA Taiwan Sustainability Action Awards” Social inclusion -Silver Award in 2023</div> <div>5. “Functional Lactobacillus Plantarum GKM3®” won the 2023 Taiwan BIO Awards Outstanding Biotechnology Industry Innovation Award</div> <div>6. Awarded Happy Enterprise Gold Award from the 2023 1111 Job Bank</div> <div>7. Ranked in Top 1 of Quickseek ESGdata's biotechnology company ESG reputation survey in 2023</div>	<div>1. Received Outstanding Management Award at the 25 National Quality Awards in 2018</div> <div>2. Received Gold award at the 2019 Taiwan Bio Industry Organization Awards</div> <div>3. Received Influenza Prevention Alliance Gold Award in 2020</div> <div>4. Received TCSA Gold Corporate ESG Report Award in 2020</div> <div>5. Received Annual Industry Innovation Award at the Taiwan Bio Industry Organization Awards in 2021</div> <div>6. Awarded Ingenuity Award by the Excellent Enterprise Awards in Taoyuan City in 2021</div> <div>7. Received Happy Enterprise Gold Award and Special Award from the 1111 Job Bank in 2021</div> <div>8. Received TCSA Gold Corporate ESG Report Award in 2021</div> <div>9. Received TCSA Platinum Corporate Sustainability Report Award in 2022</div> <div>10. Received Corporate Sustainability Comprehensive Performance Category Top 100 Sustainability Model Enterprise Award in 2022</div> <div>11. Received TSAA Taiwan Sustainability Action Awards Silver Award in 2022</div> <div>12. Ranked at 9th place in Medium-Sized Enterprises and received a Rookie Award from the 2022 “CommonWealth Magazine Sustainable Citizen Award”</div> <div>13. Received Accredited Healthy Workplace Maternity Health Award from the Ministry of Health and Welfare Health Promotion Administration in 2022</div>





## Social

## Talent Development and Employee Benefits

## Sustainability Performance 2023

1. Received SGS ISO Plus Awards Occupational Safety and Health Management Exemplary Award in 2023
2. Received Pandemic Prevention Gold Award from the Taiwan Immunization Vision and Strategy (TIVS) Influenza Prevention Alliance in 2023
3. Received consecutive Silver Talent Quality Management System (TTQS) certification from the Ministry of Labor in 2023
4. Received Sports Enterprise Certification in 2023
5. Maintained nine consecutive years (2014-2023) without major disasters
6. Maintained a 50:50 gender ratio in 2023
7. Continuously held "Ethics Salon" courses in 2023
8. Continued to implement GKB Learning College (GKBLC) framework to organize, establish, and implement IRC and QA department talent cultivation training programs for all six departments in 2023

## Highlights for 2018-2022

1. Listed in Cheers Magazine's "Top Companies for the Young Generation" in 2018
2. Received Silver TTQS (Talent Quality-Management System) certificate from the Ministry of Labor's Workforce Development Agency in 2019
3. Founded GKB Learning College (GKBLC) to facilitate departmental planning, structuring, and implementation of departmental training programs for enhancing employee capabilities in 2019
4. Our Pingzhen Factory nurse received first place in the Outstanding Personnel in Occupational Health Services Award hosted by the Ministry of Labor's Occupational Safety and Health Administration in 2020
5. Established the Management Academy in 2021 to better understand employee duties and tasks through job analyses
6. Pingzhen Factory, Zhongli Factory, and Longtan Branch received the AED workplace certification from the Taoyuan City Department of Health in 2022
7. Received Gold Pandemic Prevention Award from Taiwan Immunization Vision and Strategy in 2022
8. Cultivated 1 person with potentials in each division and achieved success rates exceeding 80% on this KPI indicator in 2022

## Community Investments

1. Grape King Bio invested a total of 1,243 volunteers and 655 service hours in community investments in 2023
2. Resumed organizing community interaction activities, with a total of NT\$2,419,852 allocated to sponsorship and environmental improvement expenses in 2023
3. Invested the resources from 13 professional units, 1,397 person-hours and NT\$1,330,000 in funds into the local creations project in 2023

1. Upgraded multimedia interactive equipment at the Grape King Health and Vitality Power Center and continued to provide free tours in 2019
2. A total of 979 volunteers and 815 service hours were invested in community investment projects in 2020
3. Participated in the charity sweep event hosted by the communities of Jhensing Village, Lungshing Village, and Beishing Village
4. Invested 12 support units, 260 person-hours, and NT\$500,000 of funds in the Wufeng Mushroom Support Program in 2021
5. Donated a total of NT\$1.3 million to 10 schools in 2022 following a survey relating to the needs of disadvantaged children on campus
6. Our Food for the Disadvantaged Program made donations to 3 institutes in 2022, benefiting a total of 16,275 people

## Environmental

## Climate Commitments and Environmental Initiatives

## Sustainability Performance 2023

1. Initiated Science Based Targets initiative (SBTi) 1.5° C commitments and goals in 2023
2. Continued the "Bottles of Love" charity event in 2023; the Environmental Protection Administration collected 360 kgs of recycled bottles which are scheduled to be decomposed into reusable plastic pellets in June 2024 for recycling and reuse

## Highlights for 2018-2022

1. Installed solar panels at the Grape King Bio Tourist Factory in 2018, reducing approximately 3,691 kg of carbon emissions
2. 100% green paper pulp materials made from FSC™ certified wood materials were used to make all aluminum foil product packaging in 2019
3. Began adopting the TCFD framework in 2020 to identify and respond to climate change risks and opportunities for Grape King Bio
4. Joined the RE 100 renewable energy initiative, committing to the first stage of 15% renewable energy usage by 2030 and the second stage of 100% renewable energy usage by 2035
5. Ceased usage of heavy crude oil for boilers at all three factories in 2020 to reduce emission of particulate pollutants
6. Became the first healthcare enterprise in Taiwan to officially sign on as a TCFD Supporter in 2021
7. Obtained verification of ISO14001 Management System in November 2022
8. Conducted audits of all 3 waste treatment vendors and confirmed that all procedures adhere to legal requirements in 2022 (we aim to conduct at least 1 audit of our vendors each year)

## Energy and Water Management

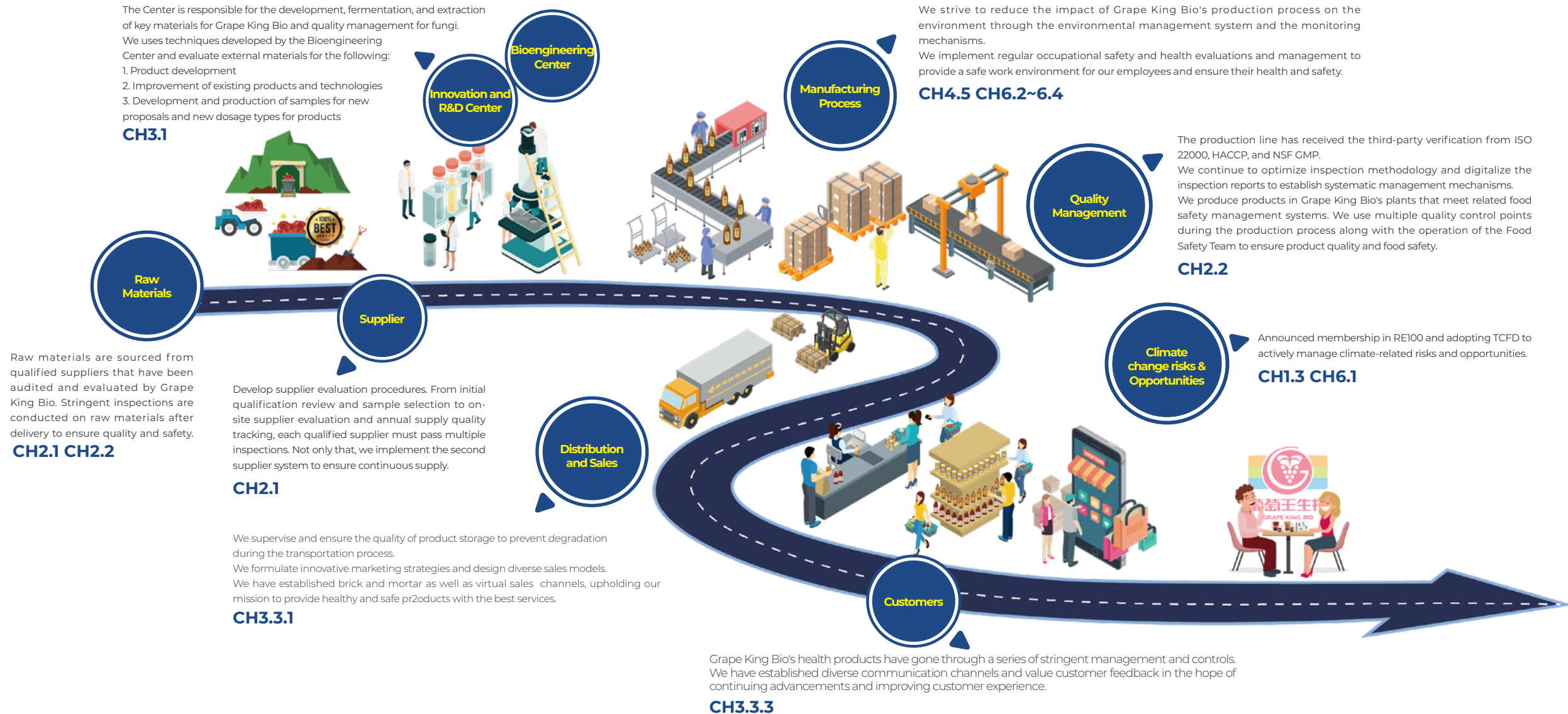
1. In 2023, our three factories reduced total electricity usage by 481,641 kWh and achieved an electricity saving rate of 1.6%
2. Generated 194,582 kWh of electricity and reduced 96,318 kgs of carbon emissions by the solar photovoltaic system at Longtan Factory in 2023
3. Accumulated 900,000 kWh of green electricity purchased and transferred to Pingzhen Factory in 2023
4. In 2023, our three factories recovered 53,060 tons of RO discharge water and reduced carbon emissions by 8,489 kgs

1. Introduced and obtained certification for ISO50001 system in 2019
2. Longtan Branch implemented RO wastewater recycling program in 2020
3. Achieved 3.3% of energy savings across all three factories in 2021
4. All (100%) wastewater was discharged according to legal regulations and exceeded average Chemical Oxygen Demand (COD) limits for discharged water by 30% in 2021
5. Composite wastewater discharge volumes were reduced by more than 3% in 2021
6. Recycled RO concentrate water for reuse in cooling towers at all three factories in 2021, recycling a total of 13,950 tons of water
7. In 2022, our three factories achieved an electricity-saving rate of 1.44%
8. In 2022, our three factories recovered 34,071 tons of RO discharge water



# Value Chain

We examined our sustainable management developments from a value chain perspective, reviewing the influence and impacts of our value chain, and identifying stages that need to be strengthened. In future, we hope to expand the scope of our value chain analysis, work to create value, and reduce negative impacts. Our value chain is shown in the following figure :



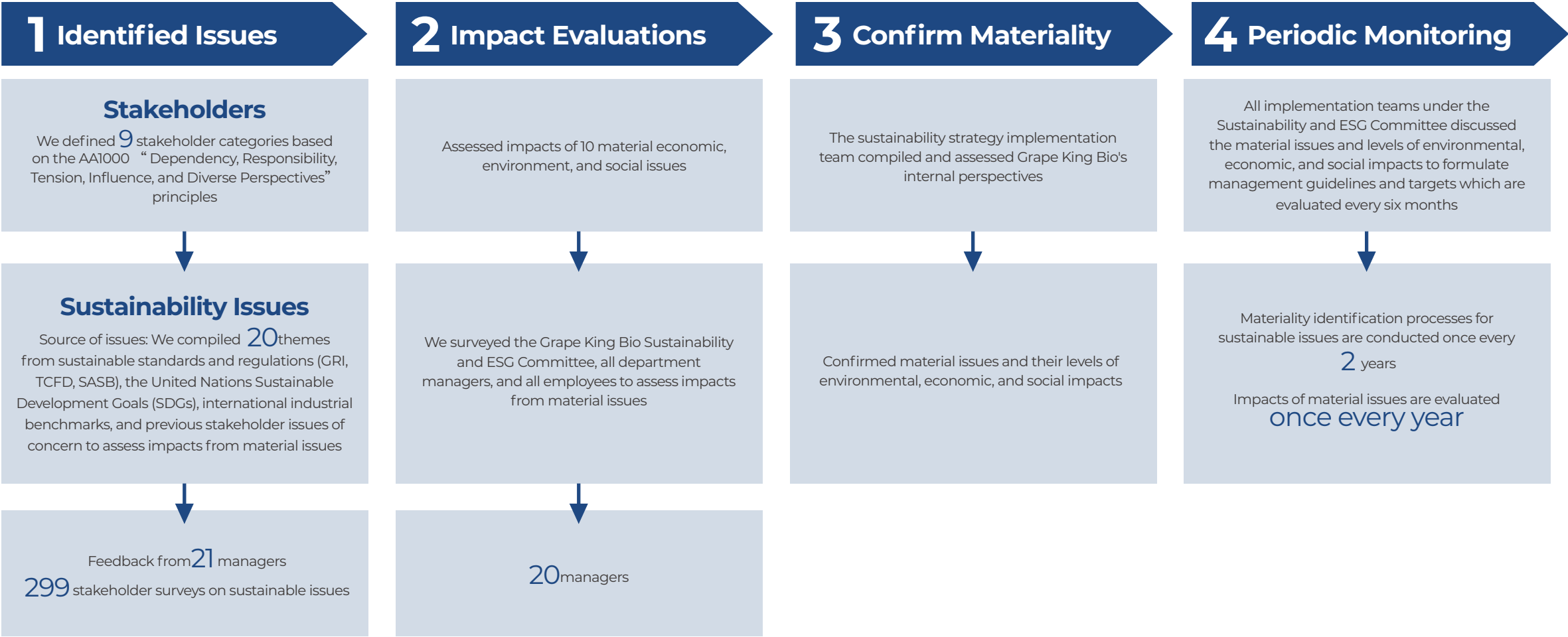
# Stakeholder Communication and Analysis of Material Topics



# Stakeholder Communication and Analysis of Material Topics

We consider pursuit of sustainable development to be an important goal. Our stakeholders are those organizations or individuals who are significantly affected by our corporate activities and products, or those whose actions profoundly affect our implementations and decisions. Grape King Bio collects feedback from stakeholders to better understand their needs and expectations, and to establish effective communication channels. Feedback from stakeholders contributes to the formulation of our ESG policies and business development. As part of our routine operations, our departments communicate with and solicit feedback from key stakeholders throughout the year. Our scope of communication did not extend to other subsidiaries.

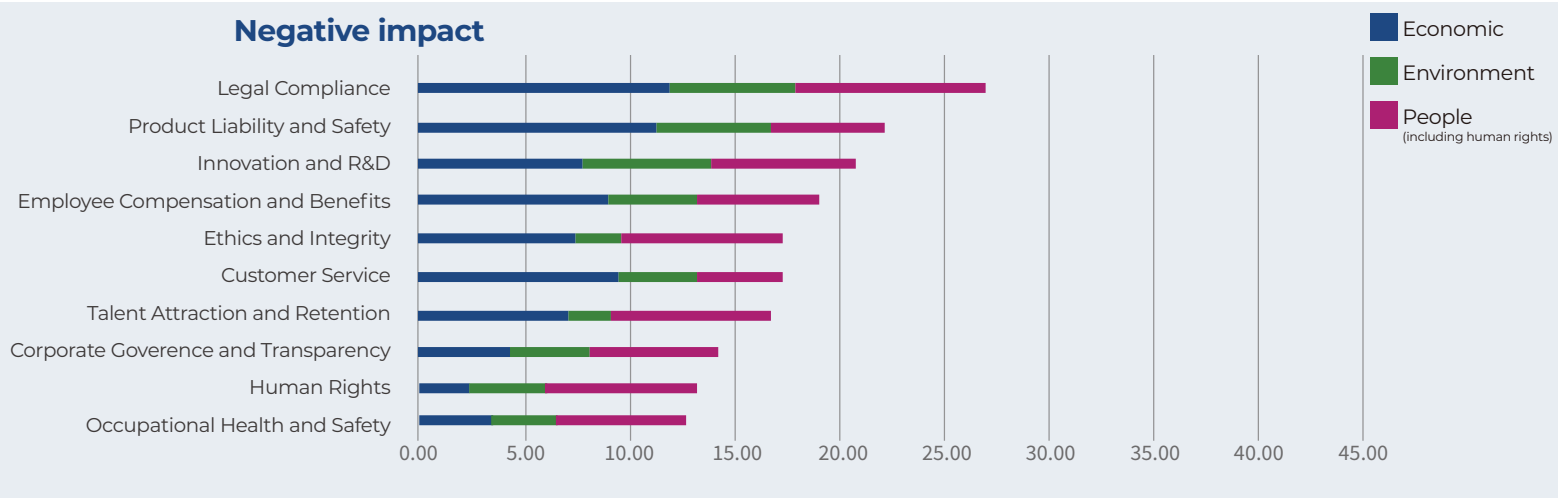
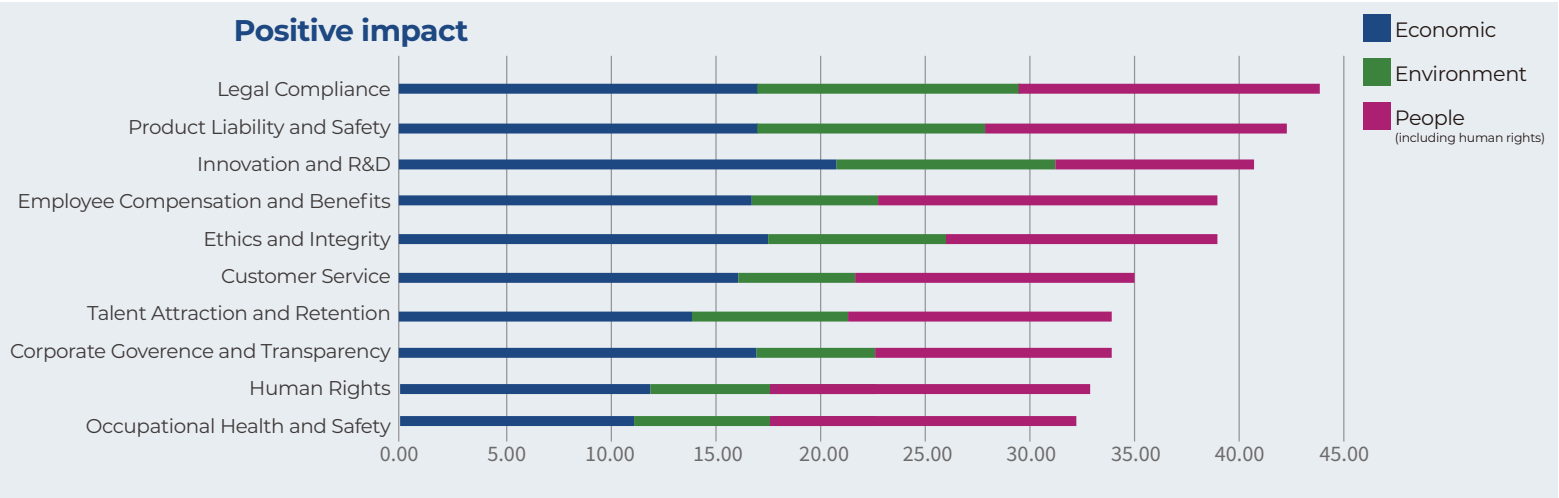
Each unit integrates these key issues into annual plans and routine business management along with the previously identified issues of concern, and periodically evaluates implementation performance to facilitate continuous improvement.



# Impact Assessments of Material Topics

The Sustainability Strategy Working Group this year distributed surveys on 20 sustainable issues of concern to 299 stakeholders, including 21 managers, to assess 10 material topics based on the levels of concern for various sustainability issues.

Additionally, we further assessed the level of positive and negative impacts, as well as the likelihood of occurrence, of these 10 material topics on the economy, environment, and humans. This assessment aimed to determine the actual and potential positive and negative impacts of each topic.



- 1. Product Liability and Safety
- 2. Ethics and Integrity
- 3. Legal Compliance
- 4. Employee Compensation and Benefits
- 5. Talent Attraction and Retention
- 6. Corporate Governance and Transparency
- 7. Occupational Health and Safety
- 8. Customer Service
- 9. Human Rights
- 10. Innovation and R&D

## Impacts of Material Topics and Corporate Responses

Significant Topics	Topic Boundaries			Description of Impacts	Grape King Bio Policies and Commitments	Specific Actions	Effective Indicators	Corresponding Sections
	Up-stream	Grape King Bio	Down-stream					
<b>Product Liability and Safety</b>	●	●	●	Grape King Bio adopts the most stringent quality and sanitation standards for management of product liability and safety to provide customer reassurance as we continue to develop more high-quality products.	<ul style="list-style-type: none"> <li>Food safety policies</li> </ul>	<ul style="list-style-type: none"> <li>Continue to optimize testing methods</li> <li>Maintain laboratory accreditation systems</li> <li>Continue to maintain quality system certifications</li> <li>Continue to promote activities associated with food safety culture</li> </ul>	<ul style="list-style-type: none"> <li>Quality targets for all product lines</li> <li>Number of product recalls caused by concerns over food sanitation and safety</li> <li>Proportion of food safety management costs to net revenues</li> </ul>	<ul style="list-style-type: none"> <li>2.2 Food Safety and Responsibility</li> </ul>
<b>Ethics and Integrity</b>	●	●	●	Grape King Bio's business philosophies are based on integrity, transparency, and responsibility. We have formulated policies based on ethical principles which were approved by our Board, and we have established sound corporate governance and risk control mechanisms to create a sustainable business environment. We incurred zero complaints and reports (including anonymous reports) related to ethical management in 2023.	<ul style="list-style-type: none"> <li><a href="#">Code of Ethical Conduct</a></li> <li><a href="#">Ethical Corporate Management Best Practice Principles</a></li> <li><a href="#">Procedures for Ethical Management and Guidelines for Conduct</a></li> <li><a href="#">The programs to forestall unethical conduct</a></li> <li>Procedures of Whistle-blowing and Complaints</li> </ul>	<ul style="list-style-type: none"> <li>Established internal/external reporting and grievance hotline</li> </ul>	<ul style="list-style-type: none"> <li>Number of handled reports</li> </ul>	<ul style="list-style-type: none"> <li>1.2 Corporate Integrity and Business Ethics</li> </ul>
<b>Legal Compliance</b>		●	●	Grape King Bio reviews all company operating procedures based on the highest standards available. We constantly pay attention to the latest legal trends and adjust our actions accordingly.	<ul style="list-style-type: none"> <li>Code of Ethical Conduct</li> <li>Copy review process</li> <li>Standard operating procedures for waste management</li> </ul>	<ul style="list-style-type: none"> <li>Established handling process for legal cases</li> <li>Established copy review procedures</li> <li>Updated violations information list for advertisement copy</li> <li>Hosted training sessions for advertisement copy</li> <li>Established standard operating procedures for waste management</li> </ul>	<ul style="list-style-type: none"> <li>Annual legal compliance status</li> </ul>	<ul style="list-style-type: none"> <li>1.5 Legal Compliance</li> </ul>
<b>Employee Compensation and Benefits</b>		●		Grape King Bio endeavors to develop a competitive and advantageous salary policy by referencing the labor market's salary levels and structures. Upholding a spirit of employee care, we aim to promote and implement EAPs, ensuring the welfare of our team members while fostering a supportive workplace environment.	<ul style="list-style-type: none"> <li>Compensation and Benefits Policy</li> </ul>	<ul style="list-style-type: none"> <li>Provided a competitive and advantageous salary policy</li> <li>Promoted the implementation of a talent pool program</li> <li>Conducted innovative courses for EAPs</li> </ul>	<ul style="list-style-type: none"> <li>Average annual salary market standard</li> <li>EAPs satisfaction</li> <li>Number of workshops conducted for EAPs</li> <li>Satisfaction rates for remuneration relative to work</li> </ul>	<ul style="list-style-type: none"> <li>4.4 Employee Compensation, Benefits, and Health Care</li> </ul>
<b>Talent Attraction and Retention</b>		●		Grape King Bio has designed a competitive remuneration system which exceeds industry standards and provides safe and hygienic workplace environments. Additionally, we have also established diverse development channels, implemented target and performance management systems, and formulated employee training goals and plans.	<ul style="list-style-type: none"> <li>Committed to implementation of appropriate talent placement in accordance with the "Human Capital Strategic Thinking 3.5" framework</li> <li><a href="#">Grape King Bio Human Rights Policy</a></li> </ul>	<ul style="list-style-type: none"> <li>Implemented GKB Learning College (GKBLC) framework</li> <li>Formed handling team for workplace violence to demonstrate our zero tolerance for violence in the workplace</li> </ul>	<ul style="list-style-type: none"> <li>Success rates for potential talent cultivation</li> <li>Employee satisfaction surveys</li> <li>EAP satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>4.2 Talent Cultivation and Performance Appraisals</li> <li>4.4 Employee Compensation, Benefits, and Health</li> </ul>





## Impacts of Material Topics and Corporate Responses

Significant Topics	Topic Boundaries			Description of Impacts	Grape King Bio Policies and Commitments	Specific Actions	Effective Indicators	Corresponding Sections
	Up-stream	Grape King Bio	Down-stream					
Corporate Governance and Transparency	●	●	●	Corporate governance is the cornerstone of sustainable operations. Grape King Bio adheres to the Corporate Governance 3.0 Sustainable Development Roadmap and commits to five principles to integrate corporate governance and transparency into sustainable corporate operations: Strengthen Board functions; Enhance information transparency; Strengthen stakeholder communications; Align with international standards; and Build a stronger sustainable corporate governance culture.	<ul style="list-style-type: none"> <li>• <a href="#">Code of Ethical Conduct</a></li> <li>• <a href="#">Ethical Corporate Management Best Practice Principles</a></li> <li>• <a href="#">Procedures for Ethical Management and Guidelines for Conduct</a></li> <li>• <a href="#">The programs to forestall unethical conduct</a></li> <li>• Procedures of Whistle-blowing and Complaints</li> </ul>	<ul style="list-style-type: none"> <li>• Established the Corporate Governance Team to serve as our dedicated corporate governance and ethical management unit</li> <li>• Corporate Governance Evaluations</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Governance Evaluations</li> <li>• Evaluations of Board performance</li> </ul>	<ul style="list-style-type: none"> <li>• 1.1 Corporate Governance and Transparency</li> </ul>
Occupational health and safety		●		Grape King Bio provides a safe and healthy working environment for its employees. In addition to upholding environmental, health, and safety policies to fulfill its compliance obligations, Grape King Bio is committed to reducing hazards, promoting a friendly workplace environment through full participation, and extending these values to Grape King Bio's partners, contractors, and suppliers, working towards a shared community goal of a healthy, safe, and friendly workplace environment, with the mutual aim of sustainable business practices.	<ul style="list-style-type: none"> <li>• Grape King Bio's Human Rights Policy</li> <li>• environmental, health, and safety policies</li> </ul>	<ul style="list-style-type: none"> <li>• Regularly hold occupational safety committee meetings every quarter.</li> <li>• Conduct annual risk and opportunity assessments for environmental health and safety and develop countermeasures accordingly.</li> <li>• Provide occupational safety education and training.</li> </ul>	<ul style="list-style-type: none"> <li>• Number of occupational accidents</li> <li>• Record of hazard-free work hours</li> </ul>	<ul style="list-style-type: none"> <li>• 4.5 Occupational safety</li> </ul>
Customer service		●	●	Grape King Bio upholds the core values of "technology, health, and hope" to create a better future for its customers. With an increasing number of customers, Grape King Bio utilizes data analysis, system assistance, and comprehensive staff training to meet customer expectations, establish customer loyalty through professional services, and enhance customer satisfaction.	By providing attentive service, professional expertise, and establishing a customer-oriented approach that prioritizes meeting customer needs and resolving their issues, Grape King Bio creates a satisfying and recommendable consumer experience. This is achieved through the implementation of a comprehensive system that values both customer satisfaction and problem solving.	<ul style="list-style-type: none"> <li>• Conduct customer interviews and telephone satisfaction surveys.</li> <li>• Provide ongoing training for staff.</li> <li>• Establish a comprehensive database of customer inquiries and questions.</li> <li>• Implement a speech management system.</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction survey results</li> </ul>	<ul style="list-style-type: none"> <li>• 3.3 Customer service</li> </ul>
Human Rights		●		Grape King Bio adheres to international human rights conventions, upholding the rights of employees to freedom of association. Discrimination based on gender, age, pregnancy, race, political affiliation, or religious orientation is strictly prohibited.	<ul style="list-style-type: none"> <li>• Grape King Bio's Human Rights Policy</li> <li>• Procedure for Dealing with Workplace Wrongdoings</li> </ul>	<ul style="list-style-type: none"> <li>• Establish workplace violence response team</li> <li>• Implement human rights due diligence process</li> <li>• Friendly workplace seminars</li> </ul>	<ul style="list-style-type: none"> <li>• Annual number of human rights incidents</li> <li>• Number of workplace harassment incidents</li> </ul>	<ul style="list-style-type: none"> <li>• 4.1 Human Rights</li> </ul>
Innovation and R&D		●		Combine core capabilities, external research, and innovation units to develop unique Grape King Bio functional materials or formulations in response to consumer demands and market trends.	We strive to ensure product safety and legal compliance while developing products for appropriate target groups	<ul style="list-style-type: none"> <li>• Published journal papers</li> </ul>	<ul style="list-style-type: none"> <li>• Number of patent applied.</li> <li>• Research and production of novel function materials.</li> </ul>	<ul style="list-style-type: none"> <li>• 3.1 Innovation Management and patents</li> </ul>





## Frequency and Channels for Stakeholder Communication

	Main Topics of Concern	Our Responses and Actions (Please refer to corresponding sections)	Communication Channels	Communication Frequency	Communication Performance for 2023
Shareholders/ investors	<ul style="list-style-type: none"> <li>Product Liability and Safety Legal Compliance</li> <li>Innovation and R&amp;D Marketing and Labeling</li> <li>Customer Service</li> </ul>	1.4 Financial Performance 2.2 Food Safety and Responsibility 3.1 Innovation Management and Patents	<ul style="list-style-type: none"> <li>Convened shareholders general meeting</li> <li>Investor conferences</li> <li>Participated in conferences and face-to-face communication meetings hosted by investment institutes</li> <li>Responded to investor and analyst questions via phone, email, and our mailbox for external communication; we also periodically collected suggestions and feedback</li> <li>Annual release of financial statements, annual reports, and sustainability reports</li> <li>Released important information disclosures on MOPS and published all corporate news on official website</li> </ul>	Once each year Irregular Irregular Irregular  Once each year Irregular	<ul style="list-style-type: none"> <li>Convened 1 regular shareholders meeting</li> <li>Invited to participate in 7 investor conferences</li> <li>Published quarterly financial reports for 2023 and annual report for 2023</li> <li>Released 48 Chinese and English material information disclosures</li> <li>Released 12 sets of unaudited consolidated revenue data (one for each month)</li> </ul>
Clients	<ul style="list-style-type: none"> <li>Information Security</li> <li>Product Liability and Safety</li> <li>Legal Compliance</li> <li>Ethics and Integrity</li> <li>Waste Management</li> <li>Water Resource Management</li> <li>Packaging Lifecycle Management</li> <li>Biodiversity</li> <li>Marketing and Labeling</li> <li>Human Rights</li> <li>Nutritious and affordable products</li> <li>Occupational health and safety</li> </ul>	1.2 Corporate Integrity and Business Ethics 1.5 Legal Compliance 3.3 Customer Service 6.2 Management of Energy Resources and Greenhouse Gases	<ul style="list-style-type: none"> <li>Service hotline for product queries</li> <li>Service hotline for outsourcing queries</li> <li>Official website and mailbox for external communications</li> <li>Customer satisfaction surveys</li> <li>Official online shop</li> <li>Telephone interviews</li> <li>Dedicated service hotline and point of contact</li> </ul>	Daily Daily Daily Once each year Daily Daily Daily	<ul style="list-style-type: none"> <li>Dedicated customer service hotline received 16,181 product and order queries</li> <li>Official website and mailbox for external communications responded to 2,200 customers</li> <li>Online messaging system responded to approximately 19,800 customers</li> <li>Conducted 2,200 telephone interviews</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Legal Compliance</li> <li>Product Liability and Safety</li> <li>Marketing and Labeling Ethics and Integrity</li> <li>Supply Chain Management</li> </ul>	1.2 Corporate Integrity and Business Ethics 2.1 Sustainable Supply Chain 2.2 Food Safety and Responsibility	<ul style="list-style-type: none"> <li>Procurement unit hotline</li> <li>Official website and mailbox for external communications</li> <li>Public bidding and opinion exchange and interview meetings</li> <li>On-site supplier audits and guidance</li> <li>Questionnaires, phone, fax, and email</li> </ul>	Daily 1-2 times per month Daily 2-3 times per month Daily	<ul style="list-style-type: none"> <li>Conducted on-site audits on 73 suppliers</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Employee Compensation and Benefits</li> <li>Occupational health and safety</li> <li>Legal Compliance</li> <li>Product Liability and Safety</li> <li>Human Rights</li> </ul>	1.2 Corporate Integrity and Business Ethics 4.2 Talent Recruitment and Structure 4.3 Talent Cultivation and Performance Appraisals 4.4 Employee Compensation, Benefits, and Health	<ul style="list-style-type: none"> <li>Periodic labor-management meetings</li> <li>Company announcements</li> <li>Internal website</li> <li>Human resource unit</li> <li>Employee suggestion box; reports and grievance mailbox</li> <li>Publication of relevant regulations on internal company website</li> <li>Periodic hosting of labor-management meetings</li> </ul>	Once per quarter Irregular Irregular Irregular Irregular Updated non-periodically Once per quarter	<ul style="list-style-type: none"> <li>Hosted a total of 4 labor-management meetings</li> <li>Our mailbox for grievances received 4 complaint</li> <li>Ratio of employees undergoing annual performance audits reached 100%</li> <li>Total number of training hours for the year was 9,431 hours</li> <li>Total number of personnel who underwent training during the year was 3,938 people</li> <li>Received and sent 1,812 official correspondences</li> </ul>

For more information, please also refer to the Stakeholder Relations section on the Grape King Bio website : <https://www.grapeking.com.tw/stakeholder/62591ad4df427>

# Frequency and Channels for Stakeholder Communication



	Main Topics of Concern	Our Responses and Actions (Please refer to corresponding sections)	Communication Channels	Communication Frequency	Communication Performance for 2023
Government	<ul style="list-style-type: none"><li>• Customer Service</li><li>• Marketing and Labeling</li><li>• Product Liability and Safety</li><li>• Legal Compliance</li><li>• Nutritious and affordable products</li></ul>	1.2 Corporate Integrity and Business Ethics 2.2 Food Safety and Responsibility 4.2Talent Recruitment and Structure 4.3 Talent Cultivation and Performance Appraisals 4.4 Employee Compensation, Benefits, and Health 4.5 Occupational Safety	<ul style="list-style-type: none"><li>• Exchange of official correspondences</li><li>• Meetings (for example seminars or public hearings)</li></ul>	Irregular Irregular	<ul style="list-style-type: none"><li>• Received and sent 1,812 official correspondences</li></ul>
Neighboring communities	<ul style="list-style-type: none"><li>• Information Security</li><li>• Product Liability and Safety</li><li>• Legal Compliance</li><li>• Energy management and circular economy.</li><li>• Climate change adaptation.</li><li>• Waste Management</li></ul>	2.2 Food Safety and Responsibility 2.3 Sustainable Products and Services 3.3 Customer Service 6.2 Management of Energy Resources and Greenhouse Gases 6.3 Management of Water Resources 6.4 Waste Management	<ul style="list-style-type: none"><li>• Community activities</li><li>• Point of contact with heads of boroughs and neighborhoods</li></ul>	Irregular Irregular	<ul style="list-style-type: none"><li>• Hosted 5 community exchange activities</li></ul>
Media	<ul style="list-style-type: none"><li>• Information Security</li><li>• Legal Compliance</li><li>• Innovation and R&amp;D</li><li>• Ethics and Integrity</li><li>• Supply Chain Management</li><li>• Climate change adaptation.</li><li>• Customer Service</li><li>• Marketing and Labeling</li><li>• Nutritious and affordable products</li></ul>	1.4 Financial Performance 2.2 Food Safety and Responsibility 3.1 Innovation Management and Patents	<ul style="list-style-type: none"><li>• Press conferences</li><li>• Themed interviews</li><li>• Press releases</li><li>• Public relations companies</li></ul>	Irregular Irregular Irregular Irregular	<ul style="list-style-type: none"><li>• Published 20 press releases</li></ul>
Academia	<ul style="list-style-type: none"><li>• Legal Compliance</li><li>• Innovation and R&amp;D</li><li>• Ethics and Integrity</li><li>• Customer Service</li><li>• Nutritious and affordable products</li></ul>	1.2 Corporate Integrity and Business Ethics 2.2 Food Safety and Responsibility	<ul style="list-style-type: none"><li>• Industry-academia cooperation activities and meetings</li><li>• Intern training and exchanges</li><li>• Keynote lectures and conferences</li></ul>	Irregular Summer and winter vacations and during semesters at irregular intervals	<ul style="list-style-type: none"><li>• Collaborated with 32 domestic colleges</li><li>• A total of 65 students participated in industry-academia cooperation projects</li></ul>
Non-profit organizations	<ul style="list-style-type: none"><li>• Product Liability and Safety</li><li>• Legal Compliance</li><li>• Ethics and Integrity</li><li>• Water Resource Management</li><li>• Marketing and Labeling</li></ul>	1.2 Corporate Integrity and Business Ethics 1.5 Legal Compliance CHS Academic Participation (Entire Chapter)	<ul style="list-style-type: none"><li>• Volunteer activities</li><li>• Official website</li><li>• Official fan page</li><li>• Dedicated service unit</li></ul>	Irregular Irregular Irregular Irregular	<ul style="list-style-type: none"><li>• Involved 1,243 people in community investments</li></ul>

For more information, please also refer to the Stakeholder Relations section on the Grape King Bio website : <https://www.grapeking.com.tw/stakeholder/62591ad4df427>



# CH1

## Ethical Governance

# Target Formulation

Corporate Governance

### Targets for 2024-2027

- In terms of corporate governance matters, we plan to maintain existing items and formulate methods for enhancement.
- We refer to external ESG evaluations to enhance transparency of information disclosures relating to corporate governance.

### Targets for 2028 and beyond

- Ensure more than 50% of members for all corporate committees are experts.
- Continue to enhance corporate governance

### Corresponding SDGs



# 1.1 Corporate Governance and Transparency

Chief Financial Officer &  
Corporate Governance  
Officer  
**Nick Hung**



“  
*Grape King Bio firmly believes that sound corporate governance and strict adherence to related regulations can ensure sustainable operations and establish a brand that wins enduring trust from the public.*  
”

Management Approach	Key issue-Corporate governance and transparency	
Policies	To establish sound corporate governance mechanisms, risk controls, and sustainable business environments, Grape King Bio abides by operational philosophies based on honesty, transparency, and responsibility, and has formulated a number of fundamental policies, including the “Corporate Governance Best Practice Principles,” Ethical Corporate Management Best Practice Principles,” “The programs to forestall unethical conduct,” “Code of Ethical Conduct,” and “Procedures of Whistle-blowing and Complaints,” which have been approved by the Board.	
Commitments	Grape King Bio aims to achieve sustainable business operations, and we implement corporate governance and transparency by pledging to strengthen four cornerstone principles: “Board functions, protection of shareholder interests and respect for stakeholder interests, implement internal controls and internal audit systems, and enhance information transparency.”  We continue to examine changes in external business environments and improve internal management procedures; we have also established a comprehensive shareholder and stakeholder communication platform to build an effective corporate governance framework.	
Targets	Short-term	<ul style="list-style-type: none"><li>• We adhere to the “Corporate Governance Sustainable Development Roadmap” issued by the Financial Supervisory Commission in enhancing sustainable corporate developments and strengthening market competitiveness.</li><li>• We refer to domestic and overseas ESG evaluations to enhance information transparency.</li></ul>
	Mid-term	<ul style="list-style-type: none"><li>• We continue to integrate ethical management and sustainability concepts into our corporate culture to create positive social influence.</li></ul>
	Long-term	<ul style="list-style-type: none"><li>• We build sound corporate governance frameworks and implement ethical management to promote sustainable operations.</li></ul>
Responsibilities	<ul style="list-style-type: none"><li>• Corporate Governance Team : The dedicated unit for corporate governance is responsible for understanding amendments and updating of regulations related to corporate governance, incorporating an assessment of the company's actual operational status, and providing improvement suggestions to the Board of Directors and the General Manager for reference, as well as assisting in implementation, to further enhance the quality of corporate governance.</li><li>• The dedicated ethical management unit: The dedicated unit for ethical management is responsible for corporate governance matters related to ethical management, anti-corruption, anti-bribery, and legal compliance. It reports annually to the Board of Directors on the status of its implementation and conducts promotional activities.</li></ul>	
Resources	<ol style="list-style-type: none"><li>1. Appointment of lecturers to provide courses to all directors on the economic outlook of Taiwan and related topics such as artificial intelligence amidst the international landscape changes. Directors also engaged in training based on individual needs, covering topics such as ESG sustainable governance strategies, risk management, model shifts, CEO seminars, credit ratings, digital innovation, and sustainability transitions. Our 12 directors received 79 hours of training, and our corporate governance officer received 12 hours of training.</li><li>2. Promotion of internal awareness for all employees through our internal website, employee mailbox, bulletin boards, training, and exams (for section managers and above, as well as sales personnel)</li><li>3. Formulated annual audit plans and amended the Procedures for Handling Material Inside Information</li><li>4. Supplier promotions through warnings on purchase orders and supplier policy promotion surveys</li></ol>	

Management Approach	Key issue-Corporate governance and transparency
Specific performance	<ul style="list-style-type: none"><li>✓ Corporate Governance Team: Our Corporate Governance Officer and corporate governance team are responsible for providing timely information to shareholders through the Market Observation Post System or our corporate website, keeping track of major shareholders, handling matters related to Board of Directors and shareholders meetings according to law, compiling minutes for Board of Directors and shareholders meetings, and regularly assessing CPA independence and competence.</li><li>✓ The dedicated ethical management unit: The dedicated unit for ethical management conducts regular training and promotion for directors and all employees on ethical management, and administers exams for section managers and above, as well as business related personnel, aiming to enhance the effectiveness of ethical management within the company.</li><li>✓ We completed periodic audits in accordance with our annual audit plan for 2023 on time and with quality and proposed specific improvement suggestions. The above audits incorporated considerations for Environmental, Social, and Governance (ESG) risk indicators. The internal control system covered operational procedures such as environmental aspects (7 factors), including production processes and product design and development; social aspects (16 factors), including procurement supplier management and wage management; and governance aspects (40 factors), including compliance requirements and risks of unethical conduct.</li><li>✓ Enhanced information transparency:<ol style="list-style-type: none"><li>1. Enhanced information transparency in accordance with the “Corporate Governance 3.0 Sustainable Development Roadmap.” We announced and filed our consolidated and individual financial reports for 2023 within 60 days after the end of the year, and also placed these reports on our corporate website (<a href="#">Investors: Financial Reports</a>).</li><li>2. Important resolutions of board and shareholders meetings are released on our corporate website in a timely manner.</li><li>3. We prepare both Chinese and English versions of our material information, annual reports, shareholders meeting handbooks, and minutes of shareholders meetings.</li></ol></li></ul>
Governance Mechanism	<p>Grape King Bio supports an open and transparent culture with morals and integrity. We encourage internal and external personnel to report any violations of legal regulations and our corporate policies through related grievance reporting channels. We have also established the “Procedures of Whistle-blowing and Complaints” to ensure that external and internal personnel have a smooth channel for communicating grievances. Stakeholders can report grievances to our dedicated mailbox or through our hotline, and we have measures in place to provide timely responses, thus ensuring protection of stakeholder interests.</p> <p>Our mailboxes and hotlines for complaints and grievances are as follows :</p> <ol style="list-style-type: none"><li>1. Mailboxes for complaints and grievances :  Mailbox for reporting complaints: <a href="mailto:companyopinion@grapeking.com.tw">companyopinion@grapeking.com.tw</a>  Mailbox for reporting grievances: <a href="mailto:employeeopinion@grapeking.com.tw">employeeopinion@grapeking.com.tw</a>  The points of contact for all grievances and complaints are the managers of relevant departments.</li><li>2. Hotline for internal/external complaints and grievances :  Hotline for reporting complaints: +886-4572121#1999   Hotline for reporting grievances: +886-4572121#1995</li></ol> <p>Our Procedures of Whistle-blowing and Complaints stipulate that employees are protected from undue retaliation during the reporting and investigation process. All reports and complaints are compiled and submitted to the general manager; cases can only be closed following approval by the general manager.</p>





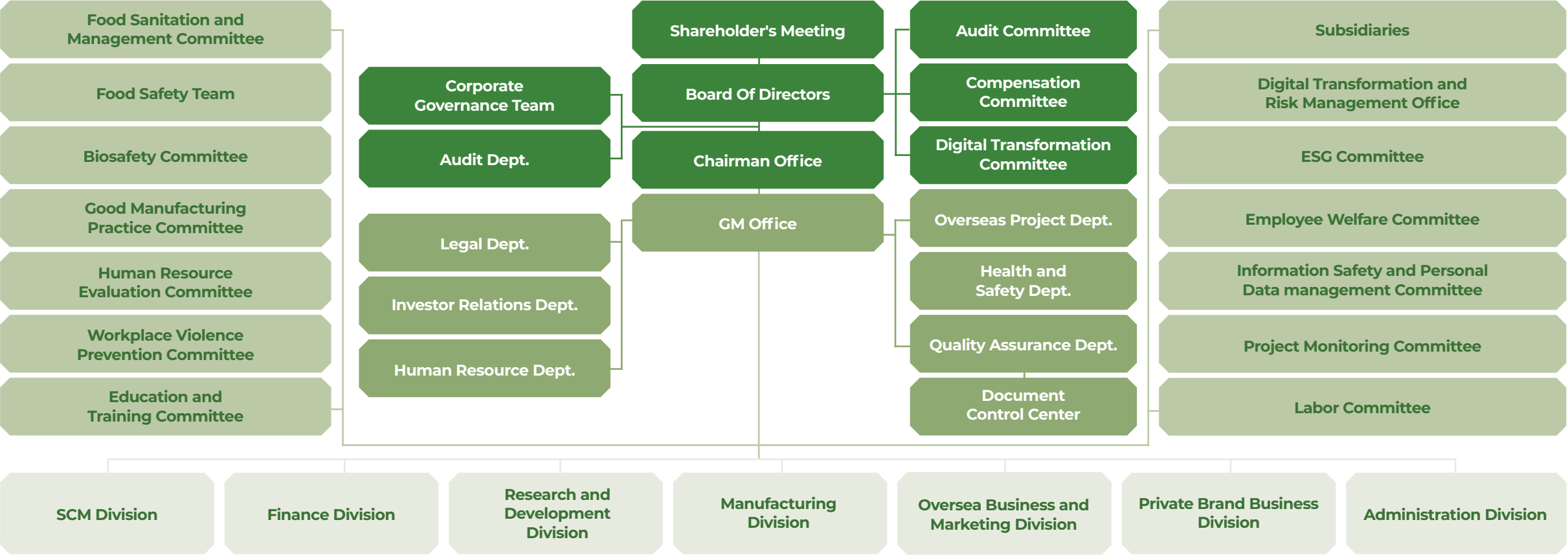
# Corporate Governance Units and Operations

The Board of Directors is the highest governance unit of the company. We have established 12 directors in accordance with our Articles of Incorporation. Our directors carry out their duties according to the authority granted to them and help to determine our business policies and other important matters. Our CFO serves as the company's Corporate Governance Officer and works with a Corporate Governance Team to manage corporate governance matters, track and provide timely information to shareholders, provide directors and supervisors with necessary information for business needs, organize board and shareholders meetings, and conduct other corporate governance matters.

Grape King Bio has formulated comprehensive corporate governance rules and regulations (please refer to the section on corporate governance regulations and supervisory mechanisms) to ensure sound corporate governance and continued improvement of operational quality according to the following four axes

1. Strengthen board functions
2. Emphasis on shareholder interests and stakeholder rights
3. Implementation of internal controls and audit systems
4. Strengthen information disclosures and transparency

## Organizational Chart



# Axis I.

## Strengthen board functions

### Board Operations

The nomination and selection of all directors adhere to Article 20 of our Articles of Incorporation. We adopt a candidate nomination system. For the director elections held in 2021, we disclosed detailed review standards and operational procedures for nominating candidates in accordance with relevant regulations and enabled electronic voting to promote shareholder participation. A total of 12 directors (including 4 independent directors and 5 female directors) were elected. We adopted the cumulative voting system and the number of candidates adhered to the regulations of the Articles of Incorporation. Directors were elected sequentially based on the number of votes (and voting rights) received. Furthermore, directors took office immediately after the election held on the day of the shareholders meeting. There was no handover period, and the previous directors were released from office immediately upon the election.

The 20th Board will serve from July 15, 2021 to July 14, 2024. Three functional committees, the “Audit Committee”, “Remuneration Committee”, and “Digital Transformation Committee” have been established under the Board.

The Board of the company guides corporate strategies, supervises executive managers, is responsible to the company and corporate shareholders, and adheres to all legal regulations, the Articles of Incorporation, and all corporate governance operations to ensure that it can exercise Board responsibilities. Board members are required to possess the knowledge, capabilities, industrial decision-making, and management abilities to carry out their duties and to achieve Board functions and aims. The term of each Board lasts for three years, and Board meetings are held at least once every quarter. A total of 6 meetings were convened in 2023, with an average attendance rate of 94.4%. Independent directors attended all Board meetings in person (please refer to our 2022 and 2023 Annual Reports for further information).

### Board Diversification

Our company's "Corporate Governance Practices Guidelines" stipulate a policy on diversity. It specifies that the composition of the board of directors should be diverse. Except for directors concurrently serving as company executives, who should not exceed one-third of the board seats, appropriate diversity policies should be formulated based on the operation, business model, and development needs of the company. This should include, but not be limited to, diversity in basic characteristics and values (such as gender, age, nationality, and culture) and professional knowledge and skills (such as legal, accounting, industry expertise, finance, marketing, or technology, as well as industry experience), and we have established the following diversity targets:

The Company's focus on the diversification of board members has an aim as follows :

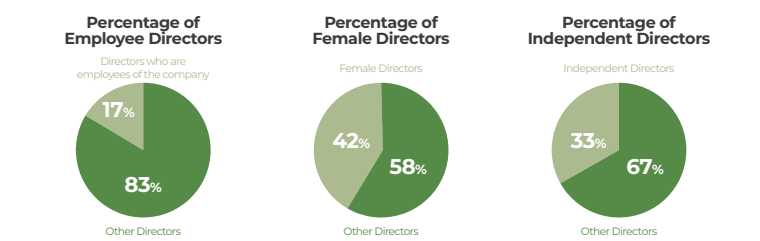
- Gender diversity : The number of seats for each gender should exceed 33%. A total of 4 female directors (including two independent directors) were elected for the current year.
- Domain diversity : Encompasses the four core domains of business management, leadership and decision-making, industrial knowledge, and law.

Please refer to the annual report for specific management goals and achievements regarding the diversity policy for the current year.

The company’ s Board members are diversified. The current 12 directors have educational backgrounds that encompass a Ph.D. in Business Management, as well as master’ s degrees in marketing management, law, economics, social studies, and other domains. Each director

also has a unique professional background. Shenglin Andrew Tseng, Mei-Ching Tseng, Kao Shiow Ling (representative of Uni-President Enterprises Corporation), Jue-Jia Chang, Chih-Wei Lai, Yen-Shiang Huang, Chih Sheng Chang, Hsing-Chun Chen specialize in business judgment, leadership and decision-making, business management, and crisis handling, and also possess industry knowledge and knowledge of international markets; Shenglin Andrew Tseng and Jue-Jia Chang have experience in marketing; Mei-Ching Tseng has relevant experience in media; Kao Shiow Ling specializes in business management; Chih-Wei Lai has experience

in designing; Yen-Shiang Huang has experience in auditing; Chih Sheng Chang worked as a professional manager; Hsing-Chun Chen specializes in early childhood education; and the four independent directors (Feng-I Lin, Ching-Pu Chen, I-Fan Miao, and Chen Jing Ning) respectively specialize in finance and accounting, business management, law, and social studies.



Directors who are employees of the company account for 17%, the five female directors account for 42%, and the four independent directors account for 33%. Of the four independent directors, one has served for less than three years, one has served between three to six years, and the remaining two have served between six to nine years, with no consecutive terms exceeding nine years (three terms). The average age of all directors is 58.3 years. Five directors are aged between 61 to 70 years, five are aged between 51 to 60 years, and two are aged between 41 to 50 years; encompassing a wide age range.



## Conflicts of Interest Management

As part of their due diligence, the Board has formulated the “Rules of Procedure for Board of Directors Meetings” and stipulated an obligation to avoid conflicts of interest in Article 15 in accordance with the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” to ensure sound and comprehensive governance. We periodically purchase “director and officer (D&O) liability insurance” for our directors to reduce and disperse the risk of major damages to the company or shareholders resulting from director error or negligence.

Grape King Bio conducts annual assessments of CPA independence and began conducting assessments of CPA competence using the Audit Quality Indicators (AQIs) starting in 2022; assessment results are submitted to the Board for approval. Our independent directors, internal audit managers, and CPAs meet periodically to ensure that our independent directors can fully exercise their functions and responsibilities, as well as gain a better understanding of financial reports, finances, and business conditions.

## Board Functional Committees

The Board authorized the establishment of three functional committees, the “Audit Committee”, “Remuneration Committee”, and “Digital Transformation Committee”. These committees assist the Board in carrying out its supervisory and guidance duties, convene meetings in accordance with Board-approved organizational charters, exercise legal rights relating to reviews and discussions of relevant proposals, and submit conclusions and suggestions to the Board for approval.

## Audit Committee Operations

Grape King Bio established the Audit Committee on July 15, 2021. Committee members encompass all independent directors, one of whom is a finance expert. The main responsibilities of the Committee include assisting the Board in effectively executing and supervising compliance with the Company Act, Securities and Exchange Act, and other related regulations, assisting the Board with enhancing and overseeing the quality of financial statements, CPA independence and competence, internal controls, and risk management. The Committee convenes at least once every quarter, and a total of 5 meetings were convened in 2023, with attendance rates of 100%.

## Remuneration Committee Operations

We have established a Remuneration Committee composed of three independent directors to strengthen corporate governance and build sound remuneration systems for directors and managers. The Remuneration Committee faithfully performs its duties with the care of a good administrator and is responsible for formulating and periodically reviewing director and manager performance evaluations; assessing remuneration policies, systems, standards and structures; and submitting suggestions to the Board for discussion. The Committee convenes at least twice every year, and a total of 3 meetings were convened in 2023, with attendance rates of 100%.

## Digital Transformation Committee Operations

Grape King Bio established a Digital Transformation Committee on November 3, 2021 to integrate digital technologies into operational strategies, optimize corporate efficiency and processes, and enhance corporate performance and profits. The Committee is composed of three directors (including two independent directors). Committee responsibilities include :

I. Reviewing the strategies, plans, and implementation results of the digital transformation implementation team, and submitting suggestions to the Board or implementation teams; II. Reviewing major expenditures for digital transformation in accordance with the company’s Regulations Governing the Acquisition and Disposal of Assets;

The Committee convenes at least once every half year, and a total of 2 meetings were convened in 2023 to report on the progress of digital transformation projects

Grape King Bio focuses on digital transformation, gradually improving operational workflows, reducing process time, leveraging system support to stabilize quality and exploring applications for further decision-making through data integration.

In 2023, we implemented and launched a new ERP system, initiating a reevaluation of corporate operational workflows for transformation. Concurrently, the implementation of a BPM system facilitates the digitalization of workflows, reduces time costs of internal communication,

and enhances data integrity, availability, as well as quality, thus laying the groundwork for “digital transformation” .

Meanwhile, the adoption of Sales Kit in business processes enhances business expansion and responsiveness, leading to an improved customer experience.

## Evaluations of Board Performance

The Board established the “Rules for Performance Evaluation of Board of Directors and Remuneration Committee” on November 11, 2019, and began evaluating overall Board and Remuneration Committee operational performance each year starting from 2019. We established the Audit Committee on July 15, 2021, and renamed the above Rules as the “Rules for Performance Evaluation of Board of Directors and Functional Committees,” stipulating that the Board of Directors and each functional committee should conduct internal performance evaluations at least once a year.

1

Participation in the operation of the company

2

Improvement of the quality of the board of directors' decision making

3

Composition and structure of the board of directors

4

Election and continuing education of the directors

5

Internal control



Overall performance evaluations for directors encompasses the following six aspects and include a total of 22 evaluation items :

- 1

Alignment of the goals and missions of the company
- 2

Awareness of the duties of a director
- 3

Participation in the operation of the company
- 4

Management of internal relationship and communication
- 5

The director's professionalism and continuing education
- 6

Internal control

Overall performance evaluations for the Remuneration Committee encompasses the following five aspects and include a total of 19 evaluation items :

- 1

Participation in the operation of the company
- 2

Awareness of the duties of the Remuneration Committee
- 3

Improvement of quality of decisions made by the Remuneration Committee
- 4

Makeup of the Remuneration Committee and election of its members
- 5

Internal control

Overall performance evaluations for the Audit Committee encompasses the following five aspects and include a total of 22 evaluation items :

- 1

Participation in the operation of the company
- 2

Awareness of the duties of the Audit Committee
- 3

Improvement of quality of decisions made by the Audit Committee
- 4

Makeup of the Audit Committee and election of its members
- 5

Internal control

Overall performance evaluations for the Digital Transformation Committee encompasses the following five aspects and include a total of 18 evaluation items :

- 1

Participation in the operation of the company
- 2

Awareness of the duties of the Digital Transformation Committee
- 3

Improvement of quality of decisions made by the Digital Transformation Committee
- 4

Makeup of the Digital Transformation Committee and election of its members
- 5

Internal control

The aforementioned performance evaluations are conducted by our corporate governance team, which is responsible for overall implementation of internal Board, Remuneration Committee, Audit Committee, and Digital Transformation Committee self-assessments. Director self-assessments are compiled by corporate governance implementation team and assessments are conducted using internal questionnaires.

Said performance evaluation results will be submitted to the Board for reference when making decisions relating to Board directors and members of the Remuneration Committee, Audit Committee, and Digital Transformation Committee; to enhance decision-making quality of the Board, Remuneration Committee, Audit Committee, and Digital Transformation Committee; and also to be used as a reference for nominating director or member candidates for the Remuneration Committee, Audit Committee, and Digital Transformation Committee.

Results of Board performance evaluations for 2023 were as follows:

- Overall Board performance received an average score of 4.65 out of 5.
- Remuneration Committee performance received an average score of 4.68 out of 5.
- Audit Committee performance received an average score of 4.68 out of 5.
- Digital Transformation Committee performance received an average score of 4.50 out of 5.
- Board directors and the corporate governance team did not put forward any other suggestions in 2023. Performance evaluation results for the Board, individual directors, and functional committees for 2023 were all “Excellent.” Evaluation content and results were reported to the Board on January 19, 2024.



## Axis II. Emphasis on shareholder interests and stakeholder rights

We have established a spokesperson, acting spokesperson, shareholder services, and legal personnel who are responsible for handling shareholder suggestions or disputes, as well as dedicated personnel who keep track of directors and major shareholders who hold more than 5% of shares, and report shareholdings each month. We have established regulations and internal controls for our subsidiaries and thoroughly implement risk controls. Our “Code of Ethical Conduct” specifically prohibits insiders from using undisclosed market information to buy and sell securities, and we organize training for insiders at least once a year. Insiders are prohibited from conducting transactions using undisclosed market information to protect shareholder interests.

We have implemented a shareholder e-voting system to facilitate shareholder mobility, make voting more convenient, ensure that shareholders are not restricted by time or place limitations placed by shareholders meetings, and provide diverse shareholder channels for voting on proposals. The results of all votes on proposals are disclosed in our meeting minutes. Our shareholders are allowed to fully exercise their rights to enhance our corporate governance performance.

This year, we were invited to participate in 7 (domestic and overseas) investor conferences which spanned a period of more than 3 months (the first investor conference took place in January and the last in December) and one of which provided audiovisual link information. We did not voluntarily initiate any investor conferences this year.

We have also established specific investor relations personnel as well as a “Contact Us” mailbox on our website, a customer service hotline, an internal “employee mailbox,” and a “stakeholder relations section” on our website which provides a communication channel for shareholders/investors, customers, and suppliers. Dedicated personnel are responsible for responding to issues of stakeholder concern.

## Axis III. Implementation of internal controls and audit systems

Grape King Bio adheres to the Financial Supervisory Commission’s “Regulations Governing Establishment of Internal Control Systems by Public Companies” in considering overall corporate operations and activities, establishing internal control systems, and designing and executing internal control systems that have been approved by the Board. In accordance with law, we have established an audit office which assists the Board and our managers in inspecting and reviewing deficiencies in internal control systems, measuring operational performance and efficiency, and providing appropriate suggestions for improvement to ensure reasonable operational performance and efficiency, reliability of financial reporting, and compliance with related regulations.

The audit office formulates annual audit plans based on risk assessments and legal compliance, which are submitted to the Audit Committee for discussion and approval. We review procedures for handling risks from unethical conduct in combination with procurement and payment cycles as well as sales and collection cycles to ensure that all dedicated units are adhering to the regulations of the Ethical Corporate Management Best Practice Principles. Our internal audit officer also attends Board meetings and reports on implementations of internal audits.

The audit office formulates annual audit plans based on risk assessments and legal regulations. Generated audit reports must be reviewed by independent directors. Our internal audit officer is required to attend Board meetings and report on implementations of internal audits. No incidents related to corruption, bribery, conflict of interest, money laundering or insider trading occurred in 2023.

The audit office formulates annual audit plans based on risk assessments and legal regulations.

Audit reports must be reviewed by independent directors.

Our internal audit officer is required to attend board meetings and report on implementations of internal audits.

## Axis IV. Strengthen information disclosures and transparency

We have established Chinese and English websites which disclose financial, business, and corporate governance information such as our “Ethical Corporate Management Best Practice Principles,” “Corporate Governance Best Practice Principles,” “Procedures of Whistle-blowing and Complaints,” and “Sustainable Development Best Practice Principles.” (For more information on Grape King Bio corporate governance regulations, please refer to <https://www.grapeking.com.tw/en/investor/governance/major-policies>).

We have established dedicated personnel who are responsible for collecting and disclosing information and have implemented a spokesperson system in accordance with regulations. When participating in investor conferences, we disclose information on the “Market Observation Post System” in advance and place the presentations on our corporate website so that our stakeholders can gain a timely understanding of Grape King Bio operations. (Investor conference section: <https://www.grapeking.com.tw/en/investor/conference>)



## Remuneration Policy for General Manager

Remuneration policies for the Board, our highest governance unit, are disclosed every year in our shareholders meeting annual reports. For more information, please refer to our Annual Report. In terms of senior management, we have designed a specific remuneration system for our general manager, which integrates KPIs and short-to-medium term incentive systems that are used to determine salary levels for the general manager after review and confirmation by the Remuneration Committee.

The KPIs for 2023 include financial and sustainable metrics such as revenue growth, strengthening food safety, deepening digital transformation, accelerating production capacity and outsourcing operations, and leading sustainable development benchmarks.

Fixed and variable remuneration	The current remuneration structure for our general manager includes both fixed and variable salary elements. Our remuneration policies are mainly performance-oriented, so all fixed salaries are designed using the results of our salary surveys and are implemented according to the guidelines on P45-50. Variable remuneration is based on assessments of annual KPIs, achievement of production indicators, and EPS performance.
Signing bonuses or recruitment bonuses	We currently have no signing bonuses or recruitment bonuses.
Severance pay	Severance payments are implemented in accordance with legal regulations.
Clawback policy	Short-term and mid-term strategic target bonuses for the general manager come with a clawback provision. Paid bonuses that do not meet relevant criteria are subject to clawbacks.
Retirement benefits	All of our retirement benefits are implemented in accordance with legal regulations.
ESG links	The remuneration of the General Manager is linked to Key Performance Indicators (KPIs) associated with benchmarks for leading sustainable development. Governance aspects include the implementation of the ISO 37001 Anti-Bribery Management System and compliance with the Taiwan Intellectual Property Management Standards (TIPS); environmental aspects encompass the integration of the ISO 14064, among others.

In 2023, the ratio of the annual total remuneration of the general manager to the median annual total compensation of all other employees is 8.12 times and the ratio of the percentage increase in annual total compensation is 2.48%.

## Process to Determine Remuneration

Remuneration Committee meetings are chaired and attended by our independent directors. Meetings are held periodically to discuss remuneration distributions.

Additionally, our human resources department also implements, reviews, and discusses remuneration and benefits. Our human resources managers have worked at human resource consultancy companies and implemented actual consultancy projects related to salary evaluations and remuneration systems. Apart from periodic reviews regarding the appropriateness of corporate salary structures and policies, our human resources units also review and fully discuss remuneration policies based on requests made by our Remuneration Committee and independent directors. Implementations of related projects may also be outsourced to external consultancy companies. Project execution is entrusted to external consultant teams following assessments of submitted proposals. Stakeholders are excluded from selection procedures for external consultants.

## 1.2 Corporate Integrity and Business Ethics

Management Approach	Key issue-Corporate integrity and ethics	
Policies	The ethical policies approved by the Board strengthen our corporate culture of ethical management and create an operating environment for sustainable development.	
Commitments	We implement ethical management policies and actively prevent unethical conduct, including offering and acceptance of bribes, providing illegal political donations, improper charitable donations or sponsorships, offering or acceptance of improper benefits, infringing upon trade secrets, engaging in unfair competitive practices, and direct or indirect damages to the interests, health, and safety of consumers or other stakeholders.	
Targets	Short-term	Implement and promote various Grape King Bio codes of conduct
	Mid-term	Implement internal control and internal audit systems, and improve our annual audit plans year by year
	Long-term	Ensure appropriateness and effectiveness of internal controls to become an enterprise with business ethics and integrity

Responsibilities	Corporate Governance Team: <ol style="list-style-type: none"><li>Serves as our dedicated ethical management unit, which is responsible for promoting ethical management within the corporation, regularly reports implementations to the Board, and works with the audit office to execute internal controls to ensure effective implementation of various regulations.</li><li>Serve as the dedicated corporate governance unit, which is responsible for proposing suggestions related to corporate governance to the Board or General Manager for reference, assisting matters related to Board and shareholders meetings according to law, and reporting ethical management implementation to the Board each year to protect shareholder interests and to strengthen Board functions.</li></ol>
	<ol style="list-style-type: none"><li>Promotion of internal awareness for all employees through our internal website, employee mailbox, bulletin boards, training, and exams (for section managers and above, as well as sales personnel)</li><li>Drafts of annual audit plans and amended the Procedures of Whistle-blowing and Complaints</li><li>Supplier promotions through warnings on purchase orders and supplier policy promotion surveys</li></ol>
Resources	<ol style="list-style-type: none"><li>Promotion of internal awareness for all employees through our internal website, employee mailbox, bulletin boards, training, and exams (for section managers and above, as well as sales personnel)</li><li>Drafts of annual audit plans and amended the Procedures of Whistle-blowing and Complaints</li><li>Supplier promotions through warnings on purchase orders and supplier policy promotion surveys</li></ol>
Specific performance	<ul style="list-style-type: none"><li>✓ Obtained ISO 37001 certification for the anti-bribery management system upon review by an external certification body, the British Standards Institution (BSI).</li><li>✓ The Board of Directors passed the “Anti-Corruption and Anti-Bribery Policy” , aiming to foster a corporate culture of ethical management through the implementation of this policy.</li><li>✓ All employees sign the “Employee Integrity Commitment Letter”</li><li>✓ We disseminate topics related to ethical management, prevention of insider trading, and material internal information to directors and all employees regularly.</li><li>✓ Our directors participated in courses on ethical management. The total number of participants was 27 and the total training hours were 79 hours.</li><li>✓ Administered tests related to ethical management, prevention of insider trading, and material internal information to section managers and above, as well as sales personnel. A total of 117 people took the tests and 100% received a passing grade (80 points and above).</li><li>✓ Our directors attended ethical management relevant courses (including courses on TIPS confidential information management, ISO 37001 anti-bribery and anti-corruption, intellectual property rights, authority formulation and risk control, audit practices on information security protection and cloud security, and ISO). The total number of participants was 2,014 and the total training hours were 5,093 hours.</li><li>✓ New employees are required to attend classes related to the Code of Ethical Conduct and anti-corruption when reporting for work, and have to take post-training tests. A total of 142 participants took the tests in 2023.</li><li>✓ In 2023, we did not receive any reports or complaints relating to ethical management.</li><li>✓ No instances involving corruption, bribery, conflicts of interest, money laundering, insider trading, or any similar misconduct occurred. Neither were any personnel penalized for bribery or corruption nor were there any ongoing lawsuits or settlements related to such matters.</li></ul>



1.2.1 Ethical Management and Moral Conduct

Grape King Bio established the “Corporate Governance Best Practice Principles” and appointed the chief financial officer to serve as the corporate governance officer.

Grape King Bio adheres to the “Ethical Corporate Management Best Practice Principles,” “Procedures for Ethical Management and Guidelines for Conduct,” and “The programs to forestall unethical conduct.” Our corporate governance team keeps track of competent authority regulations, adding and revising codes of conduct and operational procedures related to competent authority and ethical management where appropriate to establish an ethical corporate culture and enable sound developments. Grape King Bio also implements ethical management through internal training and external agreements signed by suppliers.

On the first day of employment, employees are provided with training on ethics, trade secrets, regulations, and procedures, as well as whistleblowing policies. Additionally, they are required to sign a labor contract, which includes pledges of integrity and confidentiality, thereby clearly communicating the obligations expected of employees. In terms of internal measures, all our directors and managers have signed the

“Statement of Compliance with Ethical Management Policies” ; we organize training and tests related to the Ethical Corporate Management Best Practice Principles for our directors and employees each year, and we have established publicly accessible reporting channels for timely submission of suggestions to our managers.

In 2023, Grape King Biotechnology implemented the ISO 37001 Anti-Bribery Management System, requiring all employees, business partners, directors, and managers to adhere to the principles of integrity in conducting their duties. They are expected to comply with anti-corruption and anti-bribery policies and regulations. All employees are required to sign the “Employee Code of Conduct” and continuous optimization of the necessary management procedures for integrity management is emphasized.

All Grape King Bio employees from the highest level managers to entry-level staff operate in accordance with our ethical management principles. Statistics on corruption-related incidents in the last three years are as follows:

Corruption, Bribery, and Violations of the Fair Trade Act Related Incidents

Year	2021	2022	2023
Number of incidents	0	0	0

Ethical Corporate Management Best Practice Principles

We established the “Ethical Corporate Management Best Practice Principles” and revised the “The programs to forestall unethical conduct” in 2020 to stipulate: establishment of risk assessment mechanisms for unethical behaviors, inclusion of requirements to abide by ethical management policies in employment contracts, details related to formulation of ethical management policies and implementation processes, resources and personnel of concurrent ethical management units, frequency of reports to the board by concurrent ethical management units, formulation of audit plans based on risk assessments of unethical behavior, subsequent actions following investigation of reported grievances, and facilitation of anonymous reports.

Our Code of Ethical Conduct as well as our reporting and complaint system have been publicized to all employees through our corporate website and internal announcements. We also organize annual tests and require new employees to take tests as part of their anti-corruption training. During the training of new employees, anti-corruption courses are included, and all employees are required to pass the test. In 2023, a total of 142 employees passed the test. Additionally, our audit plans include audits for unethical behaviors and risky operations to ensure that responsible units are implementing our Ethical Corporate Management Best Practice Principles.



## Supplier Ethical Management

Grape King Bio implements contracts for business activities in a fair and ethical manner and strictly abides by relevant laws, regulations, and contract terms. We also comply with our “Code of Ethical Conduct”, “Supplier Code of Conduct” and “Supplier Integrity Commitment Letter” to evaluate the ethical records of our transaction partners. To ensure compliance with anti-corruption regulations, all contracts signed with transaction partners include clauses related to ethical behaviors, prohibiting any bribery, corruption, extortion, and other inappropriate business activities.

For thorough implementation of anti-corruption and ethical management principles, we adhere to Article 9 of our “Ethical Corporate Management Best Practice Principles” (Business activities under ethical management) and include ethical management clauses in our supplier contracts that require our suppliers to comply with our ethical management policies.

Our supplier contracts clearly stipulate that if our suppliers are involved in violations of corporate social responsibility policies, including but not limited to employment of child labor, forced labor, illegal working condition, violation of human rights, discriminatory behaviors or remarks in any form, bribery, violation of environmental protection laws and policies, violations of health and safety laws and policies, or significant environmental or social impacts, Grape King Bio has the right to terminate or rescind said contracts at any time.



Our supplier contracts also stipulate that our suppliers are prohibited from engaging in commercial bribes, intimidation, kickbacks, acceptance or acquiescence of illegal means or inappropriate competition measures to obtain business; and cannot offer commissions, kickbacks, gratuities, hospitality, or other improper benefits to Grape King Bio personnel. Suppliers who violate the aforementioned agreements not only have to return all premiums and resulting benefits to Grape King Bio, but must also pay punitive damages for breach of contract. Grape King Bio has the right to terminate or rescind transactions without any liabilities, and may also take civil or criminal action. Additionally, if Grape King Bio personnel make explicit or implicit requests for bribes, we ask our suppliers to voluntarily report said behaviors and provide relevant proof through the grievance hotline and complaint mailbox in our contracts.

Suppliers are required to comply with the “Grape King Bio Supplier Code of Conduct.” We hope that we, along with suppliers in our supply chain and our downstream suppliers, can jointly bear social, environmental, and ethical responsibilities. Contractors are required to provide “Contractor Guarantee of Compliance with Environment, Health, and Safety Regulations” and abide by labor, health, and safety requirements.

Reporting hotline : (03)4572121 #1999  
Reporting Mailbox : companyopinion@grapeking.com.tw

## Code of Ethical Conduct

All business practices should adhere to our “Code of Ethical Conduct,” “Regulations Governing Trade Secrets,” and “Regulations Governing Gift Giving and Receiving.” All classified business and technical information of our company and clients must be kept confidential to maintain our corporate reputation, uphold moral values, and retain public order. Our Ethical Code of Conduct contains the following stipulations :

- Do not accept bribes and gifts
- Do not harm the rights and interests of the company
- Do not maliciously boycott company policies
- Do not disclose trade secrets
- Do not steal company property or public funds

- Do not seek personal gain by abusing one’s position
- Do not become involved in abnormal relationships with business-related third parties or other members of staff
- Do not spread false statements
- Do not commit any form of discrimination, sexual harassment, intimidation, threat, theft, corruption, dereliction of duty, or other illegal acts

For more information, please refer to our Code of Ethical Conduct.

## The programs to forestall unethical conduct

In order to implement ethical management policies, build our corporate culture around ethical management, improve our business environments for sustainable development, and actively prevent unethical behaviors, Grape King Bio regularly evaluates the following business activities with higher risks of unethical behaviors in accordance with Article 7 of the “Ethical Corporate Management Best Practice Principles” :

- (1) Offering and acceptance of bribes.
- (2) Illegal political donations.
- (3) Improper charitable donations or sponsorship.
- (4) Offering or acceptance of unreasonable gifts or hospitality, or other improper benefits.
- (5) Infringement of intellectual property rights.
- (6) Engaging in unfair competitive practices.
- (7) Damage to stakeholders caused by products and services.

We implement Board participation and supervision, departmental division of functions, comprehensive and effective internal control structures, and public reporting mechanisms. Our audit office conducts internal audits in accordance with our corporate regulations, and non-compliances are reported to the Audit Committee and the Board. The audit office assists the Audit Committee and the Board in confirming implementations of matters related to anti-corruption, ethical management, and moral values. Our assessment results for 2023 revealed that our risks were low.



## 1.2.2 Avoiding Conflicts of Interest and Anti-Corruption

All personnel should avoid conflicts between personal and corporate interests and possible impacts arising from the same. Externally, we strengthened our regulations on all suppliers and have established diverse reporting and complaint systems for external stakeholders to report misconducts.

Our “Ethical Corporate Management Best Practice Principles” include clauses related to conflicts of interest which require our directors, managers, and all employees to avoid conflicts of interest and improper benefits. Our directors and managers all issued letters of commitment declaring that they will abide by the “Ethical Corporate Management Best Practice Principles” and avoid conflicts of interest.

Our transactions with related persons and related enterprises comply with Article 17 of the “Corporate Governance Best Practice Principles.” Our business transactions are based on principles of fairness and reasonableness. We have established written regulations for financial transactions between all parties, which contain clear stipulations of price and payment conditions, prohibition of unconventional transactions, and strict prohibition of pay-to-play situations. Transactions with significant related persons and related enterprises have to be approved by the Audit Committee before submission to the Board for deliberation.

Our Rules of Procedure for Board of Directors Meetings and Charter of the Audit Committee both stipulate that directors should avoid conflicts of interest. When a director at a board meeting has a stake in a matter under discussion in the meeting, that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director.

We have created independent directors who propose suggestions based on their professional expertise and experiences from a fair and objective perspective. The Board should fully consider independent director opinions when discussing any proposal, note their agreeing or dissenting opinions in meeting minutes, and avoid conflicts of interest to effectively

protect corporate interests. None of our board members hold shares in our major suppliers, and we have established a spokesperson and a corporate website to serve as our channel for transmitting and communicating various information. Shareholder suggestions and other issues can be reported through the stakeholder section on our website, and are handled by dedicated personnel.

### Internal Anti-Corruption Measures

Anti-corruption, ethical management, and implementation of moral values are our core values and foundation. Our Board provides a guideline for employee compliance by formulating the “Ethical Corporate Management Best Practice Principles,” “Procedures for Ethical Management and Guidelines for Conduct,” “The programs to forestall unethical conduct,” “Code of Ethical Conduct,” and “Supplier Code of Conduct.” “Anti-Corruption and Anti-Bribery Policy.”

The aforementioned anti-corruption and ethical management measures mainly regulate the following areas:

#### 1. Employees (Including CEO) and Board of directors :

(1) New employees reporting for work are required to take anti-corruption courses and tests to verify their awareness of anti-corruption matters. All employees are required to undergo periodic education and training. Labor contracts signed upon hiring contain relevant clauses for ethical behaviors and anti-corruption preventions. In order to enhance business ethics knowledge in all colleagues, we arranged for all personnel to attend classes themed around “ethics and morals.” Our goal is for all employees to participate in training over the next three years, thereby demonstrating our core values centered around ethics and integrity.

(2) We have formulated regulations for accepting gratuity gifts, which stipulate that all employees are prohibited from accepting gifts (including improper meals, kickbacks, bribes, and hospitality) which are obviously more expensive or more frequent than market or business practices. All accepted gifts, regardless of value, should be reported to responsible supervisors.

(3) All employees have a responsibility to report improper behaviors that constitute ethical violations through appropriate channels. Our reporting and complaint channels include internal suggestion boxes, reporting and

complaint hotlines, as well as feedback channels via email or our website.

(4) We incurred zero complaints and reports (including anonymous reports) related to ethical management and no anti-corruption incident happened in 2023.

(5) All employees are required to sign an "Employee Code of Conduct." We disseminate knowledge related to ethical management, reporting and complaint procedures, and our Code of Ethical Conduct to all employees from time to time; organize quizzes; publicize precautions our employees should be aware of when carrying out their duties; strengthen anti-corruption awareness, prevention measures, and implementations; and work to manage and prevent unethical behaviors from occurring.

(6) Each year, the company distributed an educational letter to all employees and managers, focusing on "Integrity in Operations, Prevention of Insider Trading, and Handling of Material Information" at least once. This included discussions on the importance of integrity, insider trading guidelines, legal responsibilities, and material information regulations. In 2023, 117 individuals comprising executives and relevant staff completed training and achieved a 100% pass rate. Additionally, directors participated in an integrity training course annually, with all directors completing the course in 2023.

#### 2. Business partners:

(1) Before establishing business relations with distributors, suppliers, and other business parties, we first assess the legality and reasonableness of said business behaviors and check whether our transaction targets incurred any ethical management violations in the past. When engaging in business activities, we expressly refuse direct or indirect provision, promise, request, or acceptance of any improper benefits in any form or name, and will cease transactions immediately upon discovering unethical behaviors and they are required to sign an “Supplier Code of Conduct”, which includes provisions related to integrity in business operations.

(2) Our distributor contracts contain clear and reasonable stipulations of payment terms, and prohibit bribery, commission fees, kickbacks, gifts, and other matters involving improper benefits.



(3) When making purchases, we require suppliers to strictly comply with the "Supplier Code of Conduct" and also add warnings on external purchase orders to strengthen dissemination of our trade secrets and anti-corruption policies. Suppliers that violate these policies are punished and removed from our supplier lists.

(4) No corruption incidents or violations of ethical management were incurred by our distributors or suppliers in 2023.

### 3. Anti-corruption and ethical management risk assessments:

(1) Our corporate governance team conducts annual evaluations of business activities that involve high-risk unethical behaviors to ensure that our current internal regulations can effectively reduce corruption and ethical management risks. We have also formulated a programs to forestall unethical conduct. Our evaluations for 2023 determined our risk levels to be low; evaluation results were submitted to internal audit units to serve as a reference for formulating audit plans.

(2) Donations related to politics can only be made in accordance with Political Donations Act and after the approval of company's "Verification Authority Form". Additionally, all donations are obtained with legal certificates and recorded in the accounting books for verification. The company has no internal accounts or secret accounts. In 2023 and 2022, political donations will be about NTD 200,000 and NTD 770,000, respectively, accounting for about 0.002% and 0.007% of revenue.

(3) Grape King Bio established the "Anti-Corruption and Anti-Bribery Promotion Task Force," led by the Legal Department , responsible for overseeing the promotion, planning, and consulting across departments.



They also evaluate system effectiveness, and reports to the board of directors annually.

Our company has implemented ISO 37001. Internally, we have conducted 12 training sessions, including 5 sessions on operational risk assessment, 4 sessions on employee role risk assessment, and 3 internal audits. We've designated personnel from 31 departments for these sessions. Basic educational videos are available on our internal network, and all employees must sign an "Employee Code of Conduct." Directors issue "Statement of Compliance with Ethical Management Policies " annually.

Externally, we communicate our anti-corruption and anti-bribery policies through our official website (in both Chinese and English versions) and announcements on supplier platforms. We conduct due diligence on suppliers to ensure they understand our corporate culture.

Regarding company procedure forms and documents, the totals are as follows:

New: 10 procedures/methods, 28 forms

Revised: 8 procedures/methods, 24 forms

### 4. Board oversight:

(1) Our corporate governance team regularly reports on anti-corruption and ethical management implementations to the board. Implementations and promotions for 2023 were reported to the board on January 19, 2024 to help the board monitor corporate implementations related to anti-corruption, ethical management, and moral values. Our corporate governance team conducts annual reviews of related regulations to determine whether additions or revisions are necessary; these changes are implemented following approval by the board. In 2023, the company established the "Anti-Corruption and Anti-Bribery Policy" and revised the "Ethical Corporate Management Best Practice Principles".

(2) We revised Article 10 of the "Corporate Governance Best Practice Principles" to stipulate that insiders who become aware of the contents of the Company's financial reports or relevant results, including but not limited to directors, should be prohibited from trading shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports.





(3) The audit office conducts internal control audits in accordance with company regulations, reporting any identified non-compliance issues to the Audit Committee and the Board of Directors. It also assists both bodies in confirming the implementation of matters related to anti-corruption, ethical management, and moral values.

## External Anti-Corruption Measures

In terms of supply chain management, if we discover personnel who accept improper benefits such as kickbacks during transactions and do not voluntarily report the same, suppliers involved in anti-corruption incidents will be penalized and removed from our supplier list. For serious violations, legal action will be brought against the employees and suppliers in question, who shall be jointly responsible for any penalties incurred under the Criminal Code of the Republic of China. We also add warnings on external purchase orders to strengthen dissemination of our human rights, environmental, and business ethics policies:

1.We manage suppliers with ongoing transactions based on procurement values. Raw material suppliers are ranked by procurement values from large to small, and the top 80% of raw material suppliers, as well as non-raw material suppliers with procurement values exceeding NT\$1 million for two consecutive years, are listed as our significant suppliers. We distributed a total of 78 policy dissemination surveys to our significant suppliers in 2023. All 78 of these suppliers responded to this survey, achieving a response rate of 100%.

- Survey results showed that 100% of our suppliers were aware of our trade secrets policy.

- Nearly 97.59% of suppliers were aware of our anti-corruption policy. Following our promotional efforts for individual suppliers, 100% of suppliers were made aware of our policies.

2.We also announce and promote our trade secrets and anti-corruption policies through our supplier intelligent management platform. No incidents of anti-corruption occurred in 2022. We have established a dedicated mailbox and hotline for anti-corruption to provide suppliers with a means to immediately report Grape King Bio employees who violate procurement guidelines, thereby ensuring protection of supplier interests.

## Grievance Reporting and Whistleblower System

We have established “Procedures of Whistle-blowing and Complaints.” Stakeholders can report grievances to our dedicated mailbox or through our hotline, and we have measures in place to provide timely responses, thus ensuring protection of stakeholder interests. In consideration of our foreign colleagues, we have posted translations on our bulletin board to enhance effectiveness of awareness and communications.

(1) Mailboxes for complaints and grievances:

Mailbox for reporting complaints: [companyopinion@grapeking.com.tw](mailto:companyopinion@grapeking.com.tw)

Mailbox for reporting grievances: [employeeopinion@grapeking.com.tw](mailto:employeeopinion@grapeking.com.tw)

The point of contact for all grievances and complaints are the managers of relevant departments.

(2) Hotline for internal complaints and grievances:

Hotline for reporting complaints: +886-4572121#1999

Hotline for reporting grievances: +886-4572121#1995

Procedures for reporting complaints and grievances: Company managers, informant departments, and higher authorities are not allowed to take inappropriate action or retaliation against informants or their close associates. To prevent intentional or malicious reporting and anonymous discrediting, reports verified to be unsubstantiated will not be accepted, and those seeking to discredit others will be punished in accordance with corporate regulations. All reports and complaints are compiled and submitted to the general manager; cases can only be closed following approval by the general manager.

We added a clause related to Article 74 of the Labor Standards Act (Whistleblower Protection Clause) to our internal “Management Procedures for Rewards and Punishments” to clearly convey and effectively protect employee rights to submit reports and complaints.

### 1.3 Risk Management

Chief Auditor  
Yi Chun Lee



“

*Our internal control processes rigorously regulate sound corporate operations. Our board, management team, all employees, and corporate stakeholders familiarize themselves with anti-corruption concepts and monitor the Company to ensure implementation of moral values and ethical management*

”

We have established risk management mechanisms; implement risk assessments, risk identification, and risk handling activities; conduct audits and verifications in line with standard international risk management frameworks; and have obtained Anti-bribery Management (ISO 37001), Information Security Management (ISO 27001), Environmental Management (ISO 14001), Occupational Health and Safety Management (ISO 45001), Energy Management (ISO 50001), Talent Quality-management System (TTQS) and Taiwan Intellectual Property Management System (TIPS) certifications.

Risk Item	Response Measures
Financial risk	I. Interest rate risks:Interest rate risks stem mainly from changes in interest rates on bank loans. In 2023, our interest payments on bank loans accounted for 0.0003% of net profits before tax. Interest rate changes in 2023 had no significant impacts. II. Exchange rate risks : Exchange rate risks mainly encompass business receivables and payables in foreign currency. At present, we mainly focus on transactions and raw material purchases in local markets, and have few exports or imports, so impacts of exchange rate risks are relatively small. III. Credit risks : Credit risks mainly stem from inability to recover receivables. Grape King Bio categorizes clients according to financial conditions, past transactions, internal ratings and accounts receivable aging reports; where appropriate, collateral is collected to reduce credit risks from receivables.
Operational risks	I. Customer rights risks 1. We established an Information Security and Personal Information Committee as well as standard operating procedures for major personal information incidents. We further conducted a comprehensive review of information security measures and a comprehensive inventory of all information security processes for virtual channels that come into contact with the personal information of customers. We extended the validity of our ISO/IEC 27001:2013 certification. 2. We have established comprehensive standard operating procedures targeted to food safety, quality control, and other issues relating to consumer interests. We also conduct comprehensive reviews of individual cases and retrain our customer service staff accordingly to strengthen responses to abnormal events. II. Food safety risks (1) Compliance with laws and regulations: We review raw materials and food additives to ensure that they adhere to legal regulations. Raw materials are inspected and undergo quality control processes after entering factories. The expiration dates of raw materials are tracked when they enter warehouses to prevent the use of expired materials. (2) Reduce external risks: We maintain basic information and related quality records for suppliers and manufacturers to serve as a reference when making procurements. If any food safety incidents occur, we can use the search function on our systems to enable clarification and handling at the first instance. (3) Enhance internal management: We maintain records of product manufacturing dates, expiry dates, production quality, and product inspections which can be used to track the quality of all raw materials used in relevant products. (4) Grape King Bio focuses on three main axes for food safety management and assurance: I. Hygiene regulations and training; II. Product tracking and management; III. Product quality and inspections. III. Procurement risks Procurement regulations: Supply of high-quality products can increase consumer confidence and willingness to purchase. In practice, Grape King Bio's rigorous raw material management measures include: Our raw material suppliers are required to comply with the following regulations (1) Raw materials must be legally registered in the government food manufacturer registry system. (2) Raw materials must be approved by our R&D and relevant departments. (3) Raw materials must provide comprehensive product information for analysis as well as comparison, and packaging and labels cannot be altered or replaced. (4) Raw materials imported from foreign countries must be equipped with licenses and imported in their original packaging. (5) Raw materials must be stored in accordance with regulations and relevant licenses must be procured. (6) Evaluation procedures must be reimplemented upon the revision of relevant information for raw materials.





Risk Item	Response Measures
Operational risks	<p>IV. Supply chain risks</p> <p>We track raw material traceability and have established supplier evaluation procedures that span from initial qualification reviews and sample selection, on-site supplier evaluations, and annual quality tracking of supplied goods. We not only inspect raw materials but also compile basic information and relevant quality records for suppliers and manufacturers to serve as a reference when making purchases.</p> <p>We implement a two-supplier policy to ensure that we can make timely adjustments if supply becomes unstable and to guarantee smooth delivery of supplies.</p> <p>V. Risks related to trade secrets, patent rights and trademarks</p> <p>We have established the “Code of Ethical Conduct” and formulated the “Procedures for Investigation of Grievance Reports” to regulate and appropriately handle grievance reports. Implemented action include the following:</p> <p>1. Formulated the Code of Ethical Conduct and Procedures of Whistle-blowing and Complaints</p> <p>2. Periodically collect stakeholder feedback and provide an anti-corruption hotline and complaint mailbox</p> <p>3. New employees are required to take anti-corruption courses and tests to verify their awareness of anti-corruption matters</p> <p>4. In terms of supply chain management, if we discover personnel who accept improper benefits such as kickbacks during transactions and do not voluntarily report the same, suppliers involved in corruption incidents will be penalized and removed from our supplier list. For serious violations, legal action will be brought against the employees and suppliers in question, who shall be jointly responsible for any penalties incurred under the Criminal Code of the Republic of China, with no leniency.</p> <p>VI. Talent recruitment and training risks</p> <p>To promote the flow of talent within our organization, we provide multiple channels for development (such as overseas job opportunities, opportunities to execute critical projects, training, and a variety of other opportunities and platforms) while respecting the career development plans of our employees and the business needs of our company. We encourage our employees to realize their potential, learn new knowledge and skills, develop a broader outlook, and build connections by giving them cross-cultural and cross-domain learning opportunities.</p> <p>Apart from deployments due to organizational needs, employees can also apply for transfers in accordance with our recruitment and selection procedures.</p> <p>Following full communication and confirmation of employee willingness, transfers take effect upon approval by responsible supervisors.</p> <p>During their first three months, new employees have exclusive mentors who help them adapt to corporate environments and duties.</p>
Strategic risks	<p>I. Legal compliance risks</p> <p>We have established the legal office and audit office to ensure the implementation of legal compliance and internal control systems, and our independent directors and Audit Committee are responsible for enhancing Board effectiveness and implementing supervisory actions. We have also established clear and appropriate processes in all departments, including regular tracking of regulatory updates, implementations of self-assessments, education and training, and audits.</p> <p>II. Product development and launch risks</p> <ul style="list-style-type: none"><li>Internal : Product designs face risks of discrepancy or failure during on-site batch production trial runs.</li><li>(1) Purchased testing equipment (for example texture analyzers) and established a product parameter database to confirm product parameters.</li><li>(2) Conducted medium-scale trial runs in our laboratory to confirm product formulations, filling properties and applicability prior to on-site batch production trial runs.</li></ul> <p>External (sales related) :</p> <p>After products are launched, we take the following actions in collaboration with our sales units to reduce risks of poor sales performance and product recalls:</p> <p>(1) Our sales units conduct comprehensive market surveys prior to product development to better understand market trends and consumer habits.</p> <p>(2) Our sales units continuously track market conditions upon product launches to understand changes in product trends and develop strategies for future product development.</p> <p>III. Marketing and market risks :</p> <p>Assess risk levels → Convene related units → Formulate Q&amp;As → Draft unified responses → Continue monitoring</p> <p>In terms of our image, we constantly monitor and compile monthly reports on all news, media, and feedback from social networks. We assess risks posed by negative news coverage, convene related units to clarify incident details, and issue unified statements in a question-and-answer format to provide information required by the public, thereby avoiding confusion from ambiguous information, following which we continue to monitor related information.</p> <p>IV. Advertisement risks:</p> <p>Review of advertising copy :</p> <p>Our legal office collaborated with our information office to set up the “Review of Advertising Copy” section on the EIP system. Apart from videos of training sessions for advertising copy, the section includes the “Violations Information List for Advertising Copy,” which encompasses information such as penalized entities, product names, violation details, and penalty amounts based on all advertising infractions and penalties issued by administrative authorities. Our legal office regularly updates the above advertising infractions and penalties in a database so that all units can keep abreast of inappropriate words and phrases identified by the administrative authorities when creating or reviewing advertising copy, thereby significantly reducing the risk of legal violations.</p> <p>In addition, the BPM system also includes the “OA011 Advertising Copy Review Request Form” to address problems relating to the previous procedures which use email to conduct reviews of advertising copy and to expedite the review process across all units. This system displays feedback from all reviewing units to avoid large discrepancies in appropriate phrasing proposed by each unit. The advertising review requesting unit then modifies the advertising copy by integrating the opinions from all reviewing units.</p>
Hazard risks	<p>We implemented specific projects for material environmental issues and occupational health and safety management risks. Grape King Bio adopts the following six strategies: (1) Reduce hazard risks, (2) Implement environmental protection, (3) Fulfill compliance obligations, (4) Improve sustainable cycles, (5) Promote full employee participation, (6) Build friendly workplace environments (Please refer to the Chapter 4.5 on occupational safety for details).</p>
Climate change risks	<p>Please refer to the Chapter 6.1 TCFD section for more information</p>



## 1.4 Financial Performance

Grape King Bio builds upon sustainable and steady developments; emphasizes integration with stakeholders; adheres to the four food safety policies of “continuous innovation, pursuit of excellence, fulfillment of social responsibilities, and customer assurance”; strengthens source management of raw materials from suppliers; implements rigorous management mechanisms and expanded quality management and inspections; and strengthens employee commitment to product health and safety to ensure customer satisfaction and safety. Due to the efforts of all employees, Grape King Bio has won the recognition and confidence of stakeholders. Our revenues and overall operational performance continue to grow. We achieved impressive consolidated revenues and profits over the past three years.

Our consolidated revenues in 2023 were NT\$10,635,464,000. Grape King Bio continues to uphold shareholder interests by maintaining after-tax profits of NT\$9.81 per share, rewarding our shareholders with a stable dividend policy. Consolidated financial information for the past three years are as follows :

### Consolidated financial information for 2023

Unit: Thousand NTD

Item	Basic Elements	2021	2022	2023
Direct Economic Value Generated	Income*	9,798,246	10,391,231	10,635,464
Distributed Economic Value	Operating costs*	1,942,319	1,909,186	2,099,450
	Employee salaries and benefits* (Note 1)	1,135,765	1,215,309	1,262,422
	Payment made to investors*(Dividends of the current year)	1,508,468	1,486,415	1,663,814
	Payments made to the government* (Note 2)	262,288	423,456	469,813
	Community investment (Note 3)	13,817	18,822	19,778
Retained Economic Value (Generated-Distributed)* (Note 4)		1,947,989	2,169,687	2,141,511

Note 1: Including bonuses, pensions, payments deducted from salaries on behalf of employees, and other personnel costs.

Note 2: Paid income tax.

Note 3: Expenditures for donations to government institutions as well as other club and community charity expenses. The amount includes the expenses of Tseng Shui Chao Welfare Charitable Foundation.

Note 4: Profits after tax for the current year.

\*Values for 2021-2023 were audited by Deloitte.

Item	2021	2022	2023
Net profit after tax (thousand NTD)	1,947,989	2,169,687	2,141,511
Consolidated net profit margins	19.88%	20.88%	20.14%
R&D investment (thousand NTD)	292,228	289,884	289,545
Return on shareholder equity	21.16%	20.12%	18.81%
Distribution ratio for cash dividends	69.24%	70.12%	70.36%
Earnings per share	8.81	9.84	9.81



Tax Policies

Grape King Bio specifically established the "Tax Policy" and related tax management responsibilities, approved by the Board of Directors, to effectively implement tax governance in response to international trends, adhering to tax regulations, and ensuring corporate sustainable development. The Board of Directors is the highest authority for tax policies, responsible for approving tax policies to ensure their effective implementation.

I. Legal Compliance

Adhere to the tax laws and regulations of the respective countries where each operational site is located, timely settle tax obligations, and fulfill the social responsibility of taxpayers.

II. Avoidance of Inappropriate Tax Planning

Carefully evaluate various investment structures and transaction models to align with economic substance and legitimate business purposes, refraining from engaging in improper tax arrangements.

III.Related Party Transactions

Adhere to the transfer pricing regulations published by the Organization for Economic Co-operation and Development (OECD) to ensure that related party transactions comply with standard practices and transfer pricing legal requirements.

IV.Tax Risk Assessment

Consider tax implications for significant transaction decisions and day-to-day operational activities. Prudently evaluate and apply various tax regulations, tax incentives, and agreements for tax planning in compliance with reulations.

V.Information Transparency

Comply with relevant regulations and guidelines for tax disclosure, and regularly disclose tax information through public channels to ensure tax transparency.

VI.Relationship with Tax Authorities

Establish a relationship of mutual respect and good interaction with tax authorities based on the principles of mutual trust and legal compliance.

VII.Professional Development

Tax dedicated personnel should continuously enhance their professional competence through education, training, specialized research, or participation in tax seminars.

The income tax expenses for the past three years are as follows :

Our company and its subsidiaries adhere to local regulations when paying various taxes annually. Given that over 90 percent of the group's overall profits are derived from Taiwan, the effective tax rate for both our company and its subsidiaries (as reflected in the consolidated financial statements of the group) closely approximates Taiwan's statutory tax rate of 20%.

Item	2021	2022	2023
Net profit before tax	2,414,906	2,687,878	2,660,620
Income tax expense	466,917	518,191	519,109
Effective tax rate%	19.33%	19.27%	19.51%

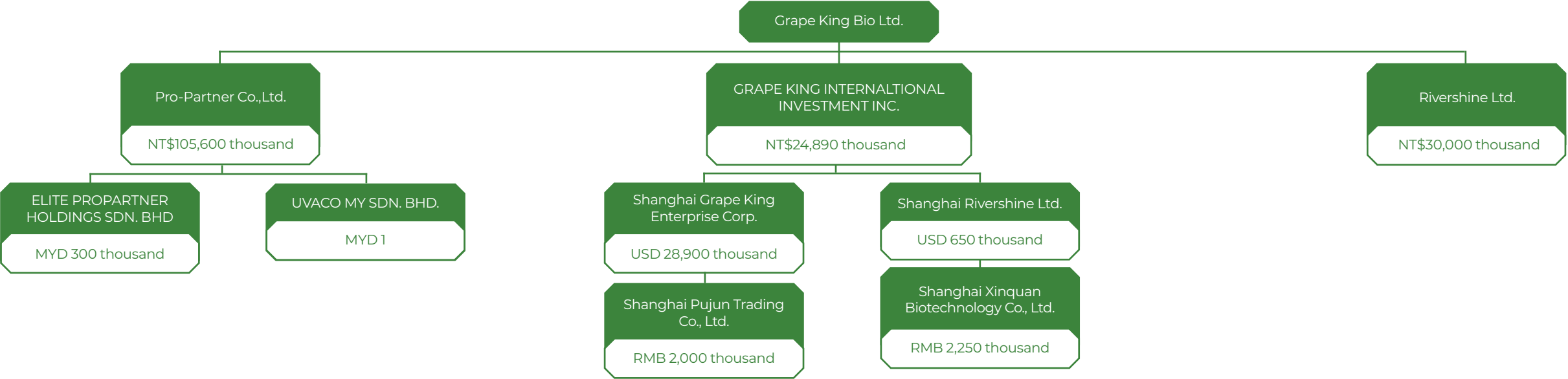
Unit: Thousand NTD



Subsidiaries

Grape King Bio and its subsidiaries are mainly engaged in the manufacturing and sales of beverages and health foods. Our comprehensive industry value chain encompasses upstream development of key raw materials (such as lactic acid bacteria, Ganoderma, and Antrodia cinnamomea mycelia); midstream formulations and packaging; to downstream sales through private channels and brand stores, as well as domestic and overseas OEM services.

In terms of operational models, Grape King Bio uses diverse distribution and direct marketing channels to promote high-quality products to a wider range of users and to achieve our corporate mission of being “A health expert for the entire family.” Of our NT\$10,635,464,000 revenues in 2023, NT\$8,570,951,000 were sourced from direct sales channels.



Governmental subsidies

Item	Subsidy Item	Amounts
1	SME on-site health subsidy	NT\$139,000
2	Taoyuan City Government-Subsidy to redesign jobs for middle-aged and aged people in 2022	NT\$63,000
3	Subsidy for work-life balance	NT\$40,000
4	Subsidy from Precision Health Industry Cross-domain Promotion Plan by Hsinchu Science Park Bureau	NT\$1,322,000
5	Subsidy from Industry Energy Saving Guidance and Energy Efficiency Enhancement Promotion Program by Ministry of Economic Affairs Industrial Development Bureau	NT\$1,500,000
6	Subsidy from Industrial Upgrading Innovation Platform Guidance Program by Ministry of Economic Affairs Industrial Development Bureau	NT\$4,430,000



# 1.5 Legal Compliance



Chief Legal Officer  
Bing-Jyun Cui

“  
*Grape King Bio strictly complies with the regulatory requirements of markets where we operate, adopting the most rigorous attitude to requirements from competent authorities to ensure smooth business activities.*  
”

Management Approach	Key issue-Legal compliance	
Policies	Grape King Bio reviews all company operating procedures based on the highest standards available and implements corporate governance and food safety standards verified by third parties. We constantly pay attention to the latest legal trends and adjust our actions accordingly.	
Commitments	“Ethics and integrity” are our commitment to society. We maintain a good corporate image, ensure smooth business activities, and reduce our violation risks to avoid affecting normal operations.	
Targets	Short-term	Implement legal compliance control system and reduce risk of legal violations. We incorporated third-party verifications to ensure compliance with national standards.
	Mid-term	Promote relevant laws and regulations and help relevant personnel understand legal requirements
	Long-term	Continue to conduct in-depth understanding of other national laws and regulations to perform risk control according to company size and business needs
Responsibilities	Cooperative entities : Quality Assurance Department-Food safety incidents Marketing Division-Media events Business Unit-Consumers and channels Human Resource Department-Labor-management disputes	
Resources	1. Worked with our information office to establish the trade secrets registration system; additionally, organized seminar tours across various factory sites. 2. Hired an intellectual property consultant to implement and verify compliance with the Taiwan Intellectual Property Management (TIPS). 3. Hired a consulting firm to assist with personal data inventory and risk assessment tasks.	
Specific performance	1. Worked with our information office to establish the “trade secrets registration system” that is scheduled to launch in 2023. 2. Obtained the Taiwan Intellectual Property Management (TIPS) A-Class Certification in 2023. 3. Organized the seminar on “Confidential Information Management System” and conducted training related to intellectual property rights 4. Conducted an inventory and risk assessment of critical and substantial personal data stored across a total of 8 units.	

All documents related to legal disputes are managed by our legal department, which works with all departments to establish clear and appropriate regulations, regularly update regulations, conduct self-assessments of implementations, audit training and execute other action plans. We actively implement our Code of Ethical Conduct. The employment contract signed by our employees upon joining Grape King Bio has stipulated ethical conduct as well as prevention of anti-corruption behaviors and prohibition of actions that may be detrimental to the company. These provisions are also reiterated on employee termination forms. Apart from employment contracts, all our employees are also required to sign a confidentiality contract to reinforce the importance of trade secrets and ensure that our employees understand their obligations. Additionally, our colleagues in the legal department continue to attend legal compliance courses. We organized training sessions on “Introduction to Intellectual Property Rights and Corporate Intellectual Property Regulations” for new employees; courses on “TIPS System Implementation” and “Basic Intellectual Property Education” for our dedicated TIPS units; courses on “Trademark Usage and Trademark Infringement Patterns” and “Trademark Application Procedures and Forms” for our marketing planning, OEM as well as overseas business and direct marketing departments; and a course on “Basic Understanding of Personal Data Protection Act and Personal Data Inventory Operations” and a training session on “Personal Data Risk Assessment” for units storing substantial and critical personal data.

In 2023, we submitted trademark applications for our raw materials following interdepartmental communications with our Biotech Research Institute, legal office, marketing planning section, and product planning section. Trademarks were reviewed for labeling errors and to determine whether product labels violated food regulations. We aim to implement active improvements and incur zero violations.

We formulated the “Trademark Management Procedures” based on this trademark application process. These Procedures were amended in 2023, approved and released by our document control center on May 26, 2023, and stipulated that:

● Before submitting applications: Requesting units should ask the legal office to provide suggestions after conducting searches and analyses to ensure compliance with trademark identification standards.

● When submitting applications :

(1) Domestic trademarks: Our electronic application system enables the legal office to submit applications for Taiwanese trademarks directly to the Intellectual Property Office. In 2023, our legal office submitted a total of 5 trademark applications. Subsequent payments, corrections, and certificate collection procedures are also handled by the legal office, which greatly reduced service fees paid to commissioned firms.

(2) Overseas trademarks: Applications, payments, corrections, and certificate collection procedures are all handled by commissioned firms.

● After submitting applications: Apart from management of established lists, we incorporated trademark status of use information in our databases starting from 2021 to comply with the provisions of the Trademark Act, which state that trademarks should be used for marketing purposes. In 2022, we included status of use information for all registered product trademarks in our database to prevent third parties from filing claims to cancel our trademarks due to more than three years of non-usage. In 2023, We implemented the filling out and record-keeping of relevant forms for procedures prior to trademark, authorization applications, and infringement reporting to reduce the risk of trademark infringement and to protect our trademark rights.

In terms of intellectual property rights, our legal office conducts routine searches, analyses, defenses, registrations and applications, maintenance, management, and strategic positioning of domestic and foreign trademarks and patents, as well as periodic internal dissemination or

training sessions on trade secrets. In 2023, we officially implemented Taiwan Intellectual Property Management (TIPS). Apart from providing training sessions to the dedicated units, we reviewed and supplemented the procedures and forms related to intellectual property, completing an inventory of a total of 27 procedure documents (of which 1 was added and 15 were amended). Additionally, we successfully obtained Taiwan Intellectual Property Management (TIPS) A-Class Certification in the same year. Externally, we request our sales and marketing personnel to provide image sources, patent information, and trademark authorization basis when submitting copies for review to prevent infringement upon others' intellectual property rights and portrait rights.

For protection of personal data and privacy rights, we formulated and released the “Personal Data Protection Policy,” and used the EIP system to publicize these policies to all employees. We also update our corporate website, Health and Vitality Power Center, and the privacy rights policies on our Grape King online store according to the changes in the laws and regulations. The “Contact Us” page on our website includes categories related to privacy rights policies so we can properly handle the concerns of our consumers or website users. In 2023, for units holding substantial and critical personal data, we conducted a comprehensive inventory and risk assessment of personal data to improve the protection of personal data.

For Notices issued by health authorities, the legal department is responsible for gathering relevant information and drafting a statement of opinion, and then evaluating them to determine whether to file an appeal, administrative litigation or propose improvement measures; the legal department is also responsible for notifying relevant departments. If the authorities request a hearing, this is attended by members of our legal department and personnel from relevant departments.

Corresponding departments determine whether the legal department should submit appeals for other types of regulatory documents. All incidents are discussed at manager meetings and improvement processes are implemented, following which final reports are compiled.

We gradually promoted awareness of legal concepts. As of the end of 2023, we incurred one violation of the Act Governing Food Safety and Sanitation, two violations of the Health Food Control Act, two violations of the Occupational Safety and Health Act and one violation of the Waste Disposal Act but incurred no major penalties from administrative authorities exceeding NT\$1 million.

Handling process for legal cases :



Legal Compliance Status in 2023

Category	Number of Incidents	Amount of Fine(NT\$)	Legal Basis	Violation Incidents 2023	Subsequent Improvements
Marketing and Labeling	1	40,000	In violation of Article 28 of the Governing Food Safety and Sanitation Act	The advertisements for Sliim Turmeric Complex Essence Drink” and ” Night Slim Turmeric Complex” are implicated in false, exaggerated or misleading.	<ol style="list-style-type: none"><li>1. We immediately notified our business units upon receipt of this violation notice.</li><li>2. We presented opinions along with attached relevant research reports to the Department of Health.</li><li>3. Relevant units were requested to adjust advertising copy.</li><li>4. The legal office inventoried all Turmeric advertisements and Antrodia King on the Grape King online store as well as other shopping websites and requested comprehensive revisions by our business units to prevent further fines for different ad combinations.</li><li>5. The company is contesting the fines related to Antrodia King and Sliim Probiotics King, as the challenged text stems from the " Summary of Application Form for Health Food Registration," and administrative litigation is presently underway.</li></ol>
	2	400,000	In violation of Paragraph 1, Article 14 of the Health Food Control Act	The labeling or advertisement of health foods such as " Health mark number-Antrodia King " and " Health mark number-Sliim Probiotics King" involve false, exaggerated, or misleading content.	
Human rights	5	950,000	In violation of Paragraph 1, Article 24, Paragraph 2, Article 24 and Paragraph 2, Article 32 of the Labor Standards Act	Failing to provide overtime pay in accordance with regulations for extended work hours and failing to compensate for work on rest days as required by regulations.	<p>Corrective measures :</p> <ol style="list-style-type: none"><li>1. Compliance with regulations on extended working hours: Hired foreign employees to share current increases in workloads and shift scheduling needs. Utilized the reminder function of our human resources system for anomaly control and resolution.</li><li>2. Insufficient salary payments for extended working hours and rest days: The basic standards of salary payments for extended working hours have included meal allowances incurred during overtime as per regulations, and the payment formula has been established in compliance with the regulations of payment standards for extended working hours.</li></ol> <p>Prevention mechanisms :</p> <ol style="list-style-type: none"><li>1. Utilize the management mechanisms on our new human resources system and generate analysis reports that provide reminders for shift scheduling as a prevention measure.</li><li>2. Regularly conduct inspections on legal compliance and legality of the system and adjust accordingly.</li></ol>
Occupational health and safety	1	100,000	In violation of Paragraph 1, Article 6 of Occupational Safety and Health Act	<ul style="list-style-type: none"><li>• Failing to effectively prevent the risks of injuries posed by items such as machinery, equipment, and tools.</li><li>• Failing to properly install safety devices for elevator operation and failure to provide emergency eye wash and shower facilities in workplaces handling specific chemicals.</li></ul>	<ol style="list-style-type: none"><li>1. The hazard of pinch points occurs during the operation of the labeling machine. ➤ Improvement Method: Safeguards with safety interlocks have been installed to prevent the hazard of pinch points.</li><li>2. The material hoist lacks sturdy doors and safety interlock devices. ➤ Improvement Method: Sturdy doors and safety interlock devices have been installed.</li><li>3. No emergency shower equipment is present in locations where certain chemicals are used. ➤ Improvement Method: The emergency shower and eyewash equipment have been installed on site.</li></ol>
Management of Water Resources	1	60,000	In violation of Paragraph 1, Article 14 of Water Pollution Control Act	During the audit of the water discharge permit for Zhongli Plant, it was found that four manholes are in use, but they are not listed in the water discharge permit.	The water discharge permit has been updated to include all data on catch basins, and the new water discharge permit is expected to be obtained by February 28, 2024.

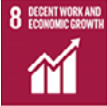


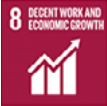



	Commercial Dispute Incidents in 2023
Misappropriation of our trademark and copyrighted works to produce “Grape King Activate Tea”	<p>1. In January 2023, we were informed by consumers of the sale of the “Grape King Activate Tea” products on the YouTube website, which were not produced or sold by us, and the materials thereof used included our trademark and photographic as well as compilation works. Our legal office filed a complaint with the Taoyuan Police Department Pingzhen Precinct in the same month, which was later transferred to the Taiwan Taoyuan District Prosecutors Office for investigation.</p> <p>Meanwhile, instances have also occurred, such as the creation of a one-page sales website as well as the establishment of a Facebook fan page for the allegedly infringing products, and their listing on the Shopee shopping website.</p> <p>2. The allegedly infringing videos on YouTube have been reported and taken down. We subsequently uploaded a clarification video on YouTube and released a clarification message on our official website.</p> <p>3. As for the one-page website, the police informed us that the IP address of the webpage is in China and cannot be tracked. Therefore, the prosecutor decided to close the case. The Facebook fan page cannot provide relevant information such as IP and registration data because this case does not fall under the category of cases for which official assistance can be provided. However, it has been reported and taken down.</p>
Counterfeiting incident of "Grape King Bio Slim Probiotic King capsules"	<p>1. In April 2023, colleagues from the business division discovered that a certain store on the Shopee shopping website sold our “Slim Probiotic King capsules” product at a significantly lower price than the market price. Upon purchasing and inspecting the product, it was confirmed to be counterfeit.</p> <p>2. Following the above, the marketing and business units have issued relevant anti-counterfeiting statements to remind consumers and have sent letters to the shopping website. The legal office has also used this incident to formulate the procedure for handling fraud cases and publicized it to all employees.</p> <p>3. Upon collecting relevant evidence, the legal office has engaged a lawyer to file a lawsuit against the store owner with the Taiwan Taoyuan District Prosecutor's Office. The case is currently under investigation.</p>

# CH2

## Product Liability



# Target Formulation

	Targets for 2024-2025	Targets for 2026-2027	Targets for 2028 and beyond	Corresponding SDGs
Food Safety	<ul style="list-style-type: none"> <li>The Pingzhen Factory's FSSC22000 verification has been updated to version 6.0.</li> <li>The soft capsule production line at Pingzhen Factory obtained second-tier quality control, GMP (Good Manufacturing Practice), ISO22000, FSSC22000, NSF GMP verifications.</li> <li>The fermentation production line at Grape King Bio Park obtained ISO22000 verification (Valid until the first quarter of 2025).</li> </ul>	<ul style="list-style-type: none"> <li>Integrate external inspection resources to optimize inspection procedures and enhance inspection efficiency.</li> <li>Maintain customer emotional relationship by consistently meeting customer requirements in food safety and quality management, creating mutual benefits.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to improve and refine food safety, quality verification system, and inspection center in line with international standards and the latest verification standards.</li> <li>Continuously stabilize product quality, provide consumers with higher quality and healthier products, and improve Grape King Bio's brand image.</li> </ul>	  
Sustainable Supply Chain Management	<ul style="list-style-type: none"> <li>Sustainability risk assessment : Make the recovery rate of significant supplier sustainability self-assessment questionnaires reaches 95%</li> <li>Strengthen Zero supply shortages keeping stocked target of the supply chain : It is expected to complete 150 multi-source solutions of materials(based on the year 2020)</li> <li>Implement a comprehensive supplier evaluation system : 100% of suppliers conduct annual regular evaluation.</li> <li>Continuously promote an intelligent multi-communication platform for suppliers, and make the online rate of suppliers reach 90%.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability risk assessment : Make the recovery rate of significant supplier sustainability self-assessment questionnaires reaches 98%.</li> <li>Strengthen Zero supply shortages keeping stocked target of the supply chain: It is expected to complete 250 multi-source solutions of materials (based on the year 2020)</li> <li>Implement a comprehensive supplier evaluation system : Maintain 100% of suppliers conduct annual regular evaluation.</li> <li>Continuously promote an intelligent multi-communication platform for suppliers, and make the online rate of suppliers reach 95%.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability risk assessment : Make the recovery rate of significant supplier sustainability self-assessment questionnaires reaches 100%.</li> <li>Strengthen Zero supply shortages keeping stocked target of the supply chain : It is expected to complete 400 multi-source solutions of materials (based on the year 2020)</li> <li>Implement a comprehensive supplier evaluation system : Maintain 100% of suppliers conduct annual regular evaluation.</li> <li>Continuously promote an intelligent multi-communication platform for suppliers, and make the online rate of suppliers reach 98%.</li> </ul>	
Product Liability	<ul style="list-style-type: none"> <li>Plan to develop 2-4 products for prevention and mitigation of various health problems faced by the public.</li> <li>Plan to develop 1-2 functional snack foods.</li> <li>Plan to develop 1-2 sustainable products that use plastic-free paper, recyclable materials, and raw materials and formulation designs that adhere to the spirit of the SDGs.</li> <li>Develop 1-3 pet food products.</li> <li>Continuously establish and discuss the feasibility of establishing widespread recycling sites for recyclable plastic materials.</li> <li>Evaluate or replace current materials with more environmentally friendly materials such as FSC certified paper and vegetable-based inks for printing.</li> <li>Implement plastic reduction actions such as removing plastic liners from product, replacing plastic straws with feasible alternatives for PKL products, using lightweight PET bottles, and eliminating plastic fillings from capsule products.</li> <li>Develop strategies to reduce the environmental impact of packaging across the company, including reducing product weight and packaging material usage.</li> </ul>	<ul style="list-style-type: none"> <li>Develop products aimed at common diseases among the elderly, such as Alzheimer's disease, Parkinson's disease or sarcopenia.</li> <li>Design affordable health supplements to enable people to maintain their health at an economical price.</li> <li>Evaluate the recyclability of aluminum foil which is a material extensively used by our company.</li> <li>Plan product packaging reduction by eliminating outer boxes for capsule products.</li> <li>Increase the proportion of recycled materials used in packaging.               <ol style="list-style-type: none"> <li>(1) Increase the use of environmentally friendly materials in products</li> <li>(2) Utilize recyclable plastics such as rPET (recycled PET) material.</li> </ol> </li> <li>Set targets to reduce packaging waste and mitigate the impacts of the packaging materials on the environment; plan to reduce packaging and replace disposable cartons with reusable plastic crates for Grape King Bio's online shopping products.</li> </ul>	<ul style="list-style-type: none"> <li>Plastic packaging does not decompose easily, which can lead to accumulation of plastic waste. We plan to replace current HDPE packaging materials with biodegradable packing materials to reduce usage of plastic containers.</li> <li>Continuously develop products aimed at current health needs of local consumers.</li> </ul>	  



## CH2 Product Liability

Director of  
Manufacturing Division  
and General Manager of  
Pro-Partner subsidiary  
**Mei-Ching Tseng**



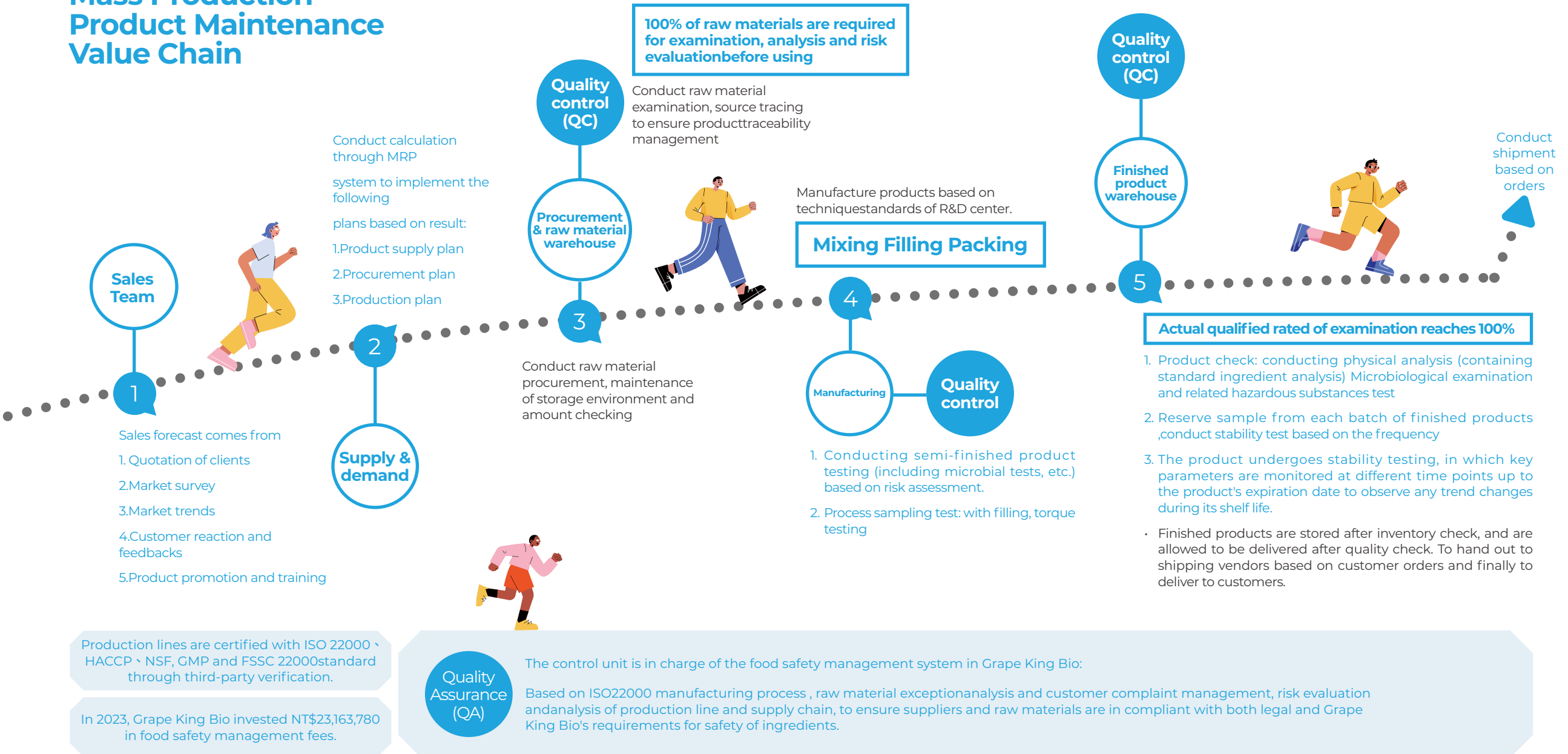
“  
**Grape King Bio and Pro-Partner prioritize and emphasize customer health and safety. We will continue to improve our food production systems to bring the best products to the public**  
”

Management Approach	Key issue-Product liability and safety	
Policies	Continuous innovation, pursuit of outstanding quality, implementation of social responsibilities, and ensuring customer satisfaction	
Commitments	Develop healthy and high-quality products for consumers that embody the concept of “Live Healthy, Think Grape King”	
Targets	Short-term	<ul style="list-style-type: none"><li>Continue to strengthen source management and complete traceability management for all products</li><li>Continuously promote food safety culture activities in accordance with international FSSC22000 specifications</li><li>Establish cGMP system at Zhongli Factory</li><li>Ensure that the software at Pingzhen Factory adhere to the requirements of the Australian TGA GMP system</li></ul>
	Mid-term	<ul style="list-style-type: none"><li>Integrate external inspections to optimize inspection procedures and improve inspection efficiency</li><li>Establish a food safety history tracking system</li><li>Ensure that the hardware at Pingzhen Factory adhere to the requirements of the Australian TGA GMP system</li><li>Establish an intelligent exception handling system and digital exception/customer complaint database to improve quality and processing efficiency</li></ul>
	Long-term	<ul style="list-style-type: none"><li>Continue to improve and refine food safety, quality verification system, and inspection center in line with international standards and the latest verification standards</li><li>Continuously stabilize product quality, provide consumers with higher quality and healthier products, and improve Grape King Bio's brand image</li></ul>
Responsibilities	External responsibilities: Taiwan Food and Drug Administration (TFDA) Internal responsibilities: Food Safety Team, maintenance of various food safety management systems, maintenance of HACCP product plans, sanitation management procedures, and processing procedures for quality issues	
Resources	<ul style="list-style-type: none"><li>Human resources: Added 1 microbiologist inspector and 1 chemical testing inspector</li><li>Systems: Extended laboratory ISO22000:2018 certification to include fungi product line in additional to existing lactic acid product line</li><li>Equipment: Purchased phase contrast microscopes, laminar flow benches, refractive index detectors, and diluters for lactic acid bacteria</li></ul>	

Management Approach	Key issue-Product liability and safety
Specific performance	<ul style="list-style-type: none"><li>✓ Passed 15 microbiological and chemical capability tests</li><li>✓ Laboratory personnel optimized and established 4 inspection methods</li></ul>



# Mass Production Product Maintenance Value Chain





Concerns over food hygiene and safety may trigger product recalls, be reported on the news, and leave a bad impression on consumers. Therefore, Grape King Bio’s product liability target for 2023 is to “incur zero product recalls due to concerns over product hygiene and safety.” We hope to ensure food safety through rigorous control of all phases from procurement to sales, and 100% of our products have undergone food hygiene, food safety, and quality management procedures that encompass control of operating personnel, locations, facility hygiene, and quality assurance systems. In 2023, Grape King Bio invested NT\$23,163,780 (0.22% of net revenues in 2023) in food safety management fees, including inspection fees, human resources, testing materials, equipment depreciation, certification fees, and other expenses. Management fees and expense ratios for each item are shown as follows :

Item	Fees	Ratio
Human Resources	10,522,034	46%
Equipment	5,780,252	25%
Consumables	3,970,880	17%
External inspections and verifications	2,397,251	10%
Miscellaneous	493,363	2%
Total	23,163,780	





2.1 Sustainable Supply Chain



Supply Chain Director  
**Ryan Chou**

“Our supply chain focuses on controlling material quality, sustainability, and health at the source, and we fulfill our commitment to customers through rigorous supplier evaluations and audits”

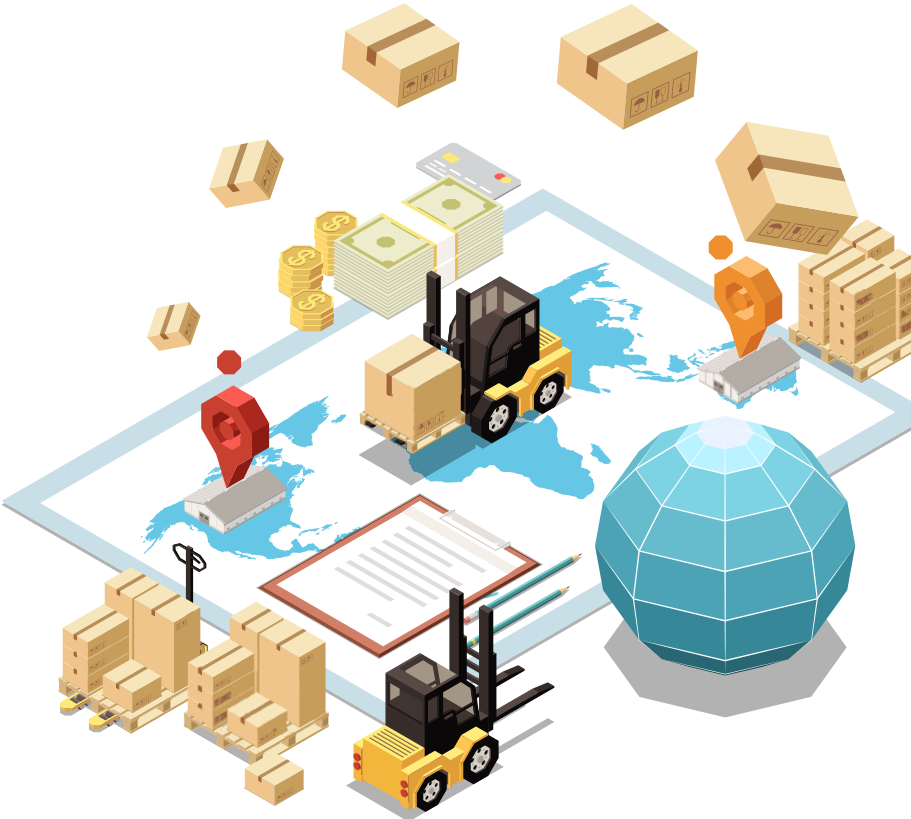
We revised our “Grape King Bio Supplier Code of Conduct” (please refer to the[LINK]for more information) in October 2019 and gradually required all suppliers to sign the Supplier Code of Conduct by adopting the following methods:

- (1) Official promotions and announcements
- (2) New suppliers are required to sign the Supplier Code of Conduct when signing contracts
- (3) Suppliers are required to sign the Supplier Code of Conduct when renewing contracts



We maintain product quality by ensuring that our values align with those of our suppliers. We use our “Supplier Management Platform” to disseminate ESG issues (such as our no-gift policy) to our vendors. For example, just before Moon Festival in 2022, we used our SIMP (Supplier Intelligent Management Platform) to remind all vendors of our no-gift policy, significantly reducing gift-giving behaviors from our suppliers. Additionally, we regularly manage and review our suppliers, which include: (1) new suppliers, (2) existing suppliers, (3) project contractors.

Subject	[Policy Advocacy] Maintain Integrity and Celebrate the Festival		
Start Date	August 23, 2022	End Date	September 10, 2022
Announcement Top Placement	Yes	Link	
Contact Name	Grape King Bio-Procurement Officer	Contact Phone	(03)457-2121
Announcement Message Content	Dear Suppliers, As the Mid-Autumn Festival approaches, our company's procurement department kindly requests that no gifts or invitations be offered. We respectfully decline any form of gifts or banquets. We appreciate your cooperation in avoiding any potential inconvenience. Please take note of this announcement and thank you for your understanding. Wishing you a joyful Mid-Autumn Festival!!		
Announcement Targets	Corporate Zone; Vendor Zone		



2.1.1 Procurement Strategy

Procurement Regulations

Procurement of all raw materials at Grape King Bio is required to comply with corporate procurement procedures committed to local procurement. We have established the following criteria to strengthen control of raw materials :

- 

(1)Raw materials must be legally registered in the government food manufacturer registry system.
- 

(2)Raw materials must be tested and approved by our R&D and relevant departments.
- 

(3)Raw materials must provide comprehensive product information for analysis and comparison, and packaging and labels cannot be altered or replaced.
- 

(4)Raw materials imported from foreign countries must be equipped with licenses and imported in their original packaging.
- 

(5)Raw materials must be stored in accordance with regulations and relevant licenses must be procured.
- 

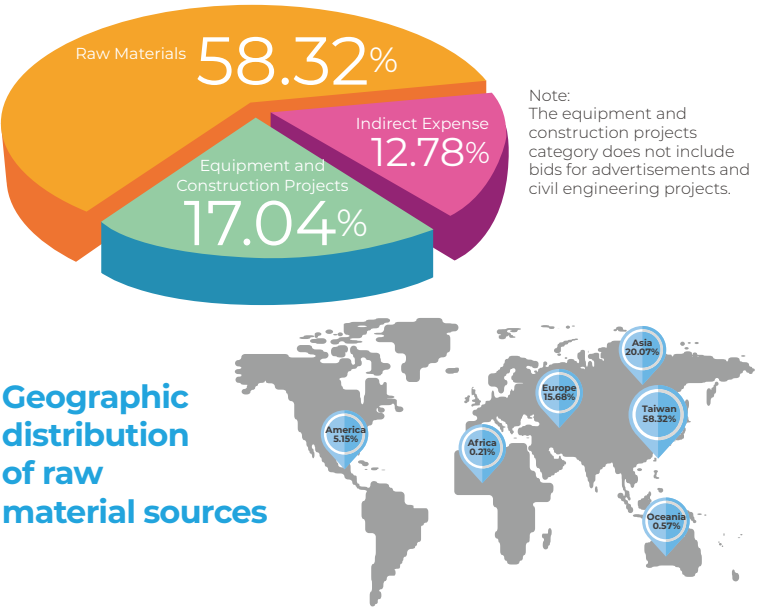
(6)Evaluation procedures must be reimplemented upon the revision of relevant electronic information for raw materials.

Local and Sustainable Procurement

Grape King Bio prioritizes suppliers who are committed to development and procurement of green products, emphasize food safety and environmental protection, and protect labor rights. Additionally, in consideration of delivery costs and environmental issues, we strive to procure materials from domestic suppliers to reduce environmental impacts from the transportation process while also driving industrial development of upstream materials in Taiwan. When applying for and assessing equipment purchases, we fill out assessment charts for equipment with heavy energy consumption to verify the types of energy used and energy consumption levels.

The distribution ratios of Grape King Bio's purchase amounts for 2023 is shown below :

We have enjoyed mutual growth alongside our supplier partners and are working together to expand the social responsibility benefits in our supply chain and operate our businesses responsibly. Our suppliers provide us with high-quality raw materials and help us jointly establish the Grape King Bio value and supply chain. Our map of raw material procurement sources for 2023 is shown below  
(local procurement ratio was 58.32%) :



Besides, the materials used by Grape King Bio for 2023 is shown below :

Item	Weight (ton)
The total weight of raw materials, auxiliary materials in the process, semi-finished products or components ( Note 1)	0
The total weight of the material used for packaging	486.69

Note 1 : Because we are food industry, there are no raw materials, auxiliary materials in the process, semi-finished products or components.

Zero Supply Shortages

To maintain operations of Grape King Bio enterprises, we established preventive measures in advance and prioritized stability of supply chains. We first established internal demand, supply, and inventory management procedures, after which we assessed and verified which suppliers were located in areas exposed to epidemic risks, supplier inventory conditions, and the land, sea, and air transportation capabilities of our logistics providers. We also confirm our suppliers are able to provide timely deliveries, maintain supplier relationships built on mutual trust, and actively seek out alternatives and second or third suppliers to disperse our procurement risks and ensure flexibility.

Many supply chains successfully overcame the challenges brought about by the pandemic, but as all countries are gradually opening their borders and ushering in the post-pandemic era, we are still faced with a number of challenges, including prolonged supplier delivery times, increases in delivery costs, and transnational supply shortages, which have caused raw material costs to rise. Rising costs of order fulfillment, changing consumer demands, and increased returns and discarded products have all added to the challenges of effective inventory management. These factors, coupled with increasingly strict regulations, have heightened demand for enhanced quality, and quality issues have in turn raised supply risks. Therefore, the ability to obtain qualified raw materials has now become more important than shortening delivery times. To fulfill increasingly complex consumer expectations, supply chains still need to overcome the aforementioned difficulties and various customer-related challenges. Grape King Bio established four main strategies to prevent supply shortages in 2023, including inspecting the delivery dates at source, deploying advanced procurement strategies, finding alternative sources, and developing diversified solutions. Targets for 2023 :

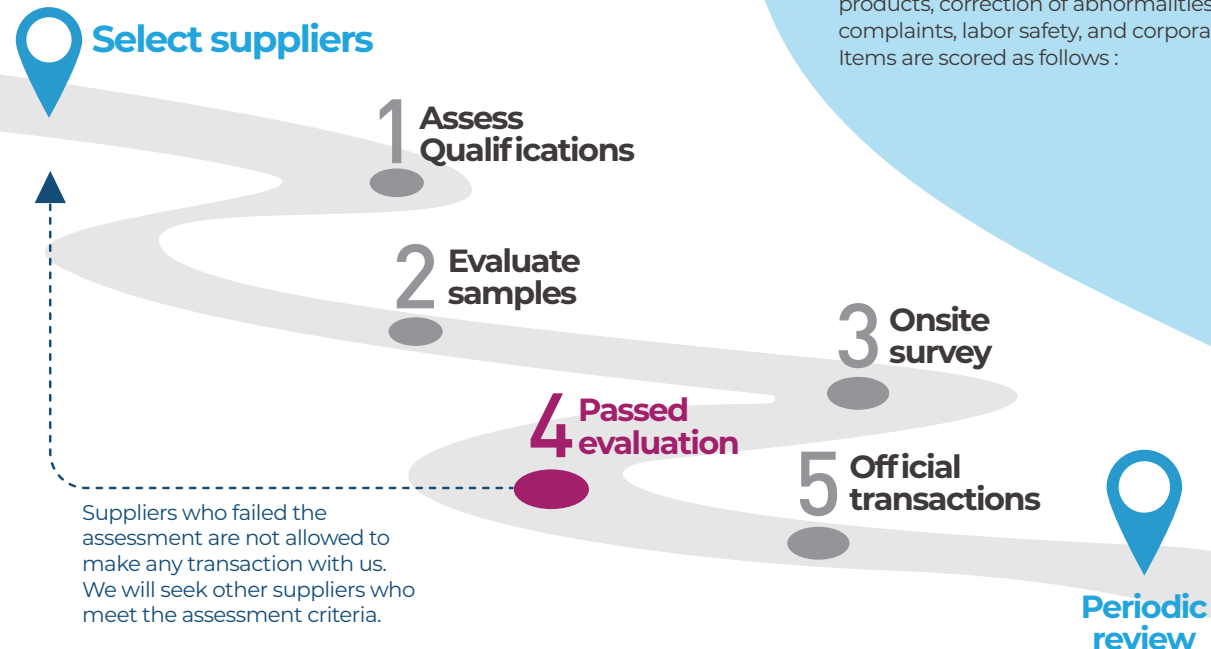
- (1) Target client order completion rate of 99%; actual achievement: 98.99%.  
(2) Zero supply shortages at Pro-Partner; actual achievement: no supply shortages.  
(3) Maintain 50 raw material reserve items; actual achievement: 53 items.  
(4) Target recovery rate of 90% for sustainability self-assessment surveys from significant suppliers; actual achievement: 100%.  
(5) Target SIMP system launch progress rate: 80%; actual achievement: 89.94%.

## 2.1.2 Audits of New Suppliers

Raw material quality is managed by our quality control department, and we also implement multifaceted procedures on our raw material suppliers. We review supplier conditions based on legality, reputation, adherence with factory sample specifications, protection of employee rights, emphasis on food safety, and environmental actions, after which we conduct reviews of written materials. Suppliers must submit their business and factory registration certificates to prove that they are operating legal companies and factories. They must also provide certificates related to raw materials so that we can evaluate the soundness of their systems and plans.

Grape King Bio has formed a cross-departmental team which conducts supplier evaluations. Our evaluation team conducts audits and reviews of raw materials suppliers through non-periodic supplier visits to assess whether suppliers comply with relevant laws, monitor improvements, and implement risk management procedures for our supply chain. We only continue to work with suppliers who fulfill our criteria. Evaluation procedures include (1) on-site audit and (2) follow-up tracking.

We use five main processes to audit suppliers, as shown in the figure below.



## Supplier evaluation team duties and responsibilities



### 1. On-site audit

Suppliers are required to provide relevant factory management and control documentation, production history, analysis of product hazards, Certificates of Analysis (COA), and other information. We also conduct actual inspections of production and operation areas to evaluate health and safety, status of mechanical equipment, quality and designs, raw material management, process control, management of finished products, correction of abnormalities, handling of customer complaints, labor safety, and corporate social responsibility. Items are scored as follows:



2. 1. Tracking improvements for audited items

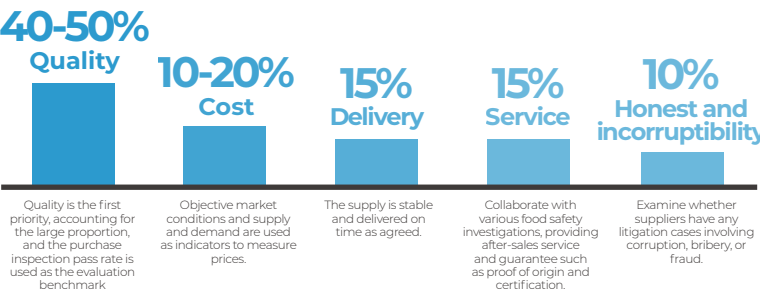
After conducting on-site evaluations, we ask suppliers to respond to and discuss our suggested improvements before conducting a second review of overall evaluation results and responses. We halt collaborations with suppliers who have major deficiencies or incompetencies until improvements are implemented. In 2023, we evaluated 72 suppliers (including 22 new suppliers). No suppliers failed to pass our on-site evaluations. The results of supplier evaluation conducted by Grape King Bio for 2023 are shown in the following table :

2023 On-Site-Evaluations		Evaluation Categorization		ESG Level		Total Number of Evaluated Suppliers
New Suppliers	Raw Materials	A	3	A	3	On-site evaluations : 4
		B	1	B	1	
		C	0	C	0	
	Other Material	A	6	A	3	On-site evaluations : 12
		B	6	B	9	
		C	0	C	0	
	Outsourcing	A	4	A	Temporarily excluded from evaluations	On-site evaluations : 6
		B	2	B		
		C	0	C		

After the supplier has completed the initial on-site evaluation and become an existing supplier of Grape King Bio, we continue to conduct on-site evaluations at existing suppliers from time to time to ensure that the supplier maintains its internal quality management system, as well as other systems including environmental hygiene, food safety are effectively implemented, which is to prevent slackness and encourage continuous improvement among our suppliers.

2023 On-Site-Evaluations		Evaluation Categorization		ESG Level		Total Number of Evaluated Suppliers
New Suppliers	Raw Materials	A	23	A	23	On-site evaluations : 34
		B	11	B	9	
		C	0	C	0	
	Other Material	A	6	A	5	On-site evaluations : 13
		B	7	B	4	
		C	0	C	4	
	Outsourcing	A	4	A	Temporarily excluded from evaluations	On-site evaluations : 4
		B	0	B		
		C	0	C		

78 of our significant suppliers. All suppliers achieved a qualification rate of 100% on the 21 ESG assessment items. In the future, we will continue to track supplier ESG performance.



In 2023, we audited 220 material suppliers and achieved an audit ratio of 100%. The results of our rigorous evaluations revealed that 214 suppliers were Class A suppliers, 6 suppliers were Class B suppliers, and 0 suppliers were Class C suppliers. A total of 220 high-quality suppliers are qualified to continue working with Grape King Bio. The results of supplier audits conducted by Grape King Bio for the past three years are shown in the following table :

Year	2021	2022	2023
Total number of suppliers	217	284	220
Audited suppliers	217	284	220
Audit ratio	100%	100%	100%
Class A	169	243	214
Class B	48	41	6
Class C	0	0	0
Audit pass rate	100%	100%	100%

\*Categorization : Suppliers with a score of more than 81 are classified as Class A (excellent) suppliers; suppliers scoring from 65 to 80 are classified as Class B (qualified) suppliers; and suppliers with a score of less than 65 are classified as Class C (unqualified) suppliers; no transactions are permitted with unqualified suppliers.

Notes on figures for 2023 : If a vendor simultaneously supplied raw materials, other materials, and outsourced services, they were evaluated separately due to the differences in vendor attributes.



2.1.3 Regular Evaluation of Existing Suppliers

1. Annual Evaluations

Grape King Bio conducts regular annual evaluations of raw material suppliers and outsourcing vendors. Apart from the four main aspects including Q (Quality), C (Cost), D (Delivery), and S (Service/Cooperation), evaluations and scoring are based on ethics and integrity considerations which are incorporated in response to ISO 37001 in 2024. These aspects are also used as a basis for risk management. Companies that scored above 81 were deemed to be Class A (excellent) suppliers, those that scored between 65-80 were deemed to be Class B (qualified) suppliers, and those that scored less than 65 were deemed to be Class C (unqualified) suppliers. We prioritize on-site visits to existing suppliers that have had major abnormalities in quality and significant suppliers of raw materials. Of our 144 evaluation items, 21 are ESG-related evaluation items. In 2024, we distributed self-assessment questionnaires for ESG to



We cease procurement from unqualified suppliers, provide assistance in the form of consultations and counseling, and set clear goals and timelines for improvement so that suppliers can improve their current conditions and meet Grape King Bio expectations. These evaluation cycles and counseling mechanisms facilitate early detection of potential problems as we work with our suppliers to continually improve and refine relevant issues.

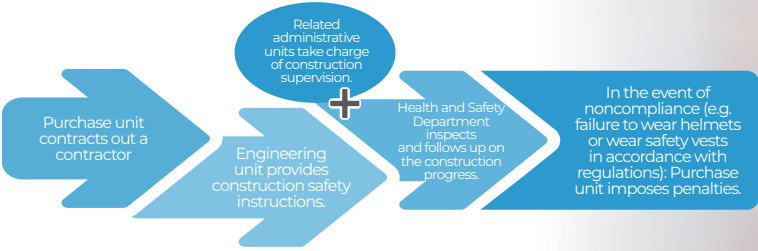
Supplier Screening	2022	2023
Total number of Tier-1 suppliers	229	220
Total number of significant suppliers in Tier-1	52	49
% of total spend on significant suppliers in Tier-1	45%	56.5%
Total number of significant suppliers in non Tier-1	28	29
Total number of significant suppliers (Tier-1 and non Tier-1)	80	78

1. Suppliers : Our suppliers can be categorized into raw material suppliers, subcontractors, and project suppliers.
2. Tier-1 suppliers : Tier-1 suppliers are raw material suppliers who directly provide raw materials and other materials to our company, and supplier evaluations are conducted every year.
3. Significant suppliers : We define significant suppliers as those whose raw material transaction amounts make up the top 80% of the total raw material procurement amount for the year, and project suppliers with transaction amounts more than 1 million for two consecutive years.
4. Non Tier-1 Significant suppliers : These are significant suppliers other than the Tier-1 significant suppliers.



### 2.1.4 Contractor Management

Grape King Bio adheres to government procurement regulations when selecting contractors through procurement evaluation, price comparison, or price negotiation procedures in an open and fair manner. We prioritize collaborations with domestic suppliers. When selecting contractors, we prioritize purchases of products and equipment with energy efficiency labels, water efficiency labels, and energy-saving properties. We first consider our needs in terms of specifications and functions, then assess transaction risks (including whether companies are legally registered and details of payment conditions) before commencing collaborations.



We have designed “Hazard Prevention Notices” for our contractors and implement a strategy that combines counseling, auditing, and dissemination as we actively work to provide safety management guidance to our contractors, strengthen promotion of work safety measures, and enhance worker awareness of labor safety prior to construction work within our factories to ensure that we maintain safety protections and labor safety in workplace environments.



## 2.2 Food Safety and Responsibility

Director of R&D Division  
**Sheng-Chieh Hsu**



“

*Our food safety management system strictly manages achievement of quality objectives for all production lines to ensure that our products adhere to or even exceed regulatory requirements.*

”

Deputy Director of Quality Control Department and Inspection Center  
**Shu-Xing Yeh**



### Product Liability Policies and Commitments

Protection of public health is a foundation of Grape King Bio operations. We consider product liability as one of the most important operational and production components, which is why we have set rigorous quality and sanitation standards for all stages of production. We have formulated four major food safety policies : “Continue innovation, pursue excellent quality, implement social responsibilities, and ensure customer safety.” We hope to develop more high-quality products that adhere to factory-mandated annual quality targets. We also organize non-periodic charitable activities that give back to society, bring warmth to the public, and build customer confidence in Grape King Bio products.

### Responsible Marketing Policy

Grape King Bio upholds a responsible marketing approach. Our goal is to promote healthy lifestyles through clear labeling and responsible marketing, transparently conveying our product and nutrition information, and promoting our products according to strict guidelines, especially in the practices of marketing ethics, advertising, and sales. Our marketing policy includes :

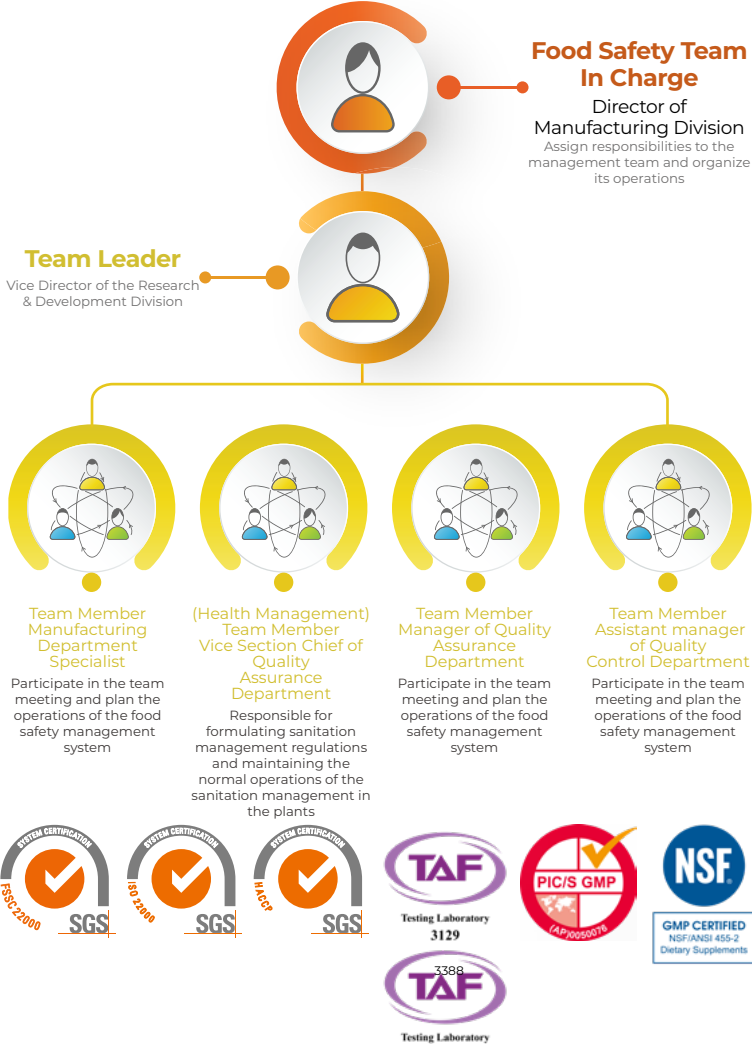
- Providing accurate and balanced information about products/services
- Refraining from exaggerating statements about environmental and social impacts
- Safeguarding the vulnerable (such as children) in the market
- Avoiding the dissemination of false information about competitor products/services



2.2.1Systemic Food Safety Protections

1. Food Safety Management Organizations

The highest food safety management authority at Grape King Bio is our Chairman, and the director of our manufacturing division serves as the leader of our food safety team. Our organizational structure for food safety management is shown in the following figure :



The organizational structure at our Longtan Branch is shown below :

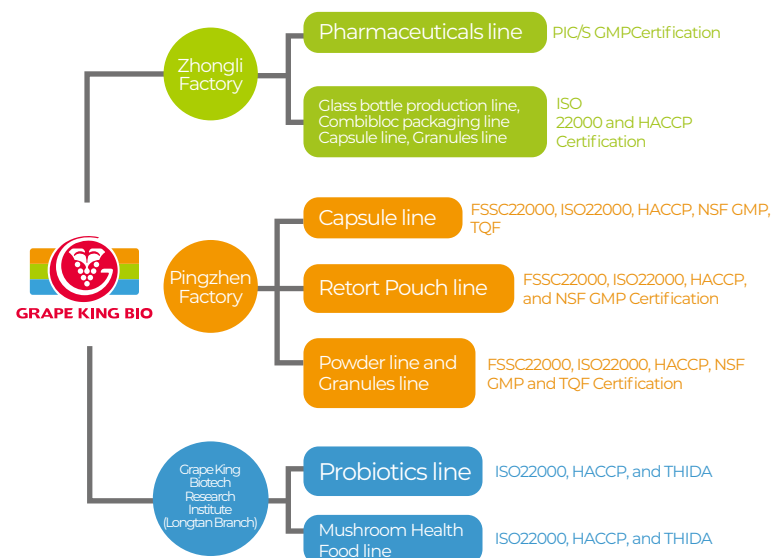


Our food safety management system requires relevant units to conduct timely reviews of target achievement rates every year. We convene one management review meeting each year. In 2023, we discussed a number of issues relating to achievement of production line quality targets, product recall simulations, adjustments in management systems, documentation updates, promotion of regulations, review of internal and external audits, sanitation monitoring results, and analysis on customer complaints; we also formulated relevant targets for the following year. In terms of food safety audits, dedicated personnel conduct monthly sanitation compliance inspections on production lines, and project teams conduct annual self-internal audits to inspect regulatory compliance of food safety management systems and PIC/S GMP and GDP compliance of pharmaceuticals.



## 2. System Implementations and Cetifications

Grape King Bio received a pharmaceutical manufacturing license from the Ministry of Health and Welfare in October 2014. Management of raw materials starts from the manufacturing stage. Our pharmaceutical production lines have obtained PIC/S GMP certification, and our food production lines have obtained TQF certification, ISO 22000 and FSSC 22000 food safety management certifications, NSF GMP certification, and Halal certification. Additionally, Grape King Bio has established an ISO/IEC 17025 TAF certified lab that ensures the stability of our manufacturing processes and maintains our quality management systems (QMS). Current systems implemented at Grape King Bio factories are shown in the following figure :



Pingzhen Factory, Zhongli Factory and Longtan Branch have received ISO 22000 and HACCP management system certifications and our Pingzhen Factory has received FSSC 22000, TQF and NSF GMP certifications. Together, these three factories contain production lines for 8 dosage forms. All follow-up inspections of production lines were completed in 2023, achieving an inspection accomplishment rate of 100%. Furthermore, 100% of our products are produced by certified production lines, providing another guarantee of product quality.

## 3.Guidelines for Food Safety Labeling with Sanitation Regulations

Grape King Bio rigorously controls the safety of produced foods. For groups that require special attention, such as infants, pregnant women, and breastfeeding mothers, our product development team first confirms requirements related to raw materials, dosage forms, and functions, then includes relevant warnings on product labels.

(1) Usage of raw materials: If public government websites carry a warning for a raw material, we will include the same on product labels. For example, our factories use Anrodia cinnamomea, and legal regulations require products which use this ingredient to carry the following warning : “Infants, pregnant women, and breastfeeding mothers intending to consume this product should consult a physician or healthcare professional.”

(2) Dosage forms: Products meant for children or other specific users (such as gummy candies or jellies) will carry safety warnings.

(3) Functional requirements: Products are labeled as appropriate (for example, vegetarian, vegan, or lacto-vegetarian) after verification of formulations.

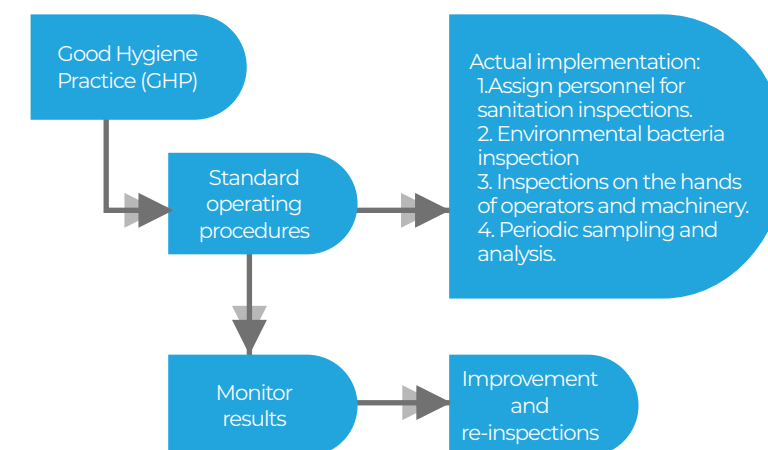


## 2.2.2 Food Safety Training

Grape King Bio's internal food safety training implementations adhere to government regulations. We also organize external training for employees to strengthen internal food health and safety measures. Additionally, we continue to disseminate knowledge of related regulations to entry-level employees through internal lecturers, our quality department promotes concepts related to sanitation, and hygiene management personnel from our manufacturing units receive training. We promote self-evaluation mechanisms and continue to make improvements and enhance quality.

### 1. Personnel Training and Inspections Aligned with Sanitation Regulations

(1) Based on GHP (Regulations on Good Hygiene Practice for Food) Grape King Bio adheres to the “Regulations on Good Hygiene Practice for Food” and we provide training for new food personnel to ensure that they comply with sanitation and quality management requirements during production procedures. Our employees undergo annual food safety and sanitation training to strengthen their awareness of sanitation concepts, understanding of requirements, and voluntary hygiene management.





(2) Sanitation Inspections by Designated Personnel  
Our Manufacturing Division designates hygiene management personnel to each production line to conduct daily sanitation inspections, while hygiene managers conduct monthly inspections.

(3) Monitoring of Production Line Environments:  
We conduct periodic settle plate tests, as well as inspections of operator hands, machinery, and equipment. If our inspections reveal non-compliance items, we carry out immediate improvements and re-inspections to achieve an overall inspection compliance rate of 100% (including improvements). The results of annual inspections are analyzed and discussed during quality and sanitation meetings to facilitate improvements year over year so that we can continue to enhance product quality.

2. Annual Food Safety Training Performance

(1) Systemic Training  
Grape King Bio completed the training of first-line operators at Zhongli Factory and Pingzhen Factory in 2022. Our training covered basic GHP concepts and strengthened personnel understanding of food safety management systems to ensure that all products meet sanitation, safety, and quality requirements.

	Regulated Personnel	Routine Training	Implementation at Factories
Food Handling Personnel	New food handling personnel	Production and manufacturing; management of quality systems; sanitary regulations; and documentation control	New employees are required to complete training and are tested on quality systems, sanitary regulations, and documentation control. Managers in production and manufacturing units also provide training to new employees and test them on their knowledge. Training accomplishment rates were 100%.
	Other food personnel	Food safety; hygiene and quality management	All production line operators at Zhongli Factory, Pingzhen Factory, and Longtan Branch completed food safety, sanitation management, and quality management training in 2023. Training accomplishment rates were 100%.
Food Safety Control Team	Dedicated hygiene management personnel for food manufacturing factories	8 hours of retraining every year	All hygiene management personnel at Zhongli Factory, Pingzhen Factory, and Longtan Branch completed 8 hours of retraining in 2023. Training accomplishment rates were 100%.
	Food safety control system team members	12 hours of retraining every 3 years	All team members completed the required 12 hours of retraining every 3 years in 2023.



(2) Training for Hygiene Management Personnel  
Our Zhongli Factory, Pingzhen Factory, and Longtan Branch each have one dedicated hygiene management person; all management personnel completed 8 hours of training in 2023.

(3) Organizational Food Safety Training  
All members of the food safety control management team have currently completed their required 12 hours of training. The food safety team for our Longtan Branch was established in 2019, and all team members have obtained qualifications for at least 30 hours of training in food safety control systems.

Grape King Bio actively participates in food safety activities. We are a member of several food-related associations, including the Taiwan Quality Food Association, Taiwan Association for Food Science and Technology, and Taiwan Functional Food Industry Association, and our senior managers serve as directors for multiple associations. We continue to strengthen industrial food safety by working with various corporate organizations and by supporting and using association-formulated safety guidelines for processed foods and drinks. We also participate in industrial initiatives as part of our emphasis on food safety.

2.2.3 Product Quality and Safety Inspections

1. Inspection Center

The inspection center at Grape King Bio is a TAF certified laboratory and operates according to ISO/IEC 17025 standards. Our inspection items include physical and chemical properties, compliance with sanitation regulations, and food safety factors. Our inspection technicians have received TAF certification and our laboratory personnel periodically take capabilities tests conducted by laboratories with third-party certifications to ensure that our inspection center adheres to the highest standards.

In 2019, we implemented new regulations in our inspection center and revised all protocols. We submitted our revision applications in November and passed verifications in the second quarter of 2020. In 2021, we renewed the certificate for our lab at Zhongli Factory and the lab at Pingzhen Factory underwent annual supervisory evaluations. The labs at both factories successfully passed all inspections. In 2022, all 30 staff members (100%) at our inspection center obtained their ISO/IEC 17025 training certificates and achieved our goal for the year. Additionally, 9 of our staff members obtained their training certificates for internal laboratory audits and became qualified auditors. Furthermore, the laboratories at our two factories both passed audits adhering to the new ISO/IEC 17025:2017 standards.

In 2023, the Pingzhen Factory's certification extension of the Inspection Center was approved. As of 2023, there are 8 items in the biological field and 4 in the chemical field for a total of 12 certified items for the Zhongli Factory and Pingzhen Factory.



2. Inspections of Raw Materials

Inspection Processes for Incoming Raw Materials

All (100%) of raw materials used at Grape King Bio have passed incoming material inspections. We own two internationally accredited laboratories which strictly review inspection reports submitted by suppliers and we have also added a number of inspection items relating to food safety. For incoming materials that fail to meet our inspection standards, we request returns and refunds from our suppliers, reinspect new materials, and also urge our suppliers to propose corrective actions for preventing re-occurrence.



Inspection Items and Frequencies

Our current inspection items include tests for residues of 410 pesticides, 9 plasticizers, 5 microbes, and 4 heavy metals. We also adhere to the new law (microbiological tests for food) promulgated in July 2021 to evaluate product risks and have also established inspection frequencies for Staphylococcus aureus, Salmonella, and Listeria monocytogenes. Our inspection program exceeds government requirements and we conduct batch-by-batch inspections. We implement risk assessments following multiple batch inspections to adjust inspection frequencies, reduce equipment wear, and achieve a better balance between quality and inspection costs. Laboratory personnel optimized and established 4 inspection methods in 2023, including:

- 1. Inspection of ethylene oxide in food
- 2. Microbiological examination of cosmetics
- 3. Testing procedures for lutein, zeaxanthin, and beta-carotene
- 4. 4 microbiological USP tests

**Inspections of foods sold at our Tourist Factory**

(一) Product inspection frequencies:

- 1. Drinks:  
1-1 Cold drinks: Bimonthly inspections.
- 1-2 Hot drinks: Quarterly inspections.

2. Ice cubes: Monthly inspections.

3. Ice products: Biweekly inspections from July to September, and monthly inspections for the rest of the year.

4. Cooked foods: Quarterly inspections.

(二) Equipment test frequencies:

- 1. Coffee machines: Quarterly inspections.

2. Ice makers: Biweekly inspections from June to September, and monthly inspections for the rest of the year.

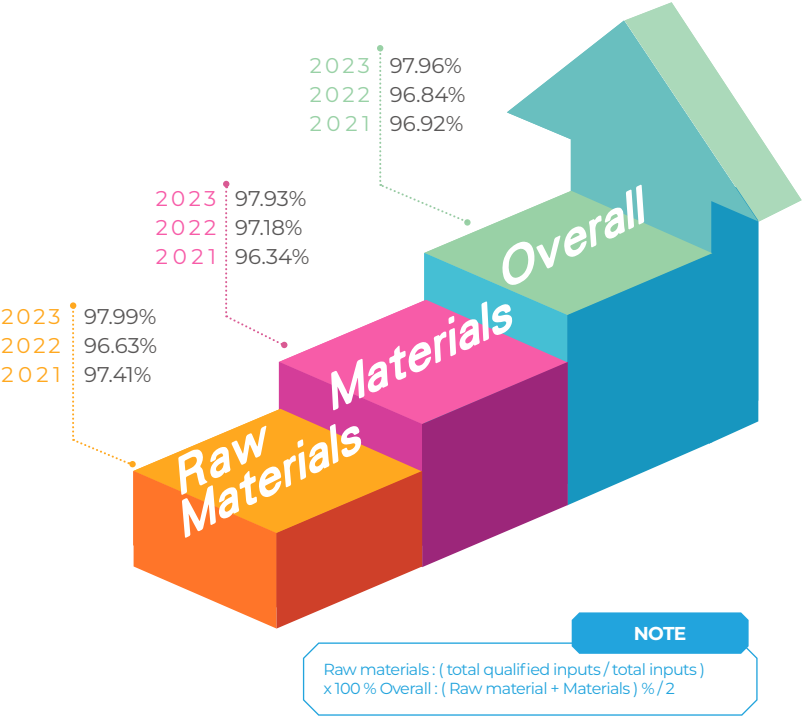
3. Soft serve ice cream machines: Biweekly inspections from July to September, and monthly inspections for the rest of the year.

Inspection items for raw materials and products at Grape King Bio include the following categories:

Microbiological hazard inspections	Bacterial count, Escherichia coli, coliform levels, Enterobacteriaceae, Staphylococcus aureus, Salmonella, mold, yeast, Candida albicans, Monocytogenes Listeria and Pseudomonas aeruginosa
Chemical hazard inspections	Plasticizers, heavy metals, mycotoxins (aflatoxin, ochratoxin A, patulin), food processing aids, pesticide residuals, Sulfur Dioxide, Deoxyribonucleic Acid of Clostridium perfringens, and Ethylene Oxide
Physical hazard inspections	Foreign body inspections

Inspection Results

Approval criteria for raw materials at Grape King Bio are more stringent than government regulations. This allows us to provide the strictest safeguards for our consumers. If our inspections of incoming materials reveal raw materials that fail to comply with our factory quality criteria, we will conduct reviews of said raw materials in accordance with laws and regulations.



Grape King Bio strictly controls the quality of products, using precision instruments to carry out a number of inspections, including physical and chemical properties, hygiene standards, food safety issues related inspections, in 2023 we performed the following product inspection results :

Item	Raw Material				Other Material
	Purchased raw materials	Biotechnology ferments	Manufacturing processing (premix)	Manufacturing processing (semi-finished products)	
Number of inspection pieces	2,337	1,280	321	2,436	2,226
Number of qualified pieces	2,290	1,238	321	2,435	2,180
Number of unqualified pieces	47	42	0	1	46



3. Quality Inspections and Targets

Quality is the foundation of all products, and only products with safe and dependable quality will be trusted by consumers. Grape King Bio has established specific quality targets for continued follow-up and management to ensure stable quality and to protect customer interests. The following table shows the target achievements that have all been met in 2023 :

Factory	Item	Targets	Achievement Status
Zhongli Factory	Defective label rate for large/ small glass bottles	Below 0.65% for large glass bottles	Below 0.33% for large glass bottles
	Defective seal rate for combibloc packaging	Below 0.0020%	0.0013%
	Defective fill rate for capsules	Below 0.25%	0.11%
	Defective packaging rate for granule formulations	Below 2.0%	2.42%
Pingzhen Factory	Defective fill rate for capsules	Below 0.35%	0.037%
	Defective packaging rate for granule formulations	Below 2.0%	1.02%
	Defective packaging rate for powder formulations	Below 2.0%	1.35%
	Annual tank failure rate	Below 2.0%	0.91%
Longtan Branch	Defective packaging fill rate	Below 3.0%	0.03%
	Defective packaging fill rate	Below 0.5%	0%

4.Assurance of Product Safety

Grape King Bio continually monitors potential quality changes that may occur during product sales periods to ensure that we provide excellent products held to the highest standards. We work to prevent possible hazards to human safety, health, the environment, and our products. We constantly and rigorously verify and audit product functionality, consumption methods, manufacturing processes, final product forms, and intake volumes to ensure product quality and safety. We strive to achieve full customer satisfaction both now and in the future.

Grape King Bio provides capsule, powder, granule, glass bottle, combibloc packaging and sterilized soft bag products. All products have to pass through multiple checks at the raw material, semi-finished product, end product, and packaging and labeling stages, and products can

only be delivered after we have ensured that they are error-free. We aim to lower our potential risks of product recalls to zero. We also increase product inspection quantities, items, and frequencies (including bottle labels and printed adhesive seams for boxed products) for clients with stricter packaging requirements. Current certification systems adopted by Grape King Bio include ISO22000, FSSC 22000, NSF GMP, and TQF standards. System regulations also contain requirements relating to product safety, such as physical hazards (sieve inspections, metal detection, X-ray inspections, and others).The costs incurred due to recalls and the recall expenses for the year 2023 are both zero dollars.Grape King Bio aims to meet the goal of "zero recalls due to quality or sanitary concerns" by maintaining the effectiveness of the overall quality system through collaboration between the quality management unit and cross-functional teams.In 2023, the number of product lines recalled is zero, and both the number of product removals and the total weight of products removed are zero.

2.2.4 Tracking and Compliance Management

Grape King Bio has established strict safeguards of raw material sources and emphasizes inspections of raw materials, process management, and product quality as part of our commitment to guarantee food safety. We have established the following systems, regulations, and actions to achieve optimal efficiency.

- 1. Food tracking and tracing system (ftracebook )
- 2. Food business registration platform ( fadenbook )
- 3. Internal tracing management mechanisms
- 4. Management of product packaging and labels
- 5. Management of product advertising and marketing
- 6. Compliance with food safety regulations

1. Food Tracking and Tracing System

In response to government policies requiring food manufacturers to establish food tracking and tracing systems, we log product information to the government ftracebook system every month. This not only strengthens our self-management but also makes it easy to quickly and completely track products in the event of a food safety incident.



2. Food Business Registration Platform

We support the “Food business registration platform” established by the government and work to register our products within the mandated time periods in accordance with regulations, thus ensuring that the government and consumers can obtain clear information from Grape King Bio. Our registered information is shown in the table below :

Food Manufacturer Registry Information			
Registration Category	Food Manufacturer Registration Number	Registered Name	Registered Address
Company/ Business Registration	H-111880517-00000-6	Grape King Bio Ltd.	No. 402, Sec. 2, Jinling Rd., Pingzhen Dist., Taoyuan City
Factory/ Manufacturing Site	H-111880517-00003-9	Grape King Bio Ltd. Pingzhen Jinling Factory	No. 402, Sec. 2, Jinling Rd., Beixing Vil., Pingzhen Dist., Taoyuan City
Catering Business	H-111880517-00006-2	Grape King Bio Ltd. Tourist Factory	No. 402, Sec. 2, Jinling Rd., Pingzhen Dist., Taoyuan City
Retail Business	H-111880517-00004-0	Grape King Bio Ltd.	No. 402, Sec. 2, Jinling Rd., Beixing Vil., Pingzhen Dist., Taoyuan City
Retail Business	H-111880517-00002-8	Grape King Bio Ltd.	No. 60, Sec. 3, Longgang Rd., Zhongli Dist., Taoyuan City
Factory/ Manufacturing Site	H-111880517-00001-7	Grape King Bio Ltd.	No. 60, Sec. 3, Longgang Rd., Zhenxing Vil., Zhongli Dist., Taoyuan City
Factory/ Manufacturing Site	H-111880517-00007-3	Grape King Bio Ltd. Longtan Factory	Hsinchu Science Park No. 68, Longyuan 1st Rd., Longtan Dist., Taoyuan City
Company/ Business Registration	H-128113878-00000-3	Grape King Bio Ltd. Longtan Branch	No. 68, Longyuan 1st Rd., Longtan Dist., Taoyuan City
Factory/ Manufacturing Site	H-128113878-00001-4	Grape King Bio Ltd. Longtan Branch	No. 68, Longyuan 1st Rd., Longtan Dist., Taoyuan City

3. Internal Tracing Management Mechanisms

Tracing raw materials

Batch management is enabled for all raw materials used at Grape King Bio so we can immediately trace material sources. We conduct two simulation drills each year (once every six months) to ensure the effectiveness of our track-and-trace system.

Our factories conduct at least two recall simulation drills each year in accordance with the “Product Recovery and Disposal Procedures.” The manager or head of our food safety team is responsible for convening related units to participate in drills. Recall procedures are based on different recall classes, and we retain records for all drills. We completed two drills in June and December of 2023 for 6-10 participants.

Systemic internal traceability management

Grape King Bio has established an internal SAP system and voluntary tracking management mechanism which adheres 100% to the “Product Identification and Tracking Management Procedures.” Current mechanisms encompass the products manufactured by the 6 food production lines at Zhongli Factory and Pingzhen Factory (100% of which can be managed through the product identification and tracing mechanism). We conduct two product tracking simulation drills each year to verify our management systems. We completed system tests in June and December of 2023, and results showed that our system was able to obtain tracking and tracing records of production processes for products within 2 hours.

4. Packaging and Labeling Management

Grape King Bio's product packaging labels adhere to regulatory requirements, and we continue to review and update our regulations as needed. Our regulations encompass complete labeling of general raw materials and food additives, nutritional labeling on food packaging, allergen labeling, genetically modified food labeling, fungal product labeling, health food labeling, and warning messages to provide our consumers with necessary awareness and information when purchasing products.

1

Fungal product labeling-clearly specifying the parts used, scientific names and cultivation methods of fungi

2

Complete labeling of ordinary raw materials and food additives

3

Nutrition facts label

4

Health food labelling

5

Warning messages and consumption precautions

1

2

3

4

5

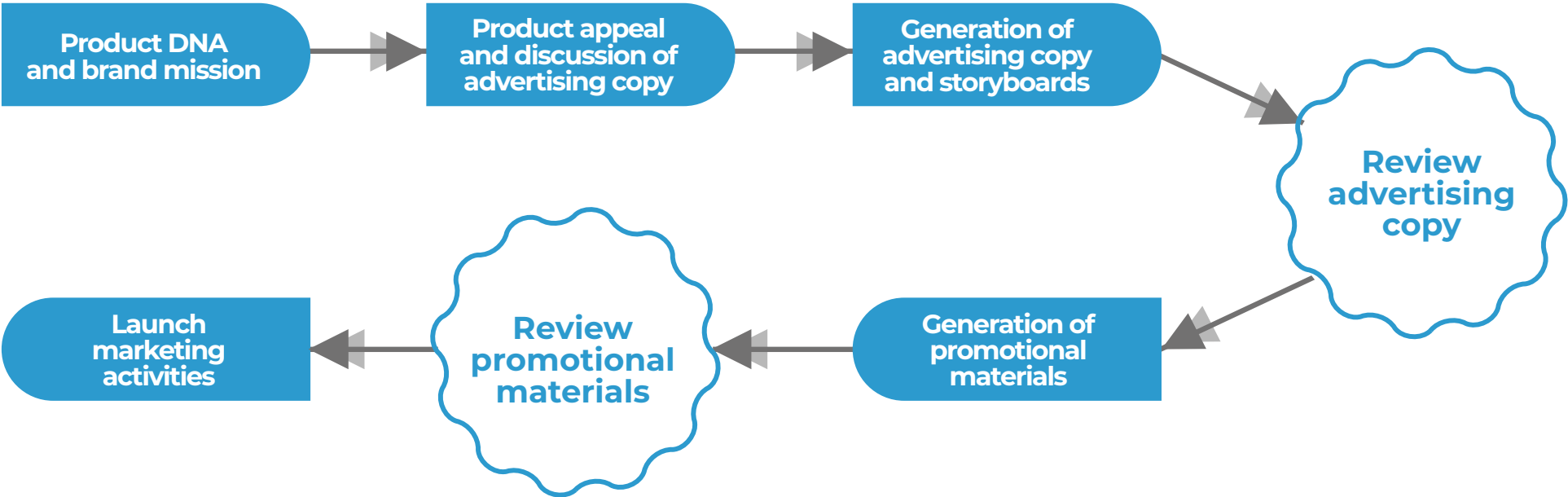






5. Management of Product Advertising and Marketing

Grape King Bio strives to be “A health expert for the entire family.” As it is difficult to gain the trust of consumers, we work to demonstrate our sincerity and attentiveness in our advertisements. We have established an internal management process to handle consumer needs and reduce the possibility of legal violations. All copy on advertisements, websites, or promotional materials are 100% reviewed by our marketing section, product planning section, innovation and R&D center, and our quality assurance department; these units also provide suggestions on ad content. Finally, before the materials are launched, the legal department conducts a review of acceptable wording according to government standards to ensure that there are no legal violations.



6. Compliance with Food Safety Regulations

We strictly abide by the Act Governing Food Safety and Sanitation and Health Food Control Act. Our product review processes are carried out using different procedures at different stages:

Product labeling review stage : Joint review of labeling compliance which includes proofreading of drafts and confirmed content to reduce errors and maintain the positive images of our products.

Advertising copy review stage : Joint review of related advertisements and advertising copy to ensure compliance with “Regulations Governing of Criteria for the Label, Promotion and Advertisement of Foods and Food Products Identified as False, Exaggerated, Misleading or Having Medical Efficacy” to reduce the number of violation incidents.

Internal reviews of product labels are jointly conducted by related units using the BPM system. The innovation and R&D center, business unit/division, quality management department, product planning section, Biotech Research Institute and legal office periodically review the legal compliance of product labels and proofread drafts and confirmed content to reduce errors and maintain the positive images of our products.

• EU REACH Substances of Very High Concern (SVHC)

Grape King Bio tracks items listed on the EU REACH Substances of Very High Concern (SVHC). Of the 240 listed items, only “acrylamide” is produced when raw materials are processed at high temperatures, and this is strictly inspected and controlled by Grape King Bio in accordance with the “Reference Guidelines for Acrylamide Levels in Foods” of the Food and Drug Administration. Annual sales revenues for related products were NT\$308,875,000.

## 2.3 Sustainable Products

Grape King Bio continues contributing to society and the environment through product development. We hope that every one of our products can be provided to the market at affordable prices to bring nutritional value to our consumers. We also continue to improve our product packaging. At present many of our products use lightweight packaging materials to reduce resource consumption. Currently, we have implemented a bottle recycling program for more than 30 products. Recycled bottles are transferred to waste treatment companies for decomposition into pellets for further use. We hope that development of sustainable products can help Grape King Bio shoulder its brand responsibilities and provide better products to our consumers.

Grape King Bio is committed to animal-friendly testing policies and we strive to reduce our number of animal experiments. At present, the majority of our experiments are conducted through cell testing for the purpose of obtaining reliable data, and we work to avoid testing on live animals within the scope of regulatory compliance to reduce the discomfort and pain suffered by animals. We hope that these actions enable us to co-exist with the earth as well as reduce emotional burdens for animal lovers when buying our products.

Additionally, we care about the health of vulnerable groups and have established a Tourist Factory in Taoyuan to give back to the community and the public. We provide affordable products so that those in need can purchase Grape King Bio health products at economical prices.



### 2.3.1 Product Nutrition

The nutrients contained in Grape King Bio products have all been designed according to product positioning and customer requirements. The following are some examples of our most popular products:

Product	Comebest Range	PowerBOMB Energy Drink	Probiotics King (Granule)	Slim Probiotics King	Deluxe Antrodia King	Snow Brightening Essential Drink	Kombucha
Product Image							
Target Customers	Blue-collar workers, white-collar workers	Students, white-collar workers	All age groups	Weight loss group	Liver protection, blood pressure regulation group	Female beauty group	Student group, office workers
Nutrients	Inositol, taurine, caffeine, B vitamins, amino acids, minerals	Taurine, caffeine, inositol, Vitamin C, B vitamins	Probiotics, prebiotics, pineapple enzyme	GKM probiotics	Antrodia camphorata mycelium	Mixed vegetable and fruit fermentation liquid, collagen, lactic acid bacterium glutamate fermentation product, cranberry extract, vitamin C, green tea extract, ferrous glycinate, rice germ extract	Corn-based soluble fiber, kombucha fermentation liquid, inulin fiber, pineapple enzyme, lactic acid bacteria fermentation filtrate
Effects	Boosts energy, nutrient supplementation	Boosts energy, nutrient supplementation	Promote bowel regularity and boost metabolism	Not easy to form body fat	Liver protection, blood pressure regulation	Nourishing and beautifying	Promote bowel regularity and boost metabolism

Grape King Bio has taken into account the health conditions of the product user group, and some products have started to reduce sugar use from the product design side. Products like the Kombucha Double Fiber Drink and the Marigold Lutein Essence Jelly have been optimized and upgraded with a low-sugar formula. Also, the Kombucha Double Fiber Drink is promoted as low calorie, hoping to bring a healthier product to consumers.

Furthermore, as the current international trend has leisured health food products, various types of snacks, drinks, or brewing bags are being planned and various functional ingredients are added. The aim is to provide health support while people are enjoying snacks. For example, the Shu-Wei-Guo Chewy Candy helps with stomach health care; the Kombucha Double Fiber Drink contains dietary fiber and helps bowel movements; the Marigold Lutein QQ Jelly maintains bright eyes; the Probiotics Gummy for Kids can boost immunity while enjoying the soft candy.

## 2.3.2 Green Product Packaging and Recycling

Grape King Bio has long been committed to using lightweight packaging made with environmentally friendly materials that help to reduce environmental damage.

**1.FSC Paper Materials :** Grape King Bio's Carb Controller 2.0print box and foil package series of products use 100% Forest Stewardship Council (FSC™) certified green pulp for packaging production. This ensures that the paper source comes from legally and correctly managed forests, thus avoiding over-deforestation.

**2.Soy Ink Printing :** Grape King Bio's Carb Controller 2.0print box uses soy ink printing, which reduces fossil fuel consumption, volatile organic compound (VOCs) emissions and air pollution. Soy is a renewable plant resource. Planting soy helps maintain carbon balance and protects the soil. Soy has excellent biodegradability, can quickly decompose in the natural environment, and reduces pollution to soil and water sources, and reduces pressure on landfills.

**3.Plastic Reduction Action :** Evaluations are being made for PET bottle lightweighting to reduce plastic use. The plan is to reduce 26% of plastic per bottle; Grape King capsule products reduce the use of disposable plastics.

**4.Environmental Responsibility :** Starting in 2019, many of Grape King Bio's products use recyclable plastic bottles. After the products are returned by consumers, they are given to Taiwanese environmental technology manufacturers to be decomposed into plastic granules and provided to certified environmental manufacturers for reuse. We require environmental manufacturers to provide the flow of plastic granules for Grape King Bio's verification to ensure that the plastic granules can be reused by consumers in other forms. In the future, Grape King Bio will also expand recyclable product packaging to more product series to decrease the impact of product packaging on the environment.






# CH3

## Innovation and R&D



# Target Formulation

	Targets for 2024-2025	Targets for 2026-2027	Targets for 2028 and beyond	Corresponding SDGs
Brand Marketing	<ul style="list-style-type: none"> <li>We keep striving to be “A health expert for the entire family.” We provide the public with healthy and safe products, and our advertisements and promotions all adhere to food safety laws.</li> <li>We continue to strengthen awareness of health food and energy drinks for younger groups.</li> <li>Establish a consumer data center, make good use of one party's data, and improve advertising efficiency.</li> <li>Brand Refresh Plan : Packaging Upgrade, Online store Upgrade.</li> </ul>	<ul style="list-style-type: none"> <li>Establish mechanisms for an OEM brand and use relevant promotion materials to expand our reach into international markets beginning with ODM/OEM services. We may also expand into other markets using our own private label brands.</li> <li>Establish a promotional policy and brand image focused on responsible advertising, sales, and accountability labeling in response to the ESG trend,</li> </ul>	<ul style="list-style-type: none"> <li>Form alliances with overseas and local brands, or further strengthen our corporate advantages through acquisitions as we work to become an international brand</li> </ul>	 
Customer Services	<ul style="list-style-type: none"> <li>Regularly assess relevant indicators through satisfaction surveys to increase “complete satisfaction” rates. Our customer service staff participate in training organized by professional institutes each year and obtain related certificates.</li> <li>Conduct product refresher training courses led by professional nutritionists to enhance product expertise.</li> <li>Establish a comprehensive database of frequently asked questions from customers to ensure consistency and accuracy in service quality.</li> <li>Establish a new Customer Data Platform (CDP) database to analyze, track, and manage customer interactions and integrate data to greatly strengthen marketing efficiency and customer service.</li> </ul>	<ul style="list-style-type: none"> <li>Continually conduct product refresher training courses led by professional nutritionists to enhance product expertise.</li> <li>Continually update a comprehensive database of frequently asked questions from customers to ensure consistency and accuracy in service quality.</li> <li>Enhance customer satisfaction successfully through the utilization of the Customer Data Platform (CDP), which can predict potential issues and concerns that customers may have with purchased products or services. Proactively address these concerns and provide customers with the necessary resources to increase their satisfaction.</li> </ul>	<ul style="list-style-type: none"> <li>Establish a complete customer service and nutritionist team to provide comprehensive health, diet, and lifestyle recommendations to customers based on data analysis and historical records.</li> </ul>	



## 3.1 Innovation Management and Patents

General manager of Biotech Research Institute  
**Jin-Chu Chen**

“ **Material R&D at our Biotech Research Institute incorporates cutting-edge technologies and collaborations with experts. Our products have achieved successes both at home and overseas, and we hope to enhance the health of the public.** ”

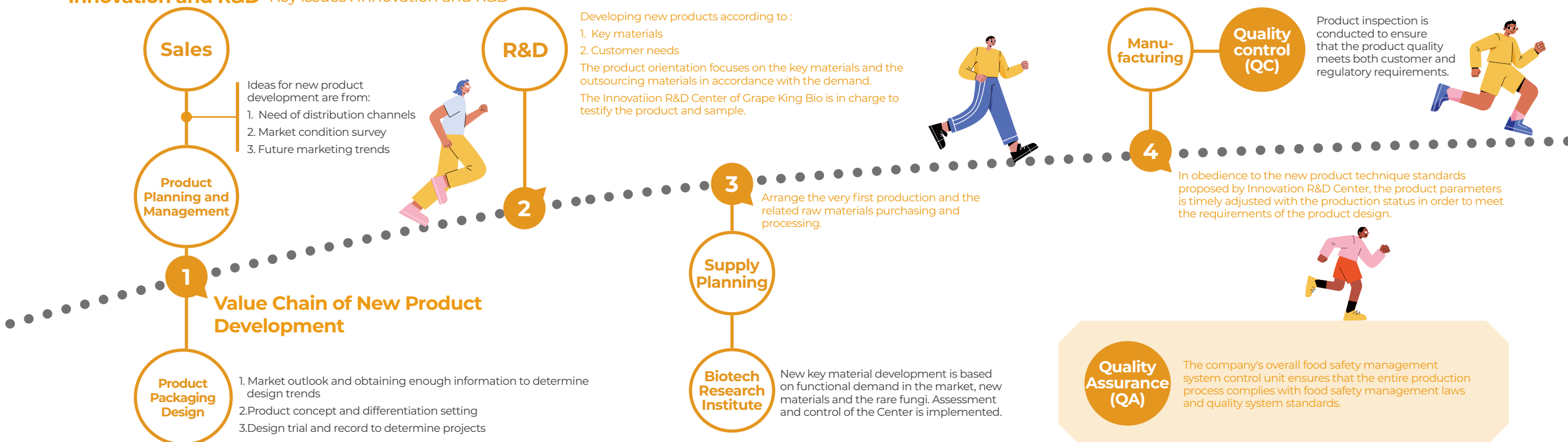
Director of Biotech Research Institute  
**Yen-Lien Chen**

“ **Grape King Bio's fungal fermentation technology serves as an industrial benchmark. We will continue to develop new technologies to meet the future needs of society.** ”

Value chain for development of new products  
**Ya-Ling Liu**

### Product Innovation and Sustainability

**Innovation and R&D** Key issues : Innovation and R&D



Management Approach	Key issue-Innovation and R&D	
Policies	Combine core capabilities, external research, and innovation units to develop unique Grape King Bio functional materials or formulations in response to consumer demands and market trends.	
Commitments	We strive to ensure product safety and legal compliance while developing products for appropriate target groups.	
Targets	Short-term	<ul style="list-style-type: none"><li>In response to our aging society and the ongoing coronavirus pandemic, we screened and researched functional materials for relevant issues such as osteoarthritis, sarcopenia, kidney damage 、fatigue, sports performance improvement.</li><li>Due to the global increase in health-consciousness and environmental awareness in diets, research and development are being conducted on fermented-source alternative protein materials derived from fungi and their derivatives.</li><li>The Biocenter and Innovation Research Center are expected to submit over 20 patent applications in 2024 related to material functionality applications and corresponding product development strategies.</li></ul>
	Mid-term	<ul style="list-style-type: none"><li>Complete commercial production on 3 novel biotechnology materials for PMS, ADHD, hearing impairments, Parkinson’ s disease, sleep, and kidney health, enhancing sports performance, building muscle and losing fat.</li><li>Establish specifications and commence pre-clinical animal trials for new plant-based medicines, gradually strengthening our ability to become a sophisticated API manufacturer.</li><li>Analyze current major health trends and form cross-industry alliances where necessary to design products for specific groups and health needs</li><li>Develop formulations and products that adhere to environmental protection and sustainability concepts.</li></ul>
	Long-term	<ul style="list-style-type: none"><li>Complete commercial production for 6 biotechnology cosmetic ingredients with anti-aging, anti-allergy, skin car, and hair care properties</li><li>Complete commercial production on 6 novel biotechnology materials for improving depression, PMS, ADHD, hearing impairments, Parkinson’ s disease, sleep, kidney health, enhancing sports performance and building muscle and losing fat</li><li>Continue to track food and health industry trends, and form cross-industry alliances with local companies where necessary to develop formulations and products with unique features that comply with the needs of specific groups while adhering to environmental protection and sustainability concepts.</li></ul>
Responsibilities	External responsible unit: Food and Drug Administration of the Ministry of Health and Welfare, Department of Health of Taoyuan City Government	
Resources	In 2023, our Innovation and Research Center newly hired 1 employee with a graduate degree.	
Specific performance	<ul style="list-style-type: none"><li>✓ Received 30 gold medals, 2 silver medals, and 14 special awards at the International Invention Awards</li><li>✓ Received Annual Industry Innovation Award at the Taiwan Bio Industry Organization Awards</li><li>✓ Received SNQ (Symbol of National Quality) certification for 2 products</li><li>✓ Continued to extend the efficacy of key materials such as lactobacillus bacteria, fungal Alternative Protein Material 、Hericium erinaceus 、Hirsutella sinensis, and others</li></ul>	

Continued development and innovation is an important component of sustainable management. Grape King Bio is committed to innovation and development of different products and services, and we continue to invest our resources and efforts. Development and applications at our Biotech Research Institute and Innovation and Research Center are conducted in tandem with domestic and foreign institutes. We developed a variety of products and components to attract collaboration with other associations and have submitted applications for multiple patents, showcasing our great achievements. Grape King Bio invested NT\$289,545,000 in innovation and R&D in 2023.

Innovative Research and Development Information	Unit	2021	2022	2023
R&D Expense	NT\$ Thousand	292,228	289,884	289,545
R&D Full-time employees	Full-time employees	132	140	123
Percentage of R&D Expense to Sales	Percentage	3%	3%	3%

### Major Milestones for 2023

- Two of our products (Pro-Partner’ s “Hericium erinaceus mycelium capsules” and Antrodia cinnamomea) received SNQ (Symbol of National Quality) certification in the health food group and special functional health ingredient group of the nutrition & dietary supplement category.
- Received NT\$11.2 million grant from Industrial Upgrading Innovation Platform Guidance Program by the Ministry of Economic Affairs for “High-Fiber and High Protein Fungal Meat Substitute Research” project.
- Received NT\$3.63 million grant from Precision Health Cross-domain Promotion Plan by the Hsinchu Science Park Bureau, National Science and Technology Council for “Clinical Study on Precision Application of Clostridium Butyricum in Osteoarthritis” project in 2023.



## R&D award highlights for 2023 were as follows :

Invention awards received in 2023			
Item	Event	Patents	Award
1	2023 Russian Archimedes International Invention Exhibition	"A Composition based on Probiotics for increasing resistance against H1N1 influenza virus"	Gold medal
2		"Phellinus linteus for improving sarcopenia"	Gold medal / special award
3	2023 Malaysia Technology Expo	"An active substance of Lactobacillus plantarum GKM3, promoting longevity genes and delaying aging"	Silver medal
4		"Use of lignosus rhinocerus mycelia active substance for improving chronic obstructive pulmonary disease"	Silver medal
5	2023 International Invention, Innovation & Technology Exhibition (ITEX) in Malaysia	"An active substance of Bifidobacterium lactis GKK2, a composition comprising thereof and its use for promoting longevity"	Gold medal
6		"An active substance for the treatment of dementia, its preparation methods, pharmaceutical combination comprising thereof, and the preparation methods of the pharmaceutical combination"	Gold medal / special award
7	2023 World Genius Convention and Education Expo in Tokyo	"An active substance of Bifidobacterium lactis GKK2, a composition comprising thereof and its use for promoting longevity"	Gold medal / special award
8		"Use of Morchella active substances for improving sarcopenia"	Gold medal
9	2023 International Invention & Innovation Expo in Shanghai	"Lactobacillus plantarum and its use for lowering uric acid, improving allergies, and reducing blood glucose"	Gold medal / special award
10		"Lactobacillus plantarum and its use for lowering blood lipids, liver enzymes, uric acid and reducing inflammation"	Gold medal / special award
11		"A Lactobacillus rhamnosus GKLC1, a composition and its use for improving alcoholic injury in liver, stomach and/or intestine"	Gold medal
12	2023 INNOVERSE Invention & Innovation Expo in the USA	"Use of Cordyceps cicadae mycelia for improving steroid-induced ocular complications"	Gold medal / special award
13		"Lactobacillus fermentum GKJOY for effectively improving psychataxia"	Gold medal
14	2023 World Invention and Innovation Contest (WIC) in Korea	"Use of Phellinus linteus for preparing compositions for improving sarcopenia"	Gold medal / special award
15		"Use of lactic acid bacteria in improving resistance to enterovirus type 71"	Gold medal

16	2023 All American DAVINCI International Innovation and Invention Expo	"Use of Bifidobacterium lactis GKK2 for improving allergic asthma"	Gold medal
17		"Use of novel probiotic strains GKM3® and GKS6® for keeping bones healthy"	Gold medal
18	2023 International Invention Innovation Competition in Canada (ICAN)	"Cordyceps cicadae mycelia for improving cataract"	Gold medal / special award
19		"Lactobacillus fermentum GKF3 for effectively improving psychataxia"	Gold medal / special award
20	2023 International Invention and Trade Expo in London	"Use of Phellinus linteus for preparing compositions for improving sarcopenia"	Gold medal / special award
21		"A Composition based on Probiotics for increasing resistance against H1N1 influenza virus"	Gold medal
22	2023 International Innovation and Invention Competition (IIIC)	"Lactobacillus fermentum GKF3 for effectively improving psychataxia"	Gold medal
23		"Use of Bifidobacterium lactis GKK2 for improving allergic asthma"	Gold medal
24		"Use of novel Probiotics-GKM3 for weight control"	Gold medal
25	2023 Hong Kong International Invention and Design Competition	"A Lactobacillus rhamnosus GKLC1, a composition and its use for improving alcoholic injury in liver, stomach and/or intestine"	Gold medal
26		"An active substance for preventing hearing loss, its preparation methods, pharmaceutical combination comprising thereof, and the preparation methods of the pharmaceutical combination"	Gold medal / special award
27	2023 International Salon of Inventions and New Technologies	"A Composition based on Probiotics for increasing resistance against H1N1 influenza virus"	Gold medal
28		"Use of Phellinus linteus for preparing compositions for improving sarcopenia"	Gold medal
29	2023 14th International Invention and Innovation Show INTARG	"Use of Phellinus linteus for preparing compositions for improving sarcopenia"	Gold medal / special award
30		"An active substance for the treatment of dementia, its preparation methods, pharmaceutical combination comprising thereof, and the preparation methods of the pharmaceutical combination"	Gold medal / special award
31	2023 International Invention Show (INOVA in Croatia)	"An active substance for the treatment of dementia, its preparation methods, pharmaceutical combination comprising thereof, and the preparation methods of the pharmaceutical combination"	Gold medal / special award
32		"Bifidobacterium lactis GKK2 for effectively improving airway hypersensitivity"	Gold medal





3.1.1  
Sustained Growth of Material  
Development Capabilities

1.Grape King Biotech Research Institute  
(Longtan Branch)

Our Bioengineering Center was established in 1991 and was upgraded to a “Biotech Research Institute” in 2019. The Biotech Research Institute is responsible for developing materials and product production. In terms of R&D, the Biotech Research Institute is responsible for developing and applying our self-developed materials (key components) and actively collaborates with domestic academic and research institutes to develop products, verify product efficacy, and improve processes so as to establish core technologies for our company.

Our domestic and overseas collaboration projects and patents obtained in 2023 include :

- There are around 25 industry-academia collaboration projects with the Ministry of Science and Technology, the Council of Agriculture, the Ministry of Education, and various colleges and universities, bringing the total to 208 projects.
- We currently hold 197 patents; we applied for 43 patents in 2023 and received approval for 36.

The Grape King Bio Biotech Research Institute, which cost NT\$1.6 billion to build, was completed in 2019. Grape King Bio currently has six 1-ton, one 2-ton, one 3-ton, five 5-ton, one 10-ton, two 15-ton, four 20-ton, four 40-ton, and one 50-ton large-scale fermentation tanks as well as eighty 100-liter small-scale fermentation tanks. The fermentation capacity over the whole Group has reached 386 tons, the largest capacity seen in the domestic health food manufacturing industry. We implemented automated freeze-drying processes to reduce pollution rates and maintain stable quality. Our downstream production equipment include membrane

coating machines, freeze-drying machines, centrifuge machines, low temperature continuous flow drying machines, and filter press machines, which make raw materials for health foods used by Grape King Bio, Pro-Partner, our Shanghai company, and other OEM manufacturers.

The Biotech Research Institute has two 5-ton, two 15-ton, one 20-ton, and one 40-ton fermentation tanks, making for a total production capacity of 100 tons. These tanks have been used for producing and developing fermented materials from fungi and lactic acid bacteria. Commercial production processes have officially commenced. In 2023, our Longtan Factory produced 59 product items and total production weight reached 84,871 kgs.

Our Biotech Research Institute owns proprietary fungal fermentation technologies and the largest organizational fermentation production capacity (386 tons) in Taiwan, achieving a ten-year head start over our industry peers. We combined several dozen patented production technologies with exclusive materials and procured raw materials to develop unique formulations. Apart from classic products such as Ganoderma King, Antrodia King, and Probiotic King, we also developed new products such as Kombucha Double Fiber Drink, Bio Marigold Lutein Extract Jelly, Sliim Turmeric Complex EX, PowerBOMB Energy Drink, which are popular with the public.

Additionally, many of our developed products have received acclaim, including the Grape King Bio LGG Probiotics, Ganoderma King, Antrodia King mycelium capsules, Ling Zhi Anti-Allergy, Gold Combest Energy Drink, Combest Energy Drink (Liver Protection Certification), and Sliim Probiotic King capsules; these eight products received health mark certifications.

2. Development and Patenting of Key Materials

Developing ingredients for health and beauty products is one of the main focuses of the R&D team at Grape King Bio. We have developed the following materials :

- Cordyceps cicadae mycelium → Protect renal functions and prevents dry eye syndrome
- Hericium erinaceus mycelium → Rich in Erinacine A, which can trigger the generation of nerve growth factor (NGF) in glial cells
- Tiger milk mushroom (Lignosus rhinoceros), Malaysia’ s national treasure → Prevent asthma
- Lepista nuda mycelium → Produces antioxidant Ergothionione



Grape King Bio continues to conduct analyses and tests regarding the efficacy of our developed materials :

- ✓ We screen lactic acid bacteria strains with properties to delay aging, enhance hair growth, improve fertility functions, reduce addictions, and prevent depression
- ✓ We continue to analyze Cordyceps cicadae mechanisms for reducing intraocular pressure, fighting kidney damage, and alleviating allergy effects
- ✓ We continue to analyze and research Hericium erinaceus properties for preventing premenstrual syndrome, neural damage regeneration, anti-inflammation functions, improving depression and sleep, preventing degenerative joint diseases, and protecting against brain ischemia
- ✓ Application and Promotion of Fungal Alternative Protein Materials
- ✓ Clinical Trials on osteoarthritis with Clostridium butyricum Material

In 2023, we researched and upgraded four major technologies, applied new technologies to R&D of new formulations, and developed different product formulations to meet various customer demands, including :

- Soft capsules
- Super mixer granulation (SMG)
- Gels
- Fluid bed granulation

• Our Biotech Research Institute also accepts OEM and ODM requests, including work on :

- Fungi materials (such as Ganoderma lucidum, Agaricus blazei, Antrodia cinnamomea, Cordyceps sinensis, Coriolus versicolor, and others)
- Probiotics (such as cocci, bacilli, bifidobacterium, saccharomyces, and clostridium)
- Other edible microbes, enzymes, and metabolites

Grape King Bio is committed to material development, efficacy verification, and process improvements that strengthen our core technologies. We currently hold 197 patents; we applied for 36 patents in 2023 and received approval for 43.

Patents obtained by Grape King Bio in 2023			
	Patent Title	Country	Patent Number
1	Use of lignosus rhinocerus mycelia active substances for ameliorating chronic obstructive pulmonary disease	Malaysia	MY-195667-A
2	Use of mycelium of Deinococcus spp. for manufacturing pharmaceutical composition for angiogenesis inhibition	Taiwan	I791918
3	Method of manuacuuring and the ues of cordyceps cicadae mycelia active substance for preventing and/or improving acute lung injury	Canada	3,040,916
4	Complex probiotic composition for alleviating overactive bladder syndrome and use thereof	Taiwan	I802077
5	Active substances of bifidobacterium lactis GKK2,composition comprising the same and method of promoting longevity using the same	Singapore	10201907542S
6	Use of mycelium of phellinus linteus GKPI for preparing composition of improving obesity and obesity-related metabolic disorders	Taiwan	I792756
7	Active substances of bifidobacterium lactis GKK2, composition comprising the same and method of promoting longevity using the same	Singapore	1020190754R
8	A Bifidobacterium lactis GKK2, a composition comprising thereof and its use for improving allergic asthma	United States	
9	Use of probiotic bacteria in preparation of medical composition for reducing syndromes related to relapse of drug addiction.	Taiwan	I795087
10	A composition containing Lactobacillus spp. and its use for preventing and/or improving anti-aging of skin	Taiwan	I794766
11	A Bifidobacterium lactis GKK2, a composition comprising thereof and its use for improving allergic asthma	Singapore	10201907549U
12	Lactobacillus fermentum GKF3, composition comprising the strain and method for improving psychataxia using the same	Singapore	10201910740U
13	Uses of treating, preventing, or improving bone diseases by lactobacillus bacteria, pharmaceutical composition and edible composition thereof (M3 S6)	China	ZL 2018 1 1228535.9

14	Use of Morchella active substances	China	ZL 2020 1 1399434.5
15	Use of Phellinus linteus for preparing compositions for improving sarcopenia	Japan	7250065
16	Use of Hericium erinaceus mycelia active substance for preventing or curing retinopathy	Taiwan	I798936
17	Probiotic extracellular vesicles and the use thereof	Taiwan	I793595
18	Hericium erinaceus mycelia active substance and preparation method thereof with pain reducing effect, and pharmaceutical composition containing the same	United States	11,648,233
19	Granular structure with active compound of organic acids	Taiwan	M641394
20	A use of manufacturing a composition for improving the immunity	Taiwan	I803730
21	Use of lactic acid bacteria for manufacturing an antiviral composition (Division)	Taiwan	I805237
22	Multilayer antioxidant coating lactic acid bacteria (Maoc-Lab) microencapsule and method of producing the same	Taiwan	I805932
23	Use of lactic acid bacteria for increasing resistance against enterovirus 71	Taiwan	I807609
24	Wound external composition containing lactic acid bacteria fermentation product	Japan	7297021
25	Use of probiotics for preparing oral compositions to improve sarcopenia	Japan	7301117
26	An active substance of morchella, its use and a composition therof for improving the reproductive function	United States	US 11,730,783 B2
27	Use of Cordyceps cicadae active substance for improving visual acuity	Taiwan	I811009
28	Use of Lactobacillus reuteri strain GKR1 for preparing uric acid lowering composition	China	ZL 2020 1 0939422.0
29	Method of reducing Tobacco addiction in smoking subject with lactobacillus fermentumGKF3	United States	11,752,177 B2
30	An active substance of Bifidobacterium lactis GKK2, a composition comprising thereof and its use for promoting longevity	China	ZL 2018 1 1083391.2



31	An active substance of Lactobacillus plantarum GKM3, a composition comprising thereof and its use for promoting longevity	China	ZL 2018 1 1092850.3
32	An active substance of Lactobacillus paracasei GKS6, a composition comprising thereof and its use for promoting longevity	China	ZL 2018 1 1093133.2
33	Bifidobacterium lactis GKK2, composition containing the same and use thereof for improving allergic asthma	China	ZL 2018 1 1083035.0
34	External composition for wound healing containing lactobacillus fermentation product and method for promoting wound healing using the same	United States	11,766,465
35	Novel Lactobacillus paracasei GKS6 for improving metabolic syndromes, its medium, incubation method, use, pharmaceutical composition and edible composition	China	ZL 2018 8 0002040.6
36	Use of Lactobacillus fermentum GKF3 for preparing oral composition of reducing tobacco addiction	Japan	7344269
37	Use of complex probiotic for use of manufacturing composition for improving exercise performance of subject with low intrinsic aerobic exercise capacity	Taiwan	I817792
38	Complex probiotic composition for alleviating overactive bladder syndrome	Japan	Pending
39	An active substance of Lactobacillus plantarum GKM3, a composition comprising thereof and its use for promoting longevity	Malaysia	MY-196412-A
40	Use of lactic acid bacteria for increasing resistance against enterovirus 71	Taiwan	I817332
41	An active substance of Lactobacillus paracasei GKS6, a composition comprising thereof and its use for promoting longevity	Malaysia	MY-198618-A
42	Use of Lactobacillus fermentation product in preparation of external composition for enhancing skin wound healing	Taiwan	Pending
43	Use of lactic acid bacteria and composition thereof for promoting blood calcium and improving osteoporosis	Malaysia	Pending

Note: For more information on our patents, please refer to our company website : <https://www.grapeking.com.tw/tw/rd/patent-paper/patent>

### 3.1.2 Product Development and Customized Services

Along with the rise of civilization diseases, low birth rates, and other social trends, demographic structures are gradually moving to middle-aged and aged societies. Consumers are becoming more health aware, and pay more attention to food characteristics and health impacts. Therefore, nutritional content and functionality have also become relatively more important. Grape King Bio established an Innovation and Research Center (IRC) in 2016, gathering together elites from the product development, product planning, material development, quality control, and quality assurance departments. The IRC uses specialized fermentation technologies developed by the Biotech Research Center and assesses differentiated ingredients and raw materials from external sources to develop unique formulations in hopes of developing delicious and functional health foods so that customers can replenish nutrients and consume ingredients with specific functions by eating health foods.

Additionally, the Grape King online store has established a customer service center which compiles consumer feedback through phone or email, big data analysis, and information from market research companies. We also receive information on market needs through our marketing channels and distributors. For example, for products currently in development, we identify appropriate product types, specifications, and marketing strategies through actual market information provided by distributors, so that our products can better align with market needs.

#### IRC internal R&D team and responsibilities

1. Development of brand and OEM products
2. Development of analytical methods
3. Production trial runs for new products
4. Research on dosage forms and new technologies
5. Application for health food certifications and SNQ (Symbol of National Quality) certifications
6. Product efficacy trials (animal and human trials are outsourced) and stability trials
7. Formulation of specifications for raw materials and finished products
8. Product maintenance and raw material inventory management



1.Development of Physical Products

We launched our “new dosage form development” services in 2017. Development of new dosage forms is not limited to the production machines currently in factories, and largely include: the dropping pill category, the jelly (gel) category, the soft capsule category, the tablet (double-layer and chewable) category, and the household goods (shampoo and soap) category. Our R&D team utilizes the fermentation technologies at our Biotech Research Institute to satisfy the demands of different customer groups and nutritional needs as “A health expert for the entire family.” Our products can be divided into 9 main categories. We developed a total of 292 products in 2023.

Product	Chinese Herbal Range	Health Maintenance Range	Female Beauty Range	Children Healthcare Range	Energy Drink Range	Others	Tourist Factory	Pet Foods	External Products
Description	We use Chinese herbal formulations and our professional capabilities in fungal fermentation to develop comprehensive maintenance products for our consum	These products maintain normal physiological functions and help to satisfy the requirements of different age groups and nutritional needs, such as for gastrointestinal systems, bones and joints, vision, and cardiovascular health, which are all popular needs. Our lactic acid products are also suitable for customers of all ages.	All women naturally strive to be beautiful, and how to simply and quickly obtain necessary nutrients as part of a busy lifestyle is an issue that concerns all female consumers	All parents hope their babies can grow up healthy. These products have been developed to satisfy the nutritional requirements of pre-school aged children.	“Drink up ComeBest!” is a classic advertising slogan at Grape King Bio. This range of energy drinks can help to replenish energy and comes in multiple flavors.	Dietary imbalances are a part of modern lifestyles. Many people consume high-calorie foods but still feel hungry. We therefore provide nutrients that cater to customer needs, such as increasing satiety.	The Grape King Museum Factory was established in 2017 and helps to develop popular Grape King Bio products displayed within the museum, attracting consumers, and providing accessible and convenient foods.	Grape King Bio is adapting to the vast pet market and has developed pet health, beauty, and health food products to take good care of these cuddly pets.	We developed beauty products for high-level customers to expand the depth and breadth of our consumer groups.
Product Product Examples	<ul style="list-style-type: none"><li>• Grape King Bio Double Effect Antrodia King</li><li>• Grape King Bio Double Effect Ganoderma King</li><li>• Hirsutella Sinensis Capsules</li></ul>	<ul style="list-style-type: none"><li>• Probiotics (Granule)</li><li>• Probiotics (Capsule)</li><li>• Carb Controller</li><li>• Fish Oil Soft Capsules</li></ul>	<ul style="list-style-type: none"><li>• Collagen Probiotic PowderCollagen Skin Brightening Powder</li><li>• Whitening Capsules</li></ul>	<ul style="list-style-type: none"><li>• Bio Marigold Lutein Extract Jelly</li><li>• Sleep Powder for kids</li><li>• Bone Growth Drink for kids</li><li>• Vitamin QQ Jelly for kidsGrowth QQ Jelly for kids</li></ul>	<ul style="list-style-type: none"><li>• Lutein Drink</li><li>• Grape King Bio Kombucha Double Fiber Drink</li><li>• Aphrodisiac DrinkDrainage and Sodium Removal Drink</li></ul>	<ul style="list-style-type: none"><li>• Sleep Capsules</li><li>• Calcium Powder</li><li>• Cellulite Reduction Capsules</li><li>• Clostridium Butyricum Capsules</li><li>• Aphrodisiac Capsules</li><li>• Weight Loss Probiotic</li><li>• NMN</li></ul>		<ul style="list-style-type: none"><li>• Cat (Health Powder)</li><li>• Dog (Health Powder)</li><li>• Dog (Eye Health Powder)</li></ul>	<ul style="list-style-type: none"><li>• Sensitive Skin Cleaning Products</li></ul>
New products developed in 2023	4	80	12	13	56	112	0	14	1

In 2023, Grape King Bio not only conducted routine product development processes, but also developed products along two main focuses: (1)Technical improvements for existing products (2)Proposals for new products and development of samples for new dosage forms

At the end of 2023, we held a new product achievement presentation, marking the first time the Innovation Research Center collaborated with the Marketing and Planning Department for product conceptualization and development. This integration allowed products to address both marketability and efficacy, catering better to the diverse needs of modern customers. The event received considerable feedback and praise, indicating potential for future iterations or enhancements of this collaborative model.

Our product developments are customized for client needs. If clients wish to develop products aligned with market needs, we fully collaborate with them on design and production. We currently do not prohibit use of GMO materials in our products, but select specific materials if requested to do so by our clients. With regard to documentation and certification, we provide raw material supplier inspection documents to prove that we used no GMO raw materials.



## 2. Cross-Industry Collaborations

We formed a strategic partnership with the Uni-President Group and expanded our domestic and overseas channels, officially bringing our healthy snack foods to the mass market. We utilized Uni-President's expertise in FMCG foods to refine our food safety structures and systems.

## 3. Online Channels

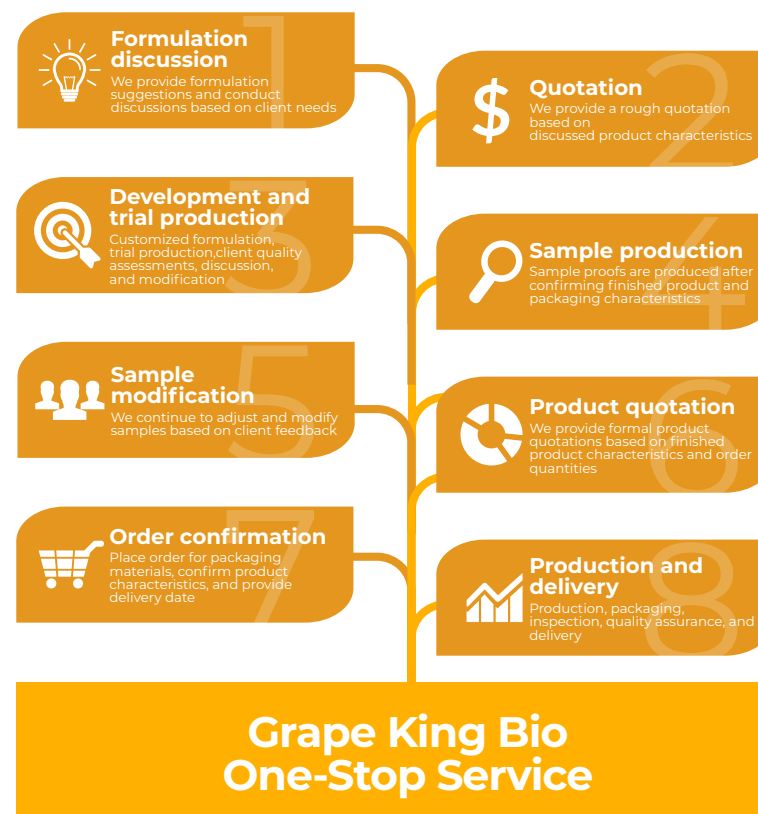
Our direct sales online platform provided contact-free shopping opportunities online during the pandemic. In future, we plan to provide comprehensive and professional health suggestions, gradually strengthen our relationship with our members, and work to become an all-round health care expert.

## 4. Customized Formulation Designs and OEM Services

Apart from developing our own products, our product development team provides comprehensive ODM/OEM services and can customize products and formulations to fit client requirements. We can provide tailored and innovative formulations in a wide range of dosage forms and supply customized and innovative products to our clients. Apart from domestic channels, we have also begun to actively develop overseas markets in recent years. Our ODM/OEM services provide a variety of product formulations and packaging, including glass bottles, PKL combibloc/aluminum drinks packaging, aluminum packaging (flake, powder, and granule), capsules, and pouches (liquid formulations and jelly drinks).

## One-Stop Service Platform

Grape King Bio has established a one-stop service OEM platform which provides integrated services from importing of upstream patented raw materials, cross-category production lines, and back-end packaging of finished products. We provide OEM services for many products such as health foods, beauty drinks, functional drinks, and PKL aluminum foil-packaged beverages.



## Professional Consulting Services

Our R&D team provide professional guidance on raw materials and products based on client market plans and product needs. We also provide our clients with timely after-sales consulting service such as guidance on product health and nutritional information and guidance on relevant documentation for client health food products.

## 3.2 Industry-Academia Collaborations

We work closely with schools. In terms of professional technologies, we have a long development history and advanced technologies, making us a key target for industry-academia collaborations. We continue to build connections and work on projects with schools, participate in various speeches and academic presentations, and also provide product testing services.

We possess a variety of fermentation technologies, and are one of the top industrial biotech sites for academic visits by students from related fields. We build links between theoretical knowledge and practical applications so students can apply what they have learned. Over the past three years, our factories have hosted 59 visits for 2,198 people. We hope our efforts can bridge industrial-academic technological gaps, develop innovative technologies, and cultivate key talents for the future.

## 1. Invested in industry-academia research collaborations, working with colleges and universities

Grape King Bio actively promotes industry-academia collaborations and links new products with professional research of professors from universities and colleges around Taiwan so as to enhance our R&D momentum, verify product efficacy, speed industrial upgrading, and accelerate commercialization and marketization of university research.

## 2. Obtained biotech industry projects

Grape King Bio has made great contributions in furthering development of the national biotechnology industry. The Executive Yuan Ministry of Economic Affairs guides the industry by accepting applications for several large-scale projects each year. Over the past ten years, Grape King Bio has applied for and completed a total of nine projects, working with many science and technology colleges to jointly develop many new products and conduct efficacy tests. Total investments amounted to NT\$146 million, and our projects have yielded fruitful results. In addition to supporting the Ministry of Education's talent training programs, we also provide internship opportunities and industry teachers who lecture and serve as visiting directors for various schools. We review various projects for the Ministry of Science and Technology, were invited to present speeches and serve as an evaluation committee member for the Ministry of Economic Affairs, actively supporting these governmental institutes and promoting industry-academia-government exchanges and collaborations.

We received a subsidy of NT\$11.2 million from the Technology Development Program by the Ministry of Economic Affairs, and our research focuses on the development of high-fiber, high-protein fungal-based meat alternative using mycoprotein produced by *Fusarium venenatum* PTA-2684. The research team has continuously striven for breakthroughs since acquiring the mycoprotein strain. In just a year and a half, we have successfully developed a formula and process for mass production, enabling the production of tons of mycoprotein within a mere 3 days of incubation and saving significant time and resources. This proves that our strain incubation capabilities and production technology are both the first of their kind in Taiwan.

In addition to collaborating with the Food Industry Research and Development Institute and the R&D team led by Distinguished Professor Li-Yun Lin in the Department of Food Science and Technology, Hungkuang University, we worked closely with Wei Yuan Co., Ltd. and Chien Yuan Food Technology Co., Ltd., both of which possess profound expertise in plant-based product development. Through the collaborative effort mentioned above, we leveraged professional food processing techniques and boundless creativity in exploring novel mycoprotein raw materials to develop numerous unique mycoprotein products, which subverted the traditional framework of alternative proteins. The diverse range of developed products include savory items such as popcorn

chicken, chicken nuggets, sausage, hot dogs, saliva chicken, meatballs, ham, truffle-flavored pasta sauce, pork cutlets, vegetarian pork belly, vegetarian marbled beef and vegetarian tuna canned goods, as well as dessert items such as pineapple cake, ice cream, soft serve and loaf bread.

We also utilized "mycoprotein combined with 3D printing technology," transforming ordinary mycoprotein raw materials into visually stunning creations that are not only aesthetically pleasing but also delicious, capturing everyone's attention.

Furthermore, we presented and promoted our R&D results for mycoprotein at various university conferences and international seminars, both domestically and internationally, all of which have received great responses and aroused much attention and interest.

In recent years, the issue of climate change has garnered global attention, and both governments and private sectors have strongly advocated for ESG (Environmental, Social, and Governance) principles. We are also committed to corporate sustainability and recognize the significance of global warming issues. With up to 14% of global greenhouse gas emissions caused by methane emissions from animal husbandry, the future trend in the global diet is expected to shift towards alternative proteins, namely mycoproteins to replace animal-based proteins to reduce global warming factors such as animal farming, greenhouse effect and population growth. With 30 years of extensive fermentation technology and experience, we fully integrate resources from industry, government, academia, and research institutes to jointly develop various types of diversified foods with wide applications through this research project. This aims to drive a new wave of mycoprotein utilization, thereby reducing greenhouse gas emissions and achieving an eco-friendly and healthy lifestyle.





### 3. Academic speeches and academic works

The R&D department at Grape King Bio has been invited to speak at industrial, government, and academic institutes. We have provided lectures at more than 100 college departments to share and exchange our more than 20 years of experiences relating to biotechnology and industry development. Over the past three years, we were invited to present 130 lectures at colleges and universities, participated in oral examinations of more than 100 graduate and doctoral dissertations, participated in curriculum planning or departmental development of more than 10 university departments, and evaluated more than 10 university departments. We also publish our research results in journals or at conferences. In 2023, we published 21 journal papers, 30 conference papers, and 28 conference posters. In 2023, we chaired the Taiwan Association for Lactic Acid Bacteria, and promoted research, information exchanges, and industrial applications relating to lactic acid bacteria.



### 4. Provided product testing services

We are renowned for our fermentation technologies, and have 80 fermentation tanks in our factories. Apart from supplying key raw materials, we also provide fermentation testing and commercial production platform services to external academic and industrial institutes, which enable us to study different microorganisms, strengthen our research, and build our expertise while assessing appropriate materials for technological transfers. We work with more than 20 college departments, accelerate industry-academia collaborations, and speed industrialization and mass production of academic achievements to enhance our international competitiveness.



### 3.3 Customer Service

General manager of  
Business Division and  
Shanghai subsidiary  
**Yuan-Tsung Lin**



“

*Customer service is an important element for building good relationships with customers. We listen to customer feedback and take action to improve our products and services.*

”

Management Approach	Key issue-Customer service	
Policies	Use data analytics and data systems to support and complete personnel training so as to fulfill customer expectations, build customer loyalty through professional services, and enhance customer satisfaction as our customer numbers continue to grow.	
Commitments	Use our heartwarming services and clear procedures to offer customer service experiences that fulfill customer needs and solve customer problems.	
Targets	Short-term	<ul style="list-style-type: none"><li>• Ensure service quality through customer interviews and satisfaction surveys following phone support, and include these items in evaluation system to smooth service processes.</li><li>• Conduct product refresher training courses led by professional nutritionists to enhance product knowledge.</li><li>• Compile frequently asked customer questions and establish a database to ensure consistency and accuracy of service quality.</li><li>• Implement a comprehensive customer call management service solution to improve service quality and response efficiency of phone support.</li></ul>
	Mid-term	<ul style="list-style-type: none"><li>• Established a new customer data platform (CDP) database to analyze, track, and manage customer interactions, integrating data from all sources to greatly strengthen marketing efficiency and customer service, achieving personalized communication, facilitating effective understanding of consumer needs, and providing timely marketing solutions which allow us to take advantage of consumer interaction opportunities and manage service quality.</li><li>• Ensure smooth service processes and service quality using satisfaction surveys to regularly assess relevant indicators. Our goal is to increase “complete satisfaction” rates. Our customer service staff participate in training organized by professional institutes each year and obtain related certificates.</li><li>• Establish standard operating procedures and categorization systems for customer complaints to enhance efficiency of crisis management.</li><li>• Enhance service value and establish connections with consumers through handwritten birthday letters or calls from nutritionists to establish trust and help consumers feel that they are valued.</li></ul>
	Long-term	<ul style="list-style-type: none"><li>• Establish a complete customer service and nutritionist team to respond to customer service queries and provide comprehensive health, diet, and lifestyle recommendations.</li></ul>
Responsibilities	Related internal collaboration units: Legal Office, Quality Assurance Department, Marketing Section, and Finished Products Section.	
Resources	Invested in personnel training courses (including external customer service training courses and internal product refresher courses) and use our CRM and CTI systems for customer management and management of support quality. Our systems allow us to compile comprehensive records on customer journeys, customer contacts, and product quality, thereby allowing us to improve customer service experiences and satisfaction.	
Specific performance	<ul style="list-style-type: none"><li>✓ Upon the launch of CTI system for 2 years, continuously optimized the service quality of customer calls, including reviewing busy periods to avoid excessive wait times for calls, expanding participation rates in customer satisfaction surveys, tracking dissatisfied customer service issues, continuous improvement and so on; effectively decreased complaints from customer calls in 2023; reduced the waiting time and enhanced satisfaction rates significantly.</li><li>✓ Launched the customer complaint management system related to quality management upon the implementation of the SAP system in 2023. From the receipt of complaints and quality control inspections to the production of reports for customer responses, all processes were changed to be established in the system, enabling every personnel involved in our processes to effectively understand issues related to progress and quality, thereby reducing similar types of complaints and allowing customer service personnel to respond more efficiently to customer needs.</li><li>✓ 2 customer service personnel continually obtained professional customer service certifications in 2023.</li><li>✓ Continued to update our database of frequently asked questions to include professional responses to customer complaints related to quality management.</li><li>✓ Conducted product refresher training courses led by professional nutritionists to enhance the professionalism of customer service personnel.</li></ul>	





### 3.3.1 Innovative Marketing Strategies

In 2023, Taiwan has gradually lifted its lockdown measures, and consumers have become increasingly focused on health food. While not experiencing explosive growth in health food during the pandemic, there has been a steady increase. Grape King Bio has taken on the role of “A health expert for the entire family” and continually offers a full range of health products to provide comprehensive care for the public. The current era and growing public awareness of health have resulted in 7.9% growth for our private label brands.

#### 1. Novel slimming products as the market leader

Launched at the end of 2022, the product “Slim Probiotics King capsules” has obtained national certification for its prevention of body fat formulation. Officially released across all channels in 2023, it was promoted through various channels including advertisements of our brand ambassador Lulu, numerous entertainers, Key Opinion Leaders (KOLs), Key Opinion Consumers (KOCs), and renowned YouTuber Shao-Wen Guan along with self-organized body fat competitions. Our Slim Probiotics King capsules became the best-selling product of 2023 for Grape King Bio and its revenues exceeded NT\$1.5 billion.

#### 2. PowerBOMB power for midnight night energy

Due to the flagship product of Grape King Bio PowerBOMB targeting the population aged 18-30 years, we invited SHOU from the popular boyband WOLF(S) to act as our brand ambassador in the fourth quarter of 2022. In 2023, SHOU released a brand new single “PowerBOMB.” Apart from sponsoring his concert titled “PowerBOMB SHANG ZHANG,” we designed two limited edition packaging options for him.

Additionally, we co-branded with renowned chicken cutlet stores including “Monga Fried Chicken” and “Friedtheway” for midnight snacks, mainly targeting the young generation market. Therefore, PowerBOMB achieved double-digit growth for two consecutive years from 2022 to 2023 and garnered the interest of the younger generation. According to the IBUZZ voice of customers monitoring system, PowerBOMB generated significant buzz on social media and forums, surpassing the top three competitors in the market.

### 3. Co-branding to dominate the market

Since its launch in 2021 until now, our Kombucha Double Fiber Drink has been selected as the top favorite functional tea by netizens on the “DailyView” website. In 2023, this product was also placed in Netflix's hit Taiwanese drama “Wave Makers,” MyVideo's champion dramas “Best Interests 2 and 3,” and “Love Yourself” to continue generating buzz. In the fourth quarter, riding the wave of Disney's 100th Anniversary Celebration, we launched four limited edition collectible packaging and conducted co-brand marketing activities to maintain its position as Taiwan's most popular Kombucha leading brand. This product achieved revenue exceeding a billion.

### 4. OEM marketing and local execution

Apart from continuously promoting our two major raw material brands including GK Probiotics and GK Funggi, Grape King Bio created a new account on LinkedIn as a business development platform. Through this platform, we engage in various OEM services, exclusive materials, patents, nutritional knowledge, and interactions with potential customers. Within just six months, our fan count has grown to 1,005, with higher reach rates compared to competitors, securing the first position.

Grape King Bio helps customers build a better future using our core mission of “Technology, Health, Hope” Our customer service management targets for 2022 were divided into two main categories:

1. Establish a customer-oriented business philosophy: Move from product management to customer management, and from transaction management to relationship management. Customer needs, purchasing behaviors, and potential consumption preferences are all precious resources. Therefore, we actively collect comprehensive data from our interactions with consumers to build the core functions required for customer management, and continue to review customer satisfaction indicators and optimize our business processes. Our quantitative and qualitative customer interviews help us to collect customer feedback, which we use to make adjustments.

2. Accelerate customer service innovations: We adopt a customer-oriented service concept which not only focuses on customer satisfaction and loyalty enhancement, but also responds to changes in customer needs, including through an increasing number of LINE groups, online responses, and communication management. We continue to incorporate new systems and new service functions to facilitate ease of use and convenient communication and interaction with our customers.



Picture of 2023 Product Education Training

Investment highlights for 2023 :

We now have more than 160,000 members and continue to enhance customer satisfaction over four aspects, including by hiring professional nurses and nutritionists and by continually organizing product training hosted by nutritionists to enhance our professionalism and quality. We also established standard operating procedures in response to customer complaints, which made it possible for us to effectively categorize and manage customer complaints related to common quality issues, reduce the number of complaints and their escalation to serious problems, and enhance the professionalism of frontline customer service personnel. Additionally, our satisfaction surveys found that more than 90% of customers were satisfied with our services. For the few dissatisfied customers, we carefully listen to their phone feedback and discuss improvements based on their concerns.

In addition to effectively reducing the number of customer complaints in 2023 (a decrease of 13% in complaints from customer calls, totaling a reduction of over 2,000 calls annually), the number of people surveyed for satisfaction simultaneously increased (an increase of nearly 1,000 people surveyed for satisfaction in 2023). The satisfaction rate was also optimized (an increase of 5% in satisfaction levels in 2023). Furthermore, we continually established the customer data platform (CDP), integrating 360-degree customer data and relevant interest information to enhance understanding of customers and provide more comprehensive customer service.

Results of Customer Satisfaction Surveys

Category	2021	2022	2023
Satisfied	41%	60%	72%
Acceptable	51%	34%	27%
Not Satisfied	7%	5%	1%
Very Dissatisfied	1%	1%	0%
Very Satisfied	0%	0%	0%

Note 1 : Satisfaction and dissatisfaction inquiries were conducted for approximately 3144 incoming customer service clients in 2023, with satisfaction estimates based on these responses.

3.3.2 Customer Service Processes

Customer service handling processes at Grape King Bio is categorized as either general queries or customer complaints. We have established dedicated units to support the handling of customer service processes, ensuring that customer feedback can be delivered and resolved in a timely and comprehensive manner.

- 1. General queries : We provide product consultation services to offer immediate response to consumer queries.
- 2. Customer complaints : Customer complaints tend to be complex and require professional handling expertise as well as communication and verification of information between departments. In 2022, Grape King Bio adopted a policy to provide progress reports within 4 hours and resolve complaint cases within 24 hours. For complaints involving tests or other complex services, responses are provided at an agreed-upon time. This process ensures that customer complaints can be handled in a timely manner.

Apart from adding a noon segment (12:00-1:00 PM) to our original hotline services so our customers can call in during noon breaks, we have added other customer complaint channels to provide real-time responses in line with the modern era of information technology. Our digital channels include email, Facebook messages, and LINE@ messages. Other responses were provided through general calls.



Responsible Unit	Consumer calls	Consumer service center	Sales & Marketing Division	Quality assurance/R&D	Responsible unit	Sales/finances	Distribution center
Responsible personnel		Customer service hotline personnel Professional nutritionists	Product managers Channel managers Channel personnel	Quality assurance contact Quality assurance inspector Quality assurance section chief	Reviewer Unit manager	Unit personnel	Unit personnel
Handling unit	Product queries Activity queries Product orders	Accept customer calls Record basic consumer information	Product ordering procedures			Invoice creation	Shipping
Items	Complaints and grievances	Accept preliminary customer calls Record basic consumer information Register complaints Provide immediate resolutions to customer complaints					
		2 Composition problems Appeals are filed when issues cannot be resolved	3 Accept notifications Customer complaint system processes	4 Receipt Quality inspections for customer complaints Confirm inspection details and resolutions	5 Tracking of sample quality Tracking of complaints	6 Returns and refunds Discounts	7 Tallying/receipts and returns
		13 Respond to consumers Close cases	12 Respond to customer service personnel	11 Investigation of administrative documents Verification form for quality abnormalities Investigation reports Respond to manager of business department	10 Review incident context Formulate countermeasures Track improvements Confirm countermeasures Implementation results	9 Notify unit personnel Notify sales units to rescind invoices	8 Notify unit personnel at the first instance after receiving returned products
Conclude cases							



In 2023, the number of customer complaints we received decreased significantly. The primary complaints included issues related to logistics and delivery, as well as delays in receiving gifts, and the remaining complaints mostly related to suggestions regarding product use. This year, we continued to uphold our customer-first principles and maintain smooth communications using a professional and positive attitude to handle customer feedback to ensure that customer complaints can be effectively resolved. We also conduct internal reviews to reduce similar complaints in the future.

Due to increasing awareness of personal information protection measures, we are receiving more and more customer complaints related to personal information usage. We have optimized our standard operating procedures to simultaneously shut down personal information usage across multiple systems after our customers requested cessation of such usage. We have also added new settings to our digital newsletters so we can cease using personal information once permissions to use emails have been rejected. Meanwhile, we asked our customer service personnel to explain subsequent processes and required times to customers with relevant concerns, so that they would be aware of relevant processes and times, thereby effectively preventing repeated customer complaints in 2023.

Additionally, in terms of off-the-shelf products sold in large quantities through physical channels, common customer complaints related to product quality including spillage, clumping, and quantity shortage are recorded in the system and discussed by our quality control unit to identify potential problems and make improvement suggestions. For instance, we adopted new processes such as capsule counting and weighing to address the issue of capsules slipping out due to rapid bottling during the automatic packaging and sealing process. We thoroughly considered consumer feedback and suggestions, prioritized customer service satisfaction, and provided better complaint handling in response.

### 3.3.3 Listening to Customer Opinions

Our short-to-medium term service policies are as follows:

- 1.Strengthen customer service skills, training, and professional certifications
- 2.Review all points of contact, including by establishing standard procedures for categorizing customer complaints and a database of common customer complaints. We have implemented comprehensive satisfaction surveys and will continue to improve customer interactions by establishing a professional and sound customer management team over the long term, as well as use data analytics and a professional nutrition team to provide better customer value in our customer management system.
- 3.To establish a professional and comprehensive customer management team in the long term, we aim to provide a sophisticated "customer value" management system through comprehensive data analysis and a professional nutrition team.

We observed that our customers no longer differentiate between physical and virtual channels as they utilize multiple channels freely. Therefore, understanding customer characteristics and common problems faced by customers of physical channels may help to enhance our customer service quality. Additionally, social media marketing is still one of our main axes in the post-pandemic era. Compared to the saturation of information provided by mainstream media, consumers are more receptive to highly interactive and interesting advertisements on social media. Therefore, we plan to reimagine customer processes to increase flexibility and create new shopping experiences.





3.3.4 Protection of Customer Privacy and Rights

Division director of  
Management Division  
**Du-Sheng Wang**



“

*We will incorporate information security management mechanisms into the operating procedures of all departments and appropriately manage intellectual products generated by employees as well as confidential corporate information to establish a solid foundation for growth at Grape King Bio.*

”

We protect the personal information of our customers and safeguard customer interests using the highest standards. In 2023, our ISO/IEC 27001:2013 certification continued to be valid and we have established an Information Security and Personal Information Management Committee. Our Chairman serves as the highest authority for the Committee, and senior executives from each department serve as committee members.

We have also established the following information security policies:

1	Information security is a key factor for achieving our operational targets. We need to maintain high levels of information security to ensure the confidentiality, integrity, and accessibility.
2	We strive to maintain consistency of information security measures in our operating environments while also balancing account security and information sharing.
3	Our information security management regulations are required to comply with governmental information security laws, regulations, and policy requirements.
4	All information procedures must ensure the security of corporate information to prevent leakage or loss of sensitive and confidential information.
5	We protect our information assets (including software, hardware, network communication facilities, and databases) and adopt appropriate backup and recovery facilities and procedures to prevent damage to information assets that could be caused by unauthorized actions or negligence. We also conduct periodic backup and recovery drills.
6	We have adopted appropriate information security management measures for all of our projects to ensure that related information is well-protected.
7	We conduct regular information security training to strengthen promotion of related policies.

No complaints concerning breaches of customer privacy and losses of customer data occurred in 2023. Other protection measures include the following:




1. Permission for use of personal information for our Grape King online store was upgraded so that all customers have to agree to relevant permissions before we can use their personal information. We use the most rigorous means to ensure that our customers can agree to and understand the regulations for subsequent use of personal information.
2. We prohibit our internal personnel from attaching files containing personal information to emails and instead apply restrictions on file access so that only authorized personnel can access folders containing personal information so as to strictly control the flow of personal information within our company.
3. We periodically change account information and passwords to improve login and access security.



# CH4

## Happy Workplace

Target Formulation

	Targets for 2024-2025	Targets for 2026-2027	Targets for 2028 and beyond	Corresponding SDGs
Human Capital Development	<ul style="list-style-type: none"><li>Implement GKB Learning College (GKBLC) framework to organize, and establish training programs for all six departments, completing a minimum of training for one department each year</li><li>Maintain TTQS Silver Award</li><li>Cultivate 1 person with potentials in each division and achieve success rates exceeding 80% on this KPI indicator</li><li>Promotion and implementation of Learning Passports</li></ul>	<ul style="list-style-type: none"><li>Establish GKB Learning University (GKBLU) framework</li><li>Achieve TTQS Gold Award qualification</li><li>Obtain key talent through cultivation of potential talent and reach achievement rates of 85% or more</li></ul>	<ul style="list-style-type: none"><li>Establish GKB Learning University (GKBLU) framework</li><li>Achieve TTQS Gold Award qualifications</li><li>Obtain key talent through cultivation of potential talent and reach achievement rates of 85% or more</li></ul>	
Employee Care, Remuneration, and Benefits	<ul style="list-style-type: none"><li>Raise employee satisfaction rates to more than 80%</li><li>Raise EAP satisfaction rates to more than 80%</li><li>Host 2 EAP lectures a year and achieve satisfaction rates of more than 85%</li></ul>	<ul style="list-style-type: none"><li>Raise employee satisfaction rates to more than 85%</li><li>Maintain EAP satisfaction rates of more than 80%</li><li>Host 3 EAP lectures a year and achieve satisfaction rates of more than 90%</li><li>Achieve satisfaction rates of 70-75% for remuneration relative to work</li></ul>	<ul style="list-style-type: none"><li>Maintain employee satisfaction rates of more than 85%</li><li>Raise EAP satisfaction rates to more than 85%</li><li>Host at least 1 EAP lecture per quarter and achieve satisfaction rates of more than 90%</li><li>Achieve satisfaction rates of 80% for remuneration relative to work</li></ul>	
Industrial Safety Management	<ul style="list-style-type: none"><li>Obtain verification of occupational health and safety management system</li><li>Strive for Safety and Health Family Excellence and Superior Awards</li><li>Continue to deepen occupational health and safety management, establishing the goal of "Safety for All, Safe Workplace"</li><li>Participate in the competition for Healthy Workplace Awards - Health Management Award.</li></ul>	<ul style="list-style-type: none"><li>Lower disabling injury frequency rate (Frequency Rate, FR) to 50% than that of our peers</li><li>Promote and participate in the selection of excellent occupational health and safety units</li><li>Promote and participate in healthy workplace awards</li></ul>	<ul style="list-style-type: none"><li>Set an example of a happy enterprise and become a benchmark of healthy workplaces for SMEs in Taiwan</li><li>Advance and participate in the Occupational Safety Five-Star Awards: Company Benchmark Award and Occupational Health Special Award</li><li>Create a work-life-balanced workplace which allows employees to balance family life, physical health, and mental health</li><li>Achieve no work-related injuries throughout the year (0 occupational hazards)</li></ul>	

COLUMN Ethics and Integrity : Building an “Ethics First” Corporate Culture

We implement ethical and moral ideals during operations and have established the “Code of Conduct,” “Ethical Corporate Management Best Practice Principles,” and other operational regulations. To integrate our corporate philosophies and the personal values of our colleagues, we incorporated the “corporate ethics board game” jointly developed by the “Chinese Business Ethics Education Association,” “Sinyi Culture Foundation,” and “Unity Sustainability Services.” This game made ethics, values, ethical thinking, and moral development more than just abstract concepts, and aroused interest, discussion, and interactions in our colleagues. We believe that when ethics can be internalized and practiced by our colleagues, ethical and moral concepts will become a positive force for sustainable development. Our courses covered topics such as human rights, gender issues, and privacy. As of 2023, 145 employees and managers have participated in our training sessions. In future, we plan to conduct top-down promotions so that all of our colleagues will attend ethical culture courses.



# 4.1 Human Rights

Human Resources  
Manager  
Sam Lai



“  
*Grape King Bio considers employees a key component of corporate development. We provide remuneration and benefits that exceed industry standards, transparent promotion channels, and comprehensive training to attract and cultivate the best talent*  
”

Management Approach	Key issue- Human Rights	
Policies	Implementation and promotion of “Human Capital Strategic Thinking 3.5” framework Grape King Bio upholds core values relating to “Technology, Health, and Hope” and adopts a people-oriented core strategy. We have incorporated human resource analytics, established and promoted our “Human Capital Strategic Thinking 3.5” framework, and implemented a diverse talent development mindset which places appropriate personnel in appropriate positions. We provide a high-quality and healthy workplace environment as well as competitive remuneration and benefits, and we continue to cultivate talent and build a heartwarming workplace environment.	
Commitments	Grape King Bio adheres to the International Human Rights Convention, upholding employee's rights to freedom of association, and avoiding discrimination based on their gender, age, pregnancy, race, politics, and religious inclinations.	
Targets	Short-term	<ul style="list-style-type: none"><li>• 100% completion of training for prevention of occupational hazards</li><li>• 100% pass rate for new employees on Code of Ethical Conduct orientation and examinations</li><li>• We disseminate concepts from our Code of Ethical Conduct to all employees once every year</li><li>• We maintain a 50:50 gender ratio</li></ul>
	Mid-term	<ul style="list-style-type: none"><li>• Maintain 100% completion rate of training for prevention of occupational hazards</li><li>• Maintain 100% pass rate for new employees on Code of Ethical Conduct orientation and examinations</li><li>• Achieve 100% completion and pass rate for annual Code of Ethical Conduct examinations (for section chiefs and higher)</li><li>• Maintain a gender ratio of 50:50</li></ul>
	Long-term	<ul style="list-style-type: none"><li>• Maintain 100% completion rate of training for prevention of occupational hazards</li><li>• Maintain 100% pass rate for new employees on Code of Ethical Conduct orientation and examinations</li><li>• Achieve 100% completion and pass rate for annual Code of Ethical Conduct examinations (for all employees)</li><li>• Maintain a gender ratio of 50:50</li></ul>
Responsibilities	Internal communications and collaborations: The HR department will regularly communicate and listen to the needs and compliance maintenance of each department within the company; implement employee care measures and establish smooth communication channels and procedures to reduce human capital risks. Ethical salon activities are maintained. These activities cleverly utilize and integrate Lawrence Kohlberg's stages of moral development through case-oriented teaching and board game teaching aids, and also utilize the systems perspective of moral philosophy and role-playing. This assists our employee in facing ethical dilemmas with a strong moral and ethical foundation. Subsequent improvements include the continuous refinement and addition of case examples fitting company requirements to be used as training scenarios.	

## Grape King Bio's Human Rights Policy

Respect for human rights is a fundamental value we uphold at Grape King Bio. We respect human rights and have established workplace environments that uphold dignity to maintain and promote human rights during our interactions with our employees, suppliers, and business partners. This is communicated to all staff members annually through policy announcements. Our goal is to improve human rights conditions in the communities where we operate. Our policies are based on labor laws in Taiwan and China; international human rights guidelines; the core principles of the International Bill of Human Rights, OECD Guidelines for Multinational Enterprises, Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, United Nations Guiding Principles on Business and Human Rights (UNGPs), Children's Rights and Business Principles (CRBP), United Nations Global Compact (UNGC), and other international regulations/standards; as well as local regulations. (See the[ [Human Rights Policy](#) ] for the public link)

We do not employ child labor and pledge to never hire Child Labor under the age of 16. To protect labor and manage employment rights, our employees receive official job offers before their admission dates, and new employees reporting for work are required to sign written employment contracts on the same day. We achieved a signing rate of 100% and all of our employees are fully protected by labor contracts. Employment conditions for all employees were set freely following agreement by both parties. We do not force or coerce unwilling personnel to perform labor. In 2023, there were no instances of workplace discrimination, and one case of harassment complaint was received.





Assessment and Management of Human Rights Risks



Human Rights Issues Identification

Grape King Bio, based on international human rights guidance documents and local laws and regulations, refers to the human rights reports of telecommunications and electronic technology industries and enterprises. By collecting issues related to basic human rights, working environments, and institutional safety, we generate a "Human Rights Risk Issues List".

Mateiality Assessment

We distribute "human rights risk assessment questionnaires" every two years, covering our entire value chain. The questionnaire targets suppliers, contractors, employees, employees from M&As and joint ventures, corporate clients, individual consumers, and community residents. The impact of each issue on the company is assessed by our Chairman, and quantitative indicators of the impact of each issue are produced accordingly. The table below shows the assessment results for 2023 :

Human Rights Issues	Probability of Occurrence	Degree of Impact	Level of Impact
Basic living environment	1.0	3	3.0
Personal freedom and safety	1.2	3	3.6
Protection of working and labor conditions	1.1	3	3.3
Work-life balance	1.2	3	3.6
Non-discrimination	1.1	3	3.3
Handling workplace violence	1.1	3	3.3
Diversity and inclusivity	1.1	3	3.3
Freedom of speech and expression	1.0	3	3.0
Freedom of assembly and association	1.1	3	3.3
Occupational health and safety	1.0	3	3.0
Children's rights and interests	1.1	3	3.3
Forced labor	1.0	3	3.0
Information security and privacy protection	1.0	3	3.0

·Probability of occurrence : (1 = Low probability (0% - 20%), 2 = Medium probability (21% - 90%), 3 = High probability (above 91%))

·Degree of impact : (1 = Low, 2 = Medium, 3 = High)

·Level of impact :  
-Low risk : 1 to 2 scores for almost impossible or tolerable risk  
-Medium risk : 3 to 4 scores for risk that is likely to persist or escalate  
-High risk : 6 to 9 scores for intolerable risk

Assessment and Mitigation Measures of Human Rights Risks

Grape King Bio has established the following human rights risk assessment and mitigation measures. Violations of these measures and related impacts are handled in accordance with our internal regulations and the “Grape King Bio Ltd. Codes of Ethical Conduct.” Violators are required to implement improvements or receive punishments or warnings in accordance with our corporate procedures and regulations. Corresponding compensation (including but not limited to visits, consulting services, compensation fees, or corrective actions) is provided to those whose rights and interests have been damaged.

Value Chain	Type	Human Rights Theme	Issues of Concern	Risk Management and Mitigation Measures	Audit/ Supervision Frequency
Upstream	A. Suppliers	Diversity, Integration and Employment	Personal Freedom and Safety	1. Management of supplier SCMS platform login account and password  2. Supplier contracts requiring confidentiality obligations, and contractors signing personal data outsourcing protection agreements  3. Supplier contracts requiring compliance with the “Grape King Bio Supplier Code of Conduct” which includes topics such as “freedom of speech, personal freedom, working conditions, child labor, forced labor, health and safety, environmental protection, ethical norms, intellectual property rights, privacy rights and information security”.	* Regularly conduct evaluations based on supplier levels  * Initiate surveys for new business opportunities
		Diversity, Integration and Employment	Job and Labor Condition Guarantee		
		Diversity, Integration and Employment	Work-Life Balance		
		Freedom of Association and Collective Bargaining	Freedom of Speech and Expression		
		Freedom of Association and Collective Bargaining	Freedom of Assembly and Association		
		Occupational Health and Safety	Occupational Health and Safety		
		Forced Labor and Child Labor	Child Rights		
		Working Hours, Wages and Benefits	Forced Labor		
		Others	Information Security and Privacy Protection		

Value Chain	Type	Human Rights Theme	Issues of Concern	Risk Management and Mitigation Measures	Audit/ Supervision Frequency
Upstream	B. Contractors	Diversity, Integration and Employment	Personal Freedom and Safety	1. Information Security and Personal Information Management Committee regularly reviews and promotes information security protection and personal data protection. 2. Contractor contracts require confidentiality obligations, and contracted businesses sign personal data outsourcing protection agreements. 3. Supplier contracts require compliance with the "Grape King Bio Supplier Code of Conduct" which covers topics such as "freedom of speech, personal freedom, working conditions, child labor, forced labor, health and safety, environmental protection, ethical norms, intellectual property rights, privacy rights, and information security".	* Regularly conduct evaluations based on supplier levels  * Initiate surveys for new business opportunities
		Diversity, Integration and Employment	Job and Labor Condition Guarantee		
		Freedom of Association and Collective Bargaining	Freedom of Speech and Expression		
		Freedom of Association and Collective Bargaining	Freedom of Assembly and Association		
		Occupational Health and Safety	Occupational Health and Safety		
		Forced Labor and Child Labor	Child Rights		
		Working Hours, Wages and Benefits	Forced Labor		
		Others	Information Security and Privacy Protection		
Midstream	C. Employees  D. Employees from M&As and joint ventures	Diversity, Integration and Employment	Personal Freedom and Safety	1. Establishing and implementing the Grape King Bio Human Rights Policy, which includes topics such as "Community and Stakeholder Participation, Diversity, Integration and , Freedom of Association and Collective Bargaining, Safe and Healthy Workplace, Forced Labor and Child Labor, and Working Hours, Wages and Benefits". 2. Combining internal and external audits to supervise the company's environmental safety and health and improve operations, setting up an Occupational Safety Committee to improve, promote and obtain international standard certifications such as ISO 14001 or ISO 45001. 3. During the education and training of new employees, in addition to advocating the obligations of employees in terms of safety, health and privacy protection, the importance of self-protection for employees is also emphasized.	*At least once a year  *For new employees from M&As and joint ventures, investigations are initiated in conjunction with new business opportunities.
		Diversity, Integration and Employment	Job and Labor Condition Guarantee		
		Diversity, Integration and Employment	Work-Life Balance		

Value Chain	Type	Human Rights Theme	Issues of Concern	Risk Management and Mitigation Measures	Audit/ Supervision Frequency
Midstream	C. Employees  D. Employees from M&As and joint ventures	Diversity, Integration and Employment	Workplace Violence Handling	4. There are "Procedures for Protection of Maternal Health" and "Special Health Hazard Operations" to implement workplace environment monitoring for its operation staff and to carry out special health check-ups. 5. Each factory area has a "Health Management Center" with nurses and rescue professionals who can provide necessary emergency measures when an emergency situation arises. 6. Fire drills are held every six months to enhance employees' necessary disaster prevention concepts. Occupational safety personnel periodically inspect and improve fire prevention measures. 7. Each quarter, a third-party drinking water quality inspection is performed by SGS. 8. Regular health checks are conducted for employees in duty. 9. The "Procedures to Prevent Illegal Infringement of Rights when Performing Duties" is established and the occupational violence prevention team is implemented to prevent workplace violence, discrimination and harassment/sexual harassment through advocacy, courses and procedures. 10. During interviews, age discrimination is practiced. 11. When on duty, social insurance is insured and age is re-verified during the check. 12. Employee representatives for the labor-management meeting are selected through democratic voting and meetings are held quarterly to facilitate internal communication. 13. Established a "Regulation Reporting and Complaint Management Procedure" and made it publicly available on the official website. The official website also provides a special section for stakeholders to ensure freedom of speech through various channels, which can be unimpeded. 14. According to the work rules, there will be no differential treatment in working conditions due to race, nationality, age, or physical and mental disabilities. 15. Implement ISO/ IEC 27001, the Information Security and Personal Information Management Committee regularly reviews and promotes information security protection and personal data protection. 16. Promote internal and external audits of information security, and report the results to the committee.	*At least once a year  *For new employees from M&As and joint ventures, investigations are initiated in conjunction with new business opportunities.
		Diversity, Integration and Employment	Diversity and Inclusion		
		Freedom of Association and Collective Bargaining	Freedom of Speech and Expression		
		Occupational Health and Safety	Occupational Health and Safety		
		Forced Labor and Child Labor	Child Rights		
		Working Hours, Wages and Benefits	Forced Labor		
		Others	Information Security and Privacy Protection		

Value Chain	Type	Human Rights Theme	Issues of Concern	Risk Management and Mitigation Measures	Audit/ Supervision Frequency
Downstream	E. Corporate clients and individual consumers	Freedom of Association and Collective Bargaining	Freedom of Speech and Expression	1. Promote internal and external audits of information security, and report the results to the committee. 2. Established a packaging review system, all health products have a complete safety slogan system and appropriateness, to protect the health rights of children. 3. Customer service offers phone service, email responses, FB message responses, and LINE@ online responses, to protect freedom of speech and expression for all customers.	*At least once per year  *Adjustments are initiated in conjunction with new business opportunities when there are changes in packaging.
		Forced Labor and Child Labor	Child Rights		
		Others	Information Security and Privacy Protection		
Downstream	F. Community Residents	Community and Stakeholder Participation	Basic Living Environment	Regularly visit and care for the local community and simultaneously collect the voices of the community residents. As the problems raised are not the same, Grape King Bio values each opinion and strives to improve and reduce the impact on the surrounding neighbors, thus practicing the social responsibility of a local enterprise.	* At least twice per year
		Freedom of Association and Collective Bargaining	Freedom of Speech and Expression		



Reduction of Workplace Human Rights Risks

Any routine grievances received are investigated fairly, and the rights and privacy of both the victim and the informant are kept fully confidential. Substantiated grievances are penalized appropriately based on proportionality and seriousness to prevent our employees from suffering unlawful physical or mental infringements. We also plan to disseminate policy to managers of all levels to ensure full protection of human rights in the workplace. In 2023, to enhance organizational communication and listening mechanisms, we organized a total of four “Meet the Chairman” events, with a total of 13 participants. Additionally, the EAP dedicated personnel conducted 70 care interviews and held 8 quarterly seminars for foreign colleagues. On-the-job interviews were conducted as needed, and approximately 40 exit interviews were conducted, aiming to closely listen to and address employee feedback and concerns.

Social Risks and Opportunities

In 2023, we used a scenario analysis chart of our management systems to identify the risks we pose to neighboring communities, which are listed in the table below :

Issues	Current Conditions	Actions and Measures	Category	Level of Impact	Likelihood of Occurrence
Noise control and improvements	Noise and odor issues at our Zhongli Factory caused concern for nearby residents, who began actively monitoring relevant problems. In addition to complying with related laws, these residents hoped that Grape King Bio could go beyond legal requirements.	Nearby residents became concerned and began actively monitoring relevant problems. In addition to complying with related laws, these residents hoped that Grape King Bio could go beyond legal requirements and set a good example. We will continue to communicate with neighboring communities on relevant issues.	Opportunity	High	Medium
Prevention of water pollution	Wastewater discharged from our Pingzhen Factory complied with legal regulations, but nearby residents expressed an interest in and still continue to monitor the results of tests conducted on samples of discharged water.	We require wastewater treatment vendors to strengthen monitoring of discharged water and conduct monthly tests of discharged water samples in accordance with requests from nearby residents.	Risk	High	Medium
Noise control and improvements	Residents near the Pingzhen Factory raised concerns regarding noise caused by packing and cleaning procedures	We changed our cleaning site to avoid disturbing the residents	Risk	High	Medium

Out of our three factories in Taiwan, the manufacturing processes at Pingzhen Factory produce the least amount of waste and wastewater. Therefore, this factory faces fewer problems from neighboring communities. Our Longtan Factory is located within the Longtan Science Park and is surrounded by other factories which all comply with science park administration regulations. Therefore, this factory also faces lower community risks and opportunities. However, the manufacturing processes at Zhongli Factory generate large amounts of waste and produce odors. Although all emissions are within regulated levels, the factory is located close to residential areas, so this may affect residents and create community risks. In the future, Grape King Bio will work to create mutual prosperity with local communities; improve our manufacturing processes to reduce waste, wastewater, and noise; and continue to communicate with local residents to transform risks into better opportunities.



## Occupational Violence Handling Team

Our general manager approved the “Procedures for Handling Unlawful Infringements in the Workplace” and established an “occupational violence handling team” to demonstrate our zero tolerance for violence in the workplace. To effectively prevent and handle occupational violence, we have formulated appropriate plans and adopted necessary health and safety measures. We have established an “occupational violence handling team” which ensures that all employees can be free from physical and mental abuse when conducting their job duties.

The “occupational violence handling team” is mainly composed of HR representatives, labor safety representatives, nurse representatives, labor representatives, and on-site doctors. Changes in team personnel must be approved by our general manager. We require all team members to be objective, fair, and impartial when reporting grievances; provide full confidentiality to protect the interests and privacy rights of the victims and informants; and execute relevant procedures in a positive and proactive manner. In 2023, we hosted 2 lectures presented as stand-up comedy routines rather than traditional speeches. The lectures were designed and organized for our colleagues at our Taipei Operations Center and Pingzhen Headquarters.

In terms of illegality risks in the workplace, we have established procedures to control unlawful infringements in the workplace, which are implemented using the following frequencies and methods :

1. Conduct re-assessments to check and improve internal operating site configurations and administrative control measures once a year.
2. Conduct re-assessments of job suitability and adjust personnel once a year.
3. Conduct re-assessments once every three years of hazard identification and risk assessment procedures for prevention of unlawful infringements in the workplace implemented by supervisors or assigned personnel.

## Prohibition of Sexual Harassment in the Workplace

We have established clear measures and regulations for the prevention of sexual harassment which are permanently displayed on our notice boards. Our employees can report sexual harassment incidents through our grievance mailbox. In the past three years, there has been one incident of workplace harassment. In response, we will implement related courses to enhance the emphasis on employees to respect behavioral boundaries and language discretion, office etiquette, and mutual respect. Our goal is to create a harmonious working environment with substantial gender equity.

## Management Actions on Key Issues of Human Rights Risks for 2023

In 2023, Grape King Bio uncovered an incident at the employee level which violated our prohibition of forced labor and an incident involving occupational health and safety during our human rights due diligence process. The investigation process and compensation measures were as follows :

Value Chain	Issues of Concern	Identify Risk Sources	Risk Management and Mitigation Measures	Description of Violation	Compensation Measures
Midstream	Violation of prohibition of forced labor	Excessive working hours	<div>1. Establish attendance settings on our human resources system to provide reminders and response measures for abnormal schedules, thereby preventing work schedules from non-compliance with regulations.</div> <div>2. Regular inspections of schedules, overtime, and vacations for each department to confirm compliance with labor inspections and ensure that our work hours, shift rotations, and overtime payments adhere to regulations.</div>	<div>1. Failure to provide salary payments at an additional rate for extended working hours in accordance with regulations.</div> <div>2. Failure to provide salary payments for rest days in accordance with regulations.</div>	<div>• Corrective measures</div> <div>(1) Compliance with regulations on extended working hours : Hired foreign employees to share current increases in workloads and shift scheduling needs. Utilized the reminder function of our human resources system for anomaly control and resolution.</div> <div>(2) Insufficient salary payments for extended working hours and rest days : The basic standards of salary payments for extended working hours have included meal allowances incurred during overtime as per regulations, and the payment formula has been established in compliance with the regulations of payment standards for extended working hours.</div> <div>• Prevention mechanisms</div> <div>(1) Utilize the management mechanisms on our new human resources system and generate analysis reports that provide reminders for shift scheduling as a prevention measure.</div> <div>(2) Regularly conduct inspections on legal compliance and legality of the system and adjust accordingly.</div>



Value Chain	Issues of Concern	Identify Risk Sources	Risk Management and Mitigation Measures	Description of Violation	Compensation Measures
Midstream	Occupational health and safety	Regulations Governing the Safety of Boiler and Pressure Vessel	1. Schedule corresponding personnel for the operation period according to the shift schedule. 2. Hire adequate reserve employees.	Employers shall employ dedicated operators for boiler operation and management and shall not assign them tasks unrelated to boiler operation during its operation.	Shift assignments of dedicated operators responsible for boiler operation are scheduled prior to operation.
Midstream	Occupational health and safety	Regulations Governing Occupational health and safety Facilities	1. Routine autonomous inspections and monthly cross-departmental joint inspections are conducted by each unit. 2. Targeted inspections (chemicals, machinery, and equipment safety) are conducted regularly and annually by our industrial safety department.	1. Employers shall provide shields, fences, sleeves and bridges for components of machinery such as prime motors, rotary shafts, gears, pulleys, flywheels, transmission wheels and transmission belts which are potentially hazardous for employees. 2. The employer shall install sturdy and smooth doors at each floor entrance of the lift shaft and shall provide safety devices to ensure that the lift cannot operate when any door of the lift or the floor entrance is open and that the life stops moving up and down if any door is open while the lift is in motion. 3. The emergency eye wash and shower equipment shall be installed in the workplace where certain chemicals such as Type 1 of Category C substances, Category D substances, chromic acid and its chromate, or dichromate and its chromate are used.	1. The hazard of pinch points occurs during the operation of the labeling machine Improvement Method : Safeguards with safety interlocks have been installed to prevent the hazard of pinch points. 2. The material hoist lacks sturdy doors and safety interlock devices. Improvement Method : Sturdy doors and safety interlock devices have been installed. 3. No emergency shower equipment is present in locations where certain chemicals are used. Improvement Method : The emergency shower and eyewash equipment have been installed on site.



## 4.2 Talent Recruitment and Structure

Grape King Bio formulates corporate business strategies every year in response to global development trends in the biotechnology industry and the diverse health food needs of consumers. In 2019, we began incorporating systematic functional hiring procedures to strengthen our talent recruitment and selection system, and provide “appropriate positions for suitable talent.” When implementing our management ideals relating to diversified talent, we emphasize and advocate equal opportunities for our employees when recruiting, screening, appointing, distributing, deploying, appraising, and promoting job candidates and employees. We do not discriminate or give preferential treatment based on race, class, language, ideology, religion, political affiliations, place of birth, gender, sexual orientation, age, marital status, appearance, physical or mental disabilities, horoscope, blood type, labor representation, or other personal factors. There are no incidents of discrimination in 2023.

### Recruitment Channels

Apart from utilizing general recruitment channels, we also attach great importance to the following five channels to recruit talents and increase diversity:

#### 1. Industry-government-academia collaborations

We have long collaborated with universities and colleges throughout Taiwan on industry-academia collaborations and internships to build professional knowledge in young students and develop outstanding potential talents, please refer to 5.1.1 Student Internships and Exchanges and 5.1.2 Seed Talent Program (STP). In 2018, we began collaborating with the Vocational Training Center of the Veterans Affairs Council to help veterans establish a new set of career goals. This not only assisted veterans in transferring to private organizations, but also raised local employment rates. Starting in 2019, we commenced long-term collaborations with the Taoyuan City Government Employment Service Center, updating and publishing corporate vacancies on a monthly basis to maximize exposure for our recruitment information and enable the public to quickly learn about our vacancies through diverse recruitment channels.

#### 2. Internal recruitment and rotation

Regulations for managing job rotations at Grape King Bio correspond to our organizational needs and the career development of our colleagues, ensuring that all of our personnel can be placed in appropriate positions to maximize their potential. Our colleagues voluntarily apply for internal rotations and submit written documents to our human resources unit. Following review of relevant documents, qualified candidates pass through two rounds of interviews, and the general manager makes final decisions on internal rotations. The number of successful internal rotation in 2023 accounted for 4.3% of all recruits. We openly promote internal rotations for our employees and adopt rigorous procedures to ensure mutual protection for employees and the Company.

#### 3. Internal referrals

Most candidates referred by our employees exceed average standards; referred candidates are selected through the same fair recruitment and screening processes we use for other candidates to effectively maximize the effects of internal referrals.

#### 4. Active recruitment of talent

Many companies find talent by screening job applications, but we encourage our HR personnel to actively seek out talent that fulfills our criteria. We hope to bring excellent and suitable talent into our company, regardless of industry experience or background.

#### 5. Recruitment of foreign blue-collar workers

Following assessment of internal production lines and production shift plans, we applied for and received approval from competent authorities to recruit foreign workers. We strictly evaluate our collaborations and hire legal foreign blue-collar workers from registered recruitment companies.



Human Resource Structure at Grape King Bio and Pro-Partner in 2023

Item	Employee Type	Statistics by Employee Category				Total			
		Male		Female		Male		Female	
		Number of employees	Ratio	Number of employees	Ratio	Number of employees	Ratio	Number of employees	Ratio
Position	Executives (managers and above)	28	4.0%	26	3.7%	330	47.3%	368	52.7%
	Production line workers	124	17.8%	86	12.3%				
	Other employees	178	25.5%	256	36.7%				
Employment Type	Permanent employees	321	46.0%	353	50.6%				
	Temporary employees	9	1.3%	15	2.1%				
Contracts Type	Full-time employees,	308	44.1%	343	49.1%				
	Part-time employees	14	2.0%	15	2.1%				
	Non-guaranteed hours employees	8	1.1%	10	1.4%				
Nationality	Local hires	298	42.7%	340	48.7%				
	Foreign nationals (white-collar workers)	2	0.3%	0	0.0%				
	Foreign nationals (blue-collar workers)	30	4.3%	28	4.0%				
Total number of employees						698			

Note :  
1. The calculation of employees includes Grape King Bio, Pro-Partner Co, Ltd., and Rivershine Co. Ltd.  
2. Part-time employees include short-term contract workers, long-term temporary workers, and one-year consultants.  
3.Non-guaranteed hours employees include interns.  
4.Workers who are not employees at Grape King Bio in 2023 totaled 23 individuals, including interns, security personnel, cleaning staff, kitchen staff, and others.  
The number remained relatively stable compared to the previous year.

At Grape King Bio, our ratio of male and female employees has long been around 1 : 1. The male to female ratio of all employees in 2023 was 50% : 50%, and the ratio of new male and female employees for the year was 1:1. The male to female ratios for starting salaries and invested values for benefits were both 1 : 1. At work, we do not discriminate based on employee gender, age, pregnancy status, race, political affiliation, or religious orientation. To create gender-friendly workplace environments, we reviewed work designs, confirmed workloads for different genders and positions, and did not differentiate training or career development processes based on gender differences. In 2023, our new recruits came from the following sources :

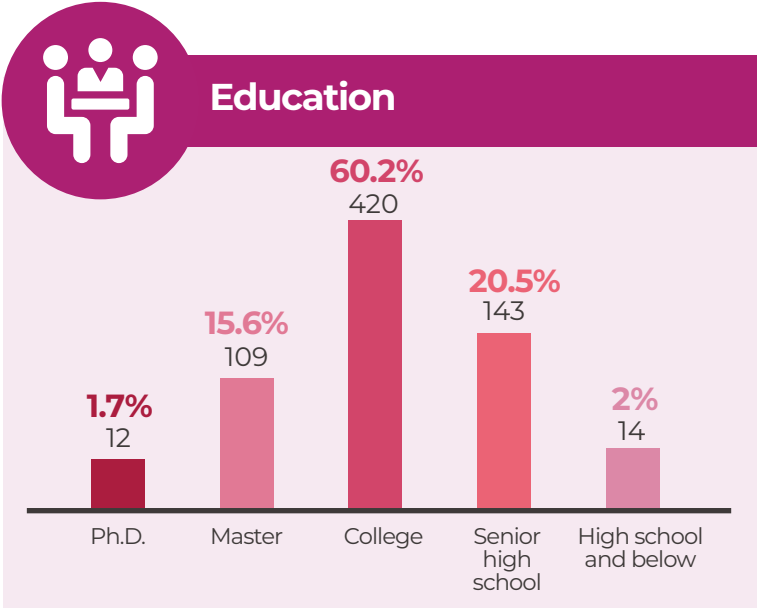
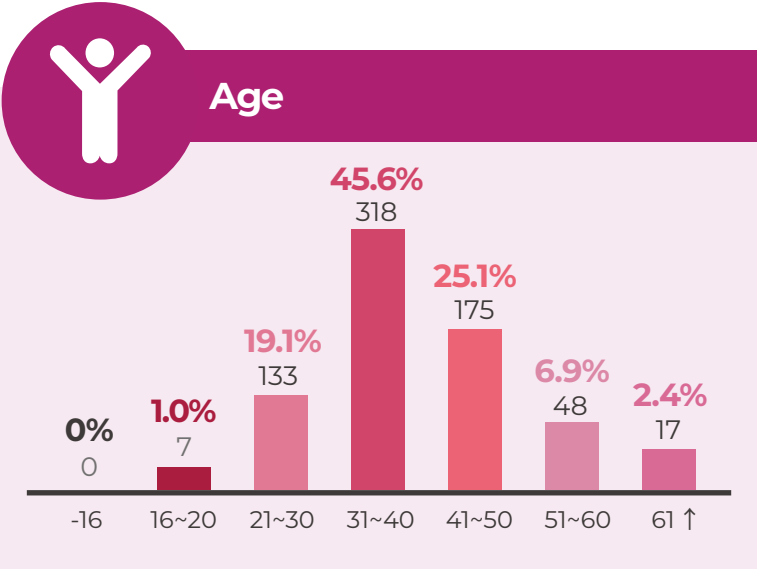
Previous interns	Recruitment agencies	Internal recruitment and rotation	Internal referral	Active recruitment of talent	Job search websites (104, 1111, employment service offices for workers reentering the workforce, and other institutes)
2	33	2	2	8	116

To promote diversity and equality for all employees while protecting the rights and interests of all groups, we have established regulations to protect the rights of the disabled and the working rights of indigenous people. Our external recruitment opportunities include positions for indigenous and disabled candidates, as well as job opportunities for individuals with Down Syndrome from the Chensenmei Social Welfare Foundation, which is located near our company. We also adjust work tasks for disabled colleagues placed in unsuitable positions.We recruited the following number of disabled and indigenous employees in 2023 :

Year		2021 (Note 1)	2022	2023
Total Employees		607	633	698
Indigenous Employees	Number of employees	5	6	6
	Ratio	0.8%	0.9%	0.86%
Disabled Employees	Number of employees	6	5	6
	Ratio	1.0%	0.8%	0.86%

Note 1 : Starting from 2021, employees from Pro-Partner were included in calculations.

Distribution of Employee Age and Education Levels in 2023



Number and Gender Ratio of New and Departed Employees in 2023

Category	Age	Total			
		Male		Female	
		Number of employees	Ratio	Number of employees	Ratio
New Employees	16-20	8	5.8%	2	1.4%
	21-30	29	20.9%	26	18.7%
	31-40	19	13.7%	20	14.4%
	41-50	14	10.1%	18	12.9%
	51-60	0	0.0%	3	2.2%
	61 ↑	0	0.0%	0	0.0%
	Total	70	50.4%	69	49.6%
Departed Employees	16-20	0	0.0%	0	0.0%
	21-30	18	20.7%	16	18.4%
	31-40	17	19.5%	11	12.6%
	41-50	8	9.2%	10	11.5%
	51-60	1	1.1%	3	3.4%
	61 ↑	2	2.3%	1	1.1%
	Total	46	52.9%	41	47.1%

Ratios of New Hires and Turnover Rates in 2023

Item	2021	2022	2023
Ratio of new hires	20.59%	20.72%	19.91%
Turnover rate	15.98%	17.48%	12.46%
Voluntary turnover rate	15.81%	17.11%	12.46%

Note :  
Ratio of new hires = Total number of new hires for the current year / Total employees at the end of the current year  
Turnover rate = Total number of departed employees in the current year / Total employees at the end of the current year  
Voluntary turnover rate = Number of voluntary departed employees in the current year / Total number of employees in the current year





# 4.3 Talent Cultivation and Performance Appraisals

## COLUMN GKB Learning College

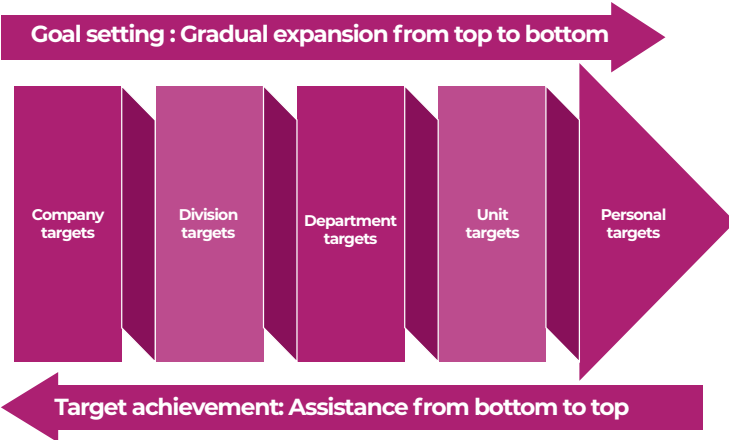
In 2019, Grape King Bio established the GKB Learning College, which is led by our Chairman. The highest authorities of each division work with our Human Resources Department to develop systematic learning maps and diverse implementation plans, provide internal and external training resources, and encourage our employees to continue learning professional knowledge and multi-disciplinary skills. Our course materials are based on our analyses of various jobs and functions, and we assist potential talents from all units in developing their skills. Our courses align with future industrial trends, and many senior executives personally share their professional knowledge through lectures while also discussing and revising course materials with multiple industrial experts, teachers, and students. Our courses are integrated with actual project implementations so we can quickly cultivate talent for prospective markets in three divisions (supply chain, administration, and R&D). We have trained 15 outstanding managers and employees who will continue to promote these concepts in various other divisions in future.

Management Approach	Key issue- Human Rights	
Policies	Implementation and promotion of “Human Capital Strategic Thinking 3.5” framework Grape King Bio upholds core values relating to “Technology, Health, and Hope” and adopts a people-oriented core strategy. We have incorporated human resource analytics, established and promoted our “Human Capital Strategic Thinking 3.5” framework, and implemented a diverse talent development mindset which places appropriate personnel in appropriate positions. We provide a high-quality and healthy workplace environment as well as competitive remuneration and benefits, and we continue to cultivate talent and build a heartwarming workplace environment.	
Commitments	To effectively enhance our human resources, we not only actively build and promote high-quality training programs and implementation principles, but also work to establish a function-oriented learning map to help all departments cultivate current and reserve personnel, develop key talents, and fully implement our policy of placing appropriate talent in appropriate positions.	
Targets	Short-term	<ul style="list-style-type: none"><li>Implement GKB Learning College (GKBLC) framework to organize, establish, and implement training programs for all six departments, completing a minimum target of training for one department each year.</li><li>Maintain TTQS Silver Award.</li><li>Cultivation of 1 person with potentials in each division and achieve success rates exceeding 80% on this KPI indicator</li><li>Promotion and implementation of Learning Passports</li></ul>
	Mid-term	<ul style="list-style-type: none"><li>Implement GKB Learning College (GKBLC) framework, completing a minimum target of training for one department each year.</li><li>Maintain TTQS Silver Award and obtain Gold Award</li><li>Cultivation of 2 people with potentials in each division and achieve success rates exceeding 80% on this KPI indicator</li><li>Establish cultivation program for potential and key talents</li></ul>
	Long-term	<ul style="list-style-type: none"><li>Establish GKB Learning University (GKBLU) framework</li><li>Maintain TTQS Gold Award qualifications</li><li>Obtain key talent through cultivation of potentials and reach achievement rates of 85% or more</li></ul>
Responsibilities	Internal communications and collaborations : Facilitate periodic communications with all departments, listen to department needs to identify appropriate talent, implement employee care measures, reduce human resource risks, and establish smooth communication processes	
Resources	Manpower : Monthly/quarterly human resource reports and human resource improvement program	
Specific performance	<ul style="list-style-type: none"><li>✓ Obtained TTQS Silver Award qualifications</li><li>✓ Continued to implement GKB Learning College (GKBLC) framework to organize, establish, and implement IRC and QA department talent cultivation training programs for all six departments. We completed training programs and achieved commendable results. The head of the IRC department was promoted.</li></ul>	

Grape King Bio places high emphasis on the career development of employees. We facilitate internal talent rotation by providing overseas job opportunities, opportunities to execute critical projects, training, and a variety of other opportunities and platforms, encouraging our employees to realize their potential, develop a broader outlook, and build connections. We also ensured that our evaluations are fair and transparent by incorporating target and performance management systems. We implement KPI systems so that the personal performance of our colleagues is linked to their departments, divisions, and our headquarters. We implement the following target and performance management system :

(1)Our targets are set for each level from the top down At the beginning of the year, the general manager's office responds to future developments and formulates annual operational targets. The managers of each department take on these targets based on department functions, following which our colleagues in each department take on work duties associated with work targets.

(2)Target achievements are supported for each level from the bottom up Achievements of personal targets make it possible for each department to achieve their departmental targets, which in turn make it possible for corporate operational targets to be completed.



4.3.1 Blueprint for Talent Development

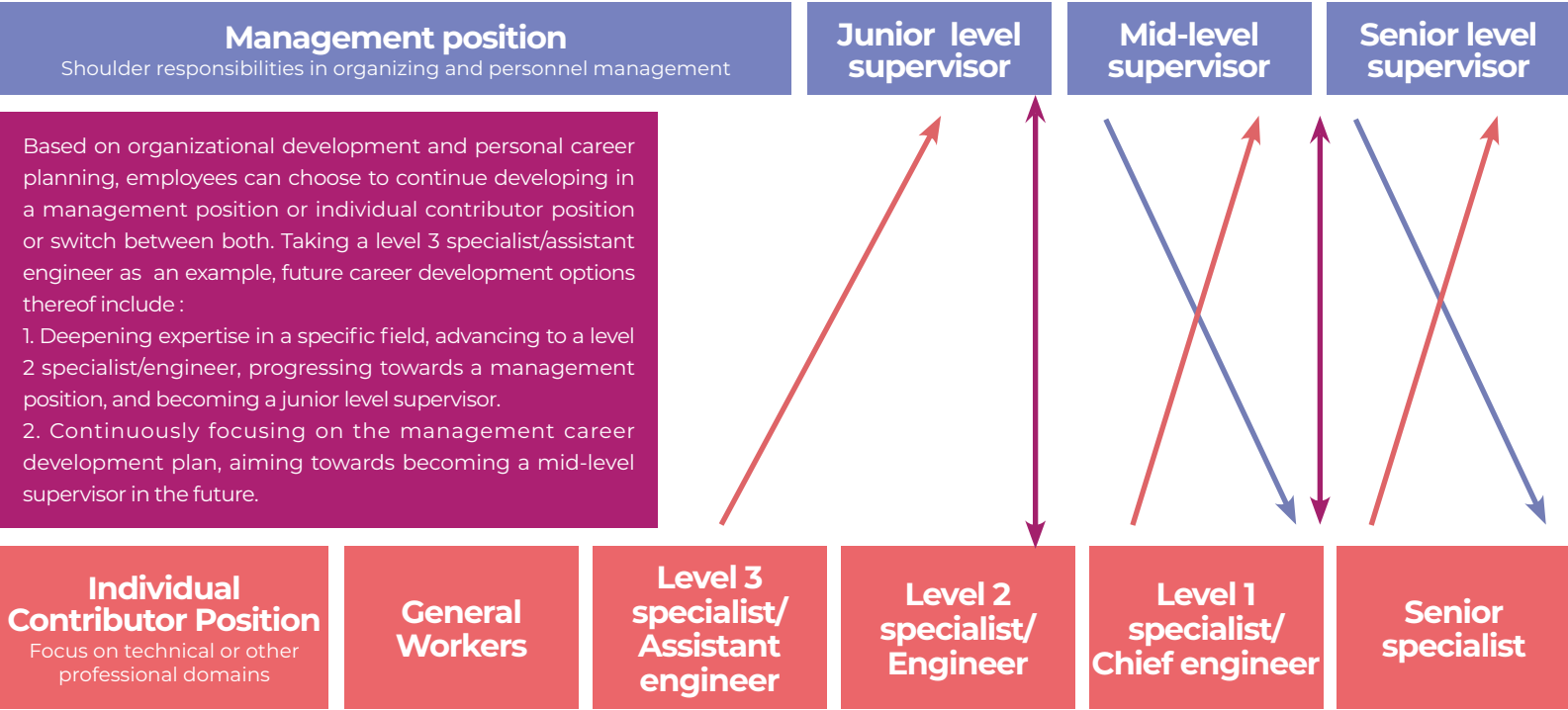
Organizational and talent development has always been an important strategic corporate target. To ensure steady organizational developments while also enhancing the quality of our personnel, we continue to recruit outstanding talent; strengthen cultivation and development; systematically provide all our colleagues with the necessary skills, knowledge, attitude training, and resources; work to understand real-time work conditions for our personnel; and review implementations and risk indicators each month. Our senior managers convene each quarter to review organizational developmental highlights and talent development results.

Dual Training Program

Our employees fall into two main categories: management talent and professional talent. Employees with different talents undergo different types of training under our dual-training program. This enables all of our employees to implement what they have learned. Our dual promotion channels encourage diversified development of talent. When managing talents, we compare their professional capabilities and management duties, and set up comprehensive development plans to supplement necessary capabilities. We integrate our training into routine projects to improve the effectiveness of our courses. Specific measures of our program include :

(1) Development of corporate learning map

The professional capabilities and job duties of each position within each functional department (production, sales, HR, R&D, and finance) are defined and paired with the current development stage of each employee to identify any gaps in capabilities that require education and training.



(2) Development of individualized learning roadmaps

Our employees are required to understand our expectations when entering the company and create their career development plans based on their own ambitions and expertise. We work with our employees to set work targets and formulate learning and development plans each year, assisting them in playing to their strengths and realizing their self-worth.

Performance Assessments : Mutual Communications and Trust

Performance evaluation systems : At the beginning of each year, we set goals for each department (including corporate targets, department targets, and personal targets) based on important annual targets set by the Company, and review and confirm progress throughout the year. We conduct year-end evaluation interviews to verify performance, and evaluation results are used as a basis for determining promotions, salary adjustments, bonuses, and remuneration, as well as plans for education and training. We organized manager training programs in 2022 and commissioned external consultants to assess and optimize current methodologies and logic used for formulating KPIs to help our managers adjust relevant systems, optimize performance targets, and align employee behaviors with performance evaluation results. Evaluations conducted in 2023 are shown in the following table :

Item	Purpose	Number of People	Target
Evaluation of new employees	Objectively assess performance, capabilities, and suitability of new employees for each position	A total of 112 people	Employees that were recruited within the past three months
Year-end evaluations	Achieve corporate goals, enhance corporate performance, objectively and fairly assess employee performance and develop employee capabilities	A total of 698 people	Managers, general administrators, and on-site personnel

4.3.2 Employee Training and Development

We formulate strategic plans and development targets in accordance with our corporate mission (the soul of our company), vision (our goals for different phases), and core values (common behavioral values), and use quantitative analyses to generate human resource management reports, confirm training needs and methods for analyzing current deficiencies, and determine training goals and plans. We believe that education and training is not an expense, but an investment with the lowest cost and greatest benefits, which help to uncover the potential of our colleagues to the maximum extent.

1. Training goals



**Work targets**  
(knowledge, skills, capabilities)



**Functional targets**  
(internal potential, attitudes, behaviors)



**Performance targets**  
(performance, capabilities, gaps)



**Personal development**  
(career development plans)

2.Core training courses

- (1) Core functional training courses
- (2) Common functional training courses
- (3) Professional functional training courses
- (4) Management functional training courses

Employee Training Metrics for 2023

Grape King Bio has continued to conduct education and training over the years and regularly tracks the results of training. We use indicators such as the Kirkpatrick Model and ROI on human capital to review learning performance for constant improvement of training content and to strengthen the link between company goals and training needs.

Item	2021	2022	2023
Total training expenses	1,885	1,071	1,808
Total training expenses/Total revenues (%)	0.02%	0.01%	0.01%
Total training hours	8,006	8,215	9,431
Total number of training participants	2,398	2,749	3,938
Training penetration rate (%)	98%	92%	100%

Unit : Thousand NTD

Human Capital Return on Investment (HC ROI)

Item	2021	2022	2023
a) Total Revenue	9,798,246	10,391,231	10,635,464
b) Total Operating Expenses	5,543,773	5,929,212	6,036,873
c) Total Employee-related Expenses	870,768	920,320	967,856
HC ROI (a - (b- c)) / c	5.9	5.8	5.8

Training Statistics by Position and Gender in 2023

Item	Employee Type	2023			
		Subtotal		Total	
		Male	Female	Male	Female
Total training hours	Executives (managers and above)	407	438	5,085	4,346
	Production line workers	2,114	1,196		
	Other employees	2,564	2,712		
Total number of training participants	Executives (managers and above)	200	152	2,014	1,924
	Production line workers	862	633		
	Other employees	952	1,139		
Training penetration rate	Executives (managers and above)	100%	100%	100%	100%
	Production line workers	100%	100%		
	Other employees	100%	100%		
Average training hours	Executives (managers and above)	17.0	24.3	18	18
	Production line workers	17.3	14.4		
	Other employees	18.8	14.5		

Grape King Bio continues to strengthen the link between organizational targets and training needs to enhance and improve the effectiveness of our training courses. We continue to obtain specific and quantitative performance through effective training systems and course structures.

Starting in 2013, we began participating in the Talent Quality-management System (TTQS) verification plan implemented by the Council of Labor Affairs Vocational Training Council (now known as the Ministry of Labor Workforce Development Agency) and received a bronze TTQS award that same year, serving as a recognition of our efforts in educating, training, and developing talent. In 2019, we once again participated in TTQS evaluations and received a silver TTQS award, which was extended in 2023. (Only 5-7% of participating companies receive silver awards.) In the future, we will continue to strengthen and expand our talent cultivation and development concepts to assemble a talent fleet and achieve our sustainable development goals related to talent.



## 4.4 Employee Compensation, Benefits, and Health Care

Management Approach	Key issue- Human Rights	
Policies	Implementation and promotion of “Human Capital Strategic Thinking 3.5” framework Grape King Bio upholds core values relating to “Technology, Health, and Hope” and adopts a people-oriented core strategy. We have incorporated human resource analytics, established and promoted our “Human Capital Strategic Thinking 3.5” framework, and implemented a diverse talent development mindset which places appropriate personnel in appropriate positions. We provide a high-quality and healthy workplace environment as well as competitive remuneration and benefits, and we continue to cultivate talent and build a heartwarming workplace environment.	
Commitments	Grape King Bio takes into account the compensation level and structure of the labor market, providing a competitive and advantageous compensation policy. Upholding the spirit of employee care, it promotes and implements the EAPs program, taking into account both the promotion of employee benefits and employee care policies.	
Targets	Short-term	<ul style="list-style-type: none"><li>• The salary structure is maintained as a framework of monthly wage, year-end bonus, and reward bonus, with the industry average annual salary maintaining a level within the top 30% to 35% of the market.</li><li>• Satisfaction with EAPs continuously increases to over 80%.</li><li>• There are two EAPs lectures every year, with satisfaction rates of over 85%.</li><li>• Promote the implementation of the Talent Pool plan, combining the execution of KPI and IDP, providing colleagues with an allowance supplement.</li></ul>
	Mid-term	<ul style="list-style-type: none"><li>• The salary structure is kept as a framework of monthly salary, year-end bonus, and reward bonus, with the average annual salary staying within the top 25% to 30% of the market.</li><li>• The satisfaction rate of EAPs continuously rises to over 90%.</li><li>• There are three EAPs lectures per year, with a satisfaction rate exceeding 85%.</li><li>• Job relative compensation satisfaction rate of 70% to 75%.</li></ul>
	Long-term	<ul style="list-style-type: none"><li>• The salary structure is maintained as a framework of monthly wages, year-end bonuses, and reward bonuses, with the average annual salary keeping a level in the top 25% or above in the market.</li><li>• Satisfaction with EAPs consistently increases to over 90%.</li><li>• At least one EAPs lecture is held each quarter, with satisfaction rates exceeding 90%.</li><li>• The level of satisfaction with the relative job compensation is between 70% to 75%.</li></ul>
Responsibilities	Internal communications and collaborations: The HR department will regularly communicate and listen to the needs and compliance maintenance of each department within the company; implement employee care measures and establish smooth communication channels and procedures to reduce human capital risks.	
System	Human Resource Information System (HRIS)	
Specific performance	✓ Continuously conducting EAPs innovative courses, especially in the lectures on employee stress relief and stress elimination. A stand-up comedy format is used to provide colleagues with a learning reference for stress relief methods.	

We strive to ensure that all our colleagues enjoy the best work experiences by designing competitive salaries and bonuses, providing practical welfare items, befriending our employees, caring for the physical and mental health of our employees, creating a work-life balance for our colleagues, and enhancing employee engagement to build a strong workplace that enables sustainable development.

### 4.4.1 Remuneration and Incentive

To effectively achieve our two goals of talent retention and motivation, we have designed a competitive remuneration system that exceeds industry standards. In 2023, our remuneration standards were 1.5 times that of the average industry standards. Grape King Bio determines remuneration levels based on employee backgrounds (including education levels and work experience), professional and technical knowledge, years of professional experience, and personal performance, regardless of gender, race, religion, political stance, marital status, or union participation.

Item	2021	2022	2023
Salary Standards	Salary levels exceeded 1.5 times industry standards		
Months and Frequencies of Salary Adjustments	Annual salary adjustments are made in either April or October		
Year-End Bonuses	Paid at the beginning of the year		Paid before Lunar New Year
Mid-Year Compensation	Paid in the middle of the year		
Average Annual Salaries	Average annual salaries exceed 20 months		
Cash Bonuses and Gifts	Gifts or cash bonuses for Lunar New Year/Labor Day/Dragon Boat Festival/Ghost Festival/Moon Festival/birthdays		
Remarks	Salary standards=Average employee salaries÷average industry salaries		

We hope to enhance overall corporate performance through our system designs, which link future potential with salary adjustments, thereby inspiring our employees to increase their value at work. Our bonus items consider the following factors :

- (1) Bonuses and compensation : consider annual performance, target achievement status, and the Company's annual profits.
- (2) Salary changes and adjustments : consider rationality of current salaries, performance, future potential of individual colleagues; annual budget for salary adjustments; balance between internal and external salaries; and price levels.



Bonuses and compensation

Considers annual performance, target achievement status, and the Company's annual profits.



Salary changes and adjustments

Considers rationality of current salaries, performance, future potential of individual colleagues; annual budget for salary adjustments; balance between internal and external salaries; and price levels.





Grape King Bio  
Employee Compensation Ratios for 2023

Rank	Female-to-male basic salary ratio	Female-to-male average compensation ratio
Executive Positions	1 : 1.44	1 : 2.17
Professional Positions	1 : 1.09	1 : 1.04
General Employees	1 : 1.04	1 : 1.04

Note:  
1. Female-to-male basic salary ratio = Basic salaries for female employees of all levels / Basic salaries for male employees of all levels  
2. Female-to-male average compensation ratio = Average compensation for female employees of all levels / Average compensation for male employees of all levels



Non-management level employees  
Salary Ratios

	Non- Management Employees		
	2021	2022	2023
Total salaries of all full-time, non-management employees (A)	276,694,495	333,692,384	416,460,909
Total number of all full-time, non-management employees (B)	370	410	644
Average salaries of full-time, non-management employees (A/B)	747,823	811,904	905,350
Median salary	753,834	772,022	813,936

4.4.2 Employee Benefits

Grape King Bio offers a variety of benefits, including gifts and bonuses for major festivals, employee scholarships, scholarships for children of employees, group insurance, insurance plans for employee dependents, regular physical examinations, on-site massage services, employee canteens, and employee discounts. Apart from providing basic employee benefits in accordance with relevant laws, we have also established an employee welfare committee that adheres to the Organization Regulations on Employee Welfare Committee. Department committee members are selected by all employees and convene every three months, though extraordinary meetings can be called when necessary. The committee is responsible for drafting annual budgets and planning group activities, trips, contract signing with collaborating stores, and year-end banquet activities. In 2023, we organized badminton tournaments, overseas travel subsidies, and year-end banquet activities. Employee welfare committee expenditures in 2023 amounted to NT\$7,776,000. In terms of retirement benefits, we have formulated employee retirement plans that adhere to the Labor Standards Act. We also make monthly deposits of pension reserve funds into a designated account following the Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds.



4.4.3 Care for Employees

In order to provide a happy workplace environment for our colleagues here at Grape King Bio, we strive to help our employees maintain a work-life balance. Our colleagues can obtain pregnancy, maternity and paternity, and parental leave and assistance regardless of gender.

Unpaid Parental Leave

Article 16 of the Act of Gender Equality in Employment stipulates that, after being in service for six months, employees may apply for parental leave without pay before any of their children reach the age of three years old. The period of this leave is until their children reach the age of three years old but may not exceed two years. When employees are raising over two children at the same time, the period of their parental leave shall be computed aggregately and the maximum period shall be limited to two years received by the youngest child. Each application for parental leave without pay should in principle be no less than six months and no more than two years. Colleagues who require parental leave without pay for less than six months can apply for short-term (more than 30 days) parental leave without pay; the number of applications is limited to two. Additionally, Article 3 of the Regulations for Implementing Unpaid Parental Leave for Raising Children stipulate that, during the period of unpaid parental leave for raising children, an employee on leave may consult and negotiate with his (or her) employer to move forward or postpone his (or her) date of reinstatement. Written applications for parental leave without pay should be submitted ten days in advance.



Item	2020	2021	2022	2023
Number of paternity leave applicants	10	9	7	7
Number of maternity leave applicants	7	16	5	15
Number of employees on unpaid parental leave	9	5	3	6
Rate of returning from parental leave (Reinstatement rate)	100%	75%	100%	38%
Rate of retention following unpaid parental leave (Retention rate)	71%	67%	100%	88%

Note :  
Rate of employee reinstatement following unpaid parental leave = Actual number of reinstated employees for the current year / Number of employees that should have been reinstated for the current year  
Rate of retention following unpaid parental leave = Number of employees reinstated over one year for previous year / Number of reinstated employees for the previous year

Maternity Health in the Workplace Lectures

Around 50% of Grape King Bio colleagues are female, and around 76% of female employees are of childbearing age. Managers and employees can proactively report their pregnancies to the health management center, and occupational health nurses provide full-range prepartum and postpartum care as well as carry out various procedures relating to hazard identification and evaluation, suitable work arrangements, management by risk levels, and continued follow-up according to the Regulations for Maternal Health Protection of Female Workers to ensure the physical and mental health of our female employees throughout their childbearing, pregnancy, childbirth, and breastfeeding stages to achieve a balance between protection of maternal health and employment equality. Our factory nurses also conduct pregnancy care interviews and health education related to breastfeeding in the workplace to create a maternity friendly workplace environment and enhance the physical and mental health of our employees of childbearing age. A well-equipped lactation room has been established at each factory and employees have expressed 100% satisfaction with these lactation rooms.





#### 4.4.4 Health Management

Grape King Bio adheres to the mission of "Live Healthy, Think Grape King" and is based on our core values of "technology, health, and hope". We uphold the concept of "Contributing to a better society" and continue to promote various health management and health promotion measures with the PDCA (Plan, Do, Check, Act) model. We aim to take care of the physical and mental health of employees, their families, and contractors, striving to achieve a balance between work and life, and establish a sustainable and healthy workplace. We optimize various health management and promotion measures, and arrange free annual health checks for all employees, including screenings for four types of cancer, ultrasounds, ECGs, and more. Based on the health needs of our employees, we use survey evaluations combined with health check results to arrange one-on-one consultation services with doctors. We plan comprehensive health service programs, build friendly workplace environments and sports facilities, and continuously implement the concept of living a healthy lifestyle and self-health management. Our goal is to create a sustainable and healthy corporate culture and fulfill our corporate social responsibilities. Our targets for health management and promotion are as follows:

##### I. Short-term goals

- 1.Improve the physical fitness and health awareness of employees, employee family members, contractors, and community members, enhancing their self-health management capacity.
- 2.Optimize health protection for specific groups :
  - (1)Maternal health protection.
  - (2)Health protection for suitable job allocation for the disabled.
  - (3)Health protection for suitable job allocation for foreign migrant workers.
  - (4)Health protection for suitable job allocation for middle-aged and elderly workers.
- 3.Digitalize the health management system to enhance health management and health promotion efficiency.
- 4.Collaborate with local health and medical units to promote various health promotion services.
- 5.Respond to various epidemic outbreaks by optimizing the infectious disease prevention emergency response mechanism and reporting procedures.

#### II. Mid- and long-term goals

- 1.Become a benchmark of healthy workplaces for SMEs in Taiwan
- 2.Become a model happy enterprise.
- 3.Establish an elderly-friendly workplace environment in response to our aging society.
- 4.Establish a maternity-friendly workplace environment in response to decreasing birth rates.
- 5.Create a work-life-balanced workplace which allows employees to balance family life, physical health, and mental health.

In 2023, we invested NT\$ 2,022,220 in employee health management and health promotion, which garnered average overall satisfaction rates that exceeded 90%. We implemented a variety of epidemic prevention measures in response to the easing of the epidemic situation to ensure that all our employees could work in healthy and safe environments. Relevant health management implementation plans include :

##### I. Individual Health Resources

New employees : We subsidize new employees to undergo general physical examinations and physical examinations for specific procedures. Before beginning work, new employees undergo fitness for work evaluations conducted by factory nurses, and receive health management, relevant resources, or referrals for abnormal items marked on the results of physical examinations after they begin work.

Current employees : We provide free annual physical examinations and health checks for personnel working on specific processes, then analyze the results of these examinations to categorize employee health levels for better management. We also arrange for professional specialists to provide health consultations for employees listed as having potential health risks. We organize follow-up treatment and management at medical institutions based on individual health needs to provide the best care for our colleagues.

Health management : Management by employee health levels, consultations with professional specialists, follow-up treatments, and subsequent follow-up management.

Special operation health management : In 2023, there were 17 items for special physical health checks/health checks; updates were made every half year to one year according to environmental testing results.

#### II. Environment for Physiological Health

1. We have obtained certification for our occupational health and safety system and have formulated relevant health management plans, including the Procedures to Prevent and Manage Human-Induced Hazards, Regulations for Maternal Health Protection of Female Workers, Procedures to Prevent Diseases Caused by Abnormal Workloads, Procedures to Prevent Illegal Infringement of Rights when Performing Duties, and Safety and Sanitation Operational Procedures for Middle-Aged and Aged Workers. We continue to review and improve these regulations which facilitate comprehensive protection of employee health, and regularly report our progress to the Occupational Health and Safety Committee.
2. Our factory doctors, factory nurses, and occupational safety personnel conduct on-site inspections of high-risk personnel and units to perform hazard assessments and carry out preventive actions, provide training, or offer suggestions for improvement.
3. We evaluate and implement various health protection measures and appropriate work placements for pregnant and disabled colleagues.
4. We have set up clinics at all our factories, which staffed with factory nurses who provide first-aid for emergency injuries, health consultations, and various health promotion activities. Professional specialists also provide on-site services. We provide a variety of on-site health services such as health lectures, health education promotions, and employee health consultations.



III. Promotion of Mental Health

1.We established a variety of grievance channels, including a mailbox for reporting grievances, a mailbox for reporting sexual harassment, a labor rights section, an email address and a hotline. Our health management center uses annual “Emotion Thermometer” surveys to screen out high-risk candidates and then help to arrange one-on-one doctor interviews and evaluations for these candidates. Where necessary, these cases are transferred to psychiatrists or counselors and are documented for follow-up. In 2023, we conducted re-evaluations on 19 high-risk individuals and excluded them from the suicide risk list. We arranged interviews with occupational doctors for 12 people and continue to conduct irregular follow-ups.

2.Stress Prevention Health Seminars/Activities

(1) Good life with spring blossoms - DIY flower arrangement courses for body and mind relaxation :

“Stress” refers to the physical, psychological, or emotional reactions generated by the body in response to environmental changes. In terms of the increasing proportion of individuals experiencing physical and mental symptoms due to various stresses in recent years, empirical studies indicate that horticulture/floriculture has a positive impact on mental health, healthcare, and public health. The course objectives : 1. Enhance physical, mental, and spiritual well-being. 2. Provide appropriate avenues for stress relief. A total of 40 employees participated with an overall satisfaction rate of 96.8%.

(2) 2023 Grape King Bio's healthy walking with happiness and vitality & Let's go to Nanyuan Ecological Park for stress-relieving hiking and a fun picnic : Purpose : Exercise to gain strength, relieve stress in body and mind through hiking activities, and promote energy conservation, carbon reduction, ecological environment protection, health and safety, and food safety concepts by playing games; a total of 113 people participated.

(3) Mental Health Promotion Lecture - Topic : Workplace Stress Relief and Management

(4) Mental Health Promotion Lecture - Topic : Life Experiences, What Has Happened

(5) Mental Health Promotion Lecture - Topic : Workplace Stress Relief Tips (Handmade Essential Oils, Massage for Stress Relief)

(6) 2023 Body-Mind Relaxation and Care from Mental Health Check (Stress Health Check Lecture)

The HRV stress health check provides an assessment of overall mental health risk as well as hazard prevention measures in the workplace, and an analysis of mind-body energy balance. HRV test results include the degree of heart rate variability and the overall activity of the autonomic nervous system, as well as the balance between the sympathetic and parasympathetic nervous systems. A total of 6 sessions were held with 113 participants.

3. Prevention of Unlawful Infringement During Implementation of Work Duties Program: To protect all employees from developing physical and mental diseases stemming from unlawful physical and mental infringements when performing their work duties.

We created “care cards,” established a “reporting section,” and constantly update announcements and promotions based on amendments to the Stalking and Harassment Prevention Act.

Implementation methods :

- (1) Reports can be made by scanning the QR code on our cards.
- (2) The “Mood Thermometer APP” on our cards help to classify emotional distress levels.
- (3) The “mood quotations” on our cards help all employees change their perspective and relieve stress.

4. Health Service Effectiveness

- (1) The proportion of individuals with medium to high risk on the depression rating scale (Mood Thermometer) decreased from 35 to 19, a reduction of nearly 50%.
- (2) Received Accredited Healthy Workplace Health Care Award from the Ministry of Health and Welfare Health Promotion Administration in 2023
- (3) Our headquarters in Pingzhen, Zhongli Factory and Longtan Branch were awarded the Badge of Accredited Healthy Workplace from the Ministry of Health and Welfare Health Promotion Administration in 2023.

CPR+AED education and training

To enhance the emergency first aid knowledge and skills of new and current staff, AED certification was obtained for all factories (Pingzhen, Zhongli, and Longtan Factories) in 2022. In 2023, eight refresher courses were arranged and a total of 304 attendants throughout the company were trained, with a satisfaction rate of 94.88%.

Grape King Bio's Blood Donation Campaign

Beginning in 2016, we have been continuously organizing the Blood Donation Campaign. Using the group's fan page and local community leaders for promotion, coupled with the raffle event, we invited employees, employees' families, contractors, neighbors, and netizens to join the blood donation ranks. In 2023, a total of 70,000 c.c. of blood was donated.

Grape King Bio employee care expenditures in 2023

On-site doctors	190,000	Total	2,022,220
Fitness classes	140,400		
Annual health checks and vaccines	718,987		
Lectures and courses	152,077		
Medical supplies	171,100		
Other (activities and miscellaneous expenses)	649,656		

Unit : NTD



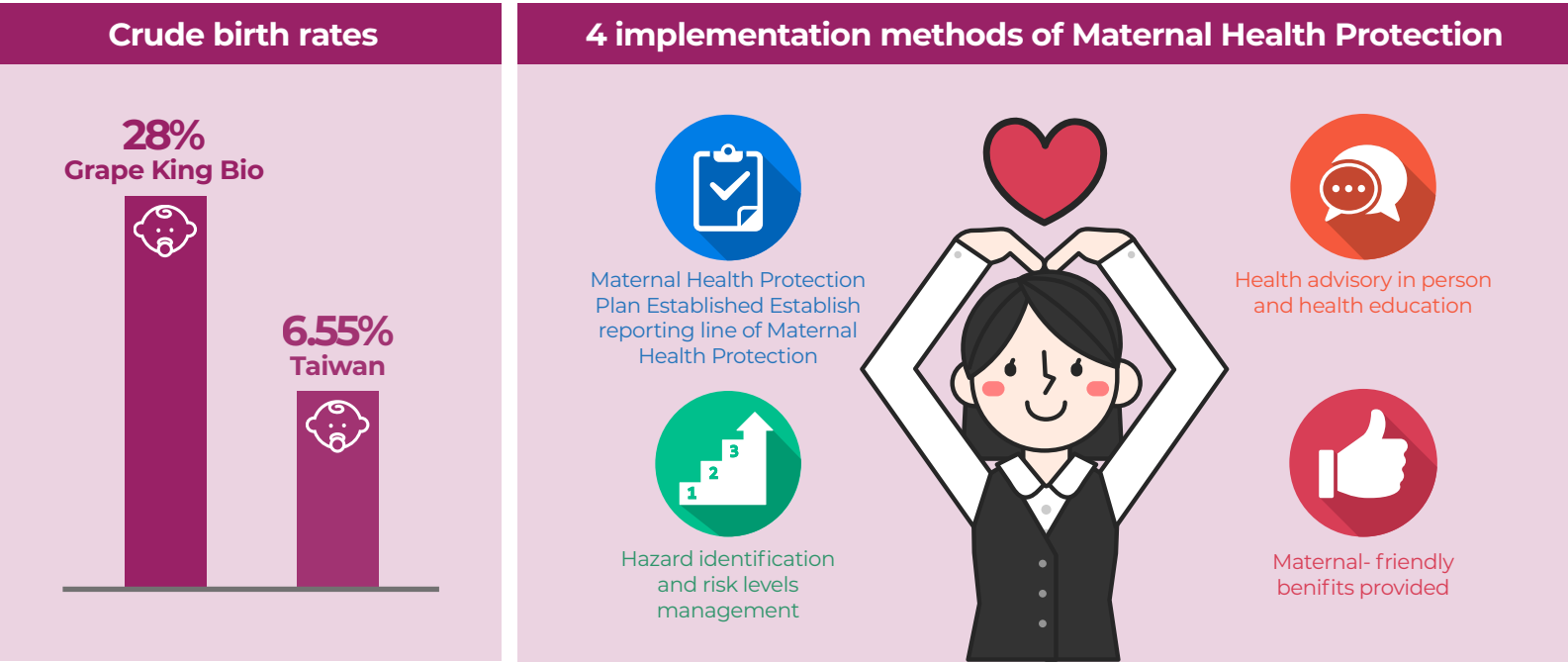


Grape Seed Project-Grape King Bio provides the strongest support for female employees with maternal needs

Around 50% of Grape King Bio colleagues are female; around 76% of female employees are of childbearing age and 24% of female employees are middle-aged. We have established various reporting mechanisms for maternal health issues as well as organized one-on-one individual health care and maternal health interviews with occupational doctors. We classify individuals into different health levels for management based on assessment results. We provide non-periodic health care and health education information (including pre-marital health checks, nutritional and precautionary information for the first to third trimesters and during pregnancy, as well as post-pregnancy and breastfeeding health education information) during maternal health protection periods to enhance maternal health awareness. Since 2016, we have provided maternal health services to 70 people and achieved satisfaction rates exceeding 90%. Our implementations include the following :

I. Provide heartwarming and comfortable maternity-friendly environments for breastfeeding mothers

- 1.Heartwarming items: Provided breast milk storage bags and baskets to hold feeding bottles to increase convenience of breastfeeding mothers, achieving satisfaction rates exceeding 90%.
- 2.Pregnant colleagues can apply for maternal health care parking spots (for scooters or cars).
- 3.Created a maternity friendly toilet environment with sitting toilets and handrails to increase the safety and comfort of our pregnant colleagues.



## 4.5 Occupational Safety

Industrial Safety  
Department  
Assistant Manager  
**Zhang Xi Yuan**



“

*It is our responsibility and duty to protect the health and safety of our employees.  
We ensure the physical and mental health of all employees by building safe workplaces.*

”

Management Approach	Key issue- Human Rights	
Policies	At Grape King Bio, we hold “Technology, Health, and Hope” as our core value and we adopted “Live Healthy, Think Grape King” as our corporate mission. We provide a safe and healthy work environment for our colleagues, adhere to our duties under health and safety policies, reduce hazard risks, encourage all employees to participate in commitments related to friendly work environments, and extend our community to our contractors and suppliers. Our goal is to facilitate mutual benefits for all and realize sustainable operations with safe, friendly, and healthy workplace environments.	
Commitments	We commit ourselves to providing employees with a safe and healthy workplace and continue to promote a sustainable company culture that upholds occupational health and safety.	
Targets	Short-term	<ul style="list-style-type: none"><li>Obtain Grape King Bio Occupational Health and Safety Family Excellence Award</li><li>Obtain recognitions of occupational health and safety performance</li></ul>
	Mid-term	<ul style="list-style-type: none"><li>Lower disabling injury frequency rate (Frequency Rate, FR) to 50% than that of peers</li><li>Promote and participate in the selection of excellent occupational health and safety units</li></ul>
	Long-term	<ul style="list-style-type: none"><li>Set an example of a happy enterprise and become a benchmark for healthy workplaces for SMEs in Taiwan</li><li>Advance and participate in the Occupational Safety Five-Star Awards: Company Benchmark Award and Occupational Health Special Award</li></ul>
Responsibilities	Internal responsible unit : Factory nurses and industrial safety units	
Resources	ISO/CNS 45001 and TOSHMS Occupational Health and Safety System certifications	
Specific performance	<ul style="list-style-type: none"><li>✓ Received SGS ISO Plus Awards Occupational Health and Safety Management Exemplary Award in 2023</li><li>✓ Received Accredited Healthy Workplace Health Care Award from the Ministry of Health and Welfare Health Promotion Administration in 2023</li><li>✓ Received Sports Enterprise Certification in 2023</li><li>✓ Received Pandemic Prevention Gold Award from the Taiwan Immunization Vision and Strategy (TIVS) Influenza Prevention Alliance in 2023</li><li>✓ Maintained nine consecutive years (2014-2023) without major disasters</li><li>✓ Received a NT\$63,000 subsidy to redesign jobs for middle-aged and aged people</li><li>✓ Received a NT\$40,000 subsidy for work-life balance</li><li>✓ Received a NT\$142,599 subsidy for SME on-site health</li></ul>	



4.5.1 Safe and Hygienic Work Environments

The Grape King Bio Occupational Safety Committee convenes once every quarter, and the meeting is chaired by our Chairman to discuss and decide on measures related to safety, hygiene, fire prevention, and health promotion. Committee members include dedicated occupational safety personnel, nursing staff, unit supervisors, professional technicians, and representatives of more than one-third of the employees from each unit. We hold “Contributing to a better society” as one of our business values, and have obtained certification for our ISO/CNS45001 Occupational Health and Safety System to provide our employees with safe, hygienic, healthy, and well-equipped work environments and systems. Additionally, we hope our emphasis on education, training, and knowledge dissemination can help all our employees understand the importance of preventing hazards such as environmental pollution, unhealthy events, or injuries.

Grape King Bio leads contractors and suppliers in establishing hazard identification and autonomous management capabilities

To bring together all Grape King Bio associates (including contractors and suppliers), we promote occupational health and safety and strive to achieve mutual benefits for all. Since 2021, Grape King Bio and Taoyuan City Government convened 20 business partners to establish the “Grape King Bio Health and Safety Family” in hopes of enhancing hazard identification and autonomous management capabilities in SMEs through guidance for small companies from large companies. Members share health and safety information, support each other when responding to disasters, and work together to enhance health and safety matters. During the collaborative period from the Grape King Bio Health and Safety Family established in 2021 to 2024, no occupational disasters occurred, thereby achieving the goal of zero occupational disasters.



We incurred no major occupational hazards from 2014 to 2023. Comparisons with the Ministry of Labor's average industrial frequency-severity indicator indexes for 2019-2021 show that our prevention measures for occupational hazards surpass that of our peers. We will continue to implement safety risk assessments, inspections of operational environments, operational safety management, and education and training to build healthy and safe work environments.

Item/Year	Gender	2022	2023
Disabling injury frequency rate (Frequency Rate, FR) : Number of disabling injuries for every million work hours = Cases resulting in lost work hours (only calculated if the number of lost hours exceeded 8 hours) x 1,000,000 / Total work hours	Male	3.02	2.63
	Female	0	1.75
	Total	3.02	4.38
Disabling injury severity rate (Severity Rate, SR) : Number of workdays lost to disabling injuries for every million work hours = Lost workdays x 1,000,000 / Total work hours	Male	13	56
	Female	0	2.62
	Total	13	58.6
Lost time incident rate (LTIR) : = Cases resulting in lost work hours x 200,000 / Total work hours	Male	0.6	0.5
	Female	0	0.35
	Total	0.6	0.85
Occupational injury rate = Number of recorded occupational injury cases (including occupational disease cases) x 200,000 / Total work hours	Male	0.6	0.5
	Female	0	0.35
	Total	0.6	0.85
Absence rate = Total days absent / Total workdays x 100%	Male	0.01%	0.04%
	Female	0%	0.002%
	Total	0.001%	0.042%

Statistics on work-related injuries in 2023

All factories	Occupational disasters		Lost workdays	Total number of work-related injuries	Total absence days	Absence rate	Lost work rate
	Number of injured personnel	Number of deaths					
Female	2	0	3	2	3	4.2%	0.5%
Male	3	0	64	3	64	89.7%	11.2%
Total	5	0	67	5	67	93.9%	11.7%

Description :  
1. Absence rates are based on all employee absences due to loss of working capabilities, regardless of whether they were caused by work-related injuries or diseases. Does not include approved leave such as vacations, training days, maternity leave/paternity leave, and bereavement leave.  
2. The number of “lost days” where workers were unable to perform routine work due to occupational accidents or occupational diseases.  
3. Diagnosis certificates from a hospital occupational medicine specialist are required to confirm occupational diseases in employees.  
4. Calculation formulas are as follows (includes both full-time and part-time employees) :  
a. Work injury rate = Total occupational injuries / Total work hours x 200,000  
b. Total work hours = Total employees x Daily work hours x Actual workdays per year  
c. Absence rate = Total absence days / Total work hours x 200,000  
d. Lost work rate = Lost work days / Total work hours x 200,000

Grape King Bio incurred a total of 5 work-related accidents in 2023, including cuts and bruises. Injured colleagues took leave ranging from 1 to 30 days for these work-related injuries, but all returned from leave in good condition and went back to their original jobs. Faced with risks of workplace injuries, Grape King Bio provides all colleagues with the most rigorous and safe environments to prevent similar accidents from reoccurring.

Comparison of Disabling Injury Severity Rates with Industry Peers

Food and feed manufacturing industry	Beverage manufacturing industry	Pharmaceutical and medical chemicals manufacturing industry	Grape King Bio
113	116	113	58.6

Disabling injury severity rate = (Total days lost to injury x 106) / Total work hours  
Source : Ministry of Labor's average industrial frequency-severity indicator indexes for 2020-2022



## 1.Risk assessments : Please refer to section 4.5.2

## 2.Inspections of operational environments

We identified current operational environments in factories, formulated sampling strategies, and communicated inspection results to workers and other relevant parties so they could understand the hazards and risks they were exposed to. In 2019, we established an identification map of hazardous equipment for our Biotech Research Institute and continue to improve and optimize our employee work environments.

## 3.Operational safety management

### (1) Avoid use of forced labor

Grape King Bio strictly complies with local labor laws, international regulations, and the Grape King Bio Human Rights Policy. We do not force or coerce unwilling personnel to perform labor or services. All of these regulations are clearly stipulated in our work rules. Employees must consent to overtime requests, and overtime payments or compensatory time are subsequently provided. We conduct monthly reviews of working hours for all departments, and have established employee suggestion boxes, grievance hotlines, and other grievance mechanisms to enable immediate reporting of issues and immediate communication to prevent forced labor conditions.

### (2) Optimize promotion, training, and usage of protective gear

We installed a display case containing protective gear for health and safety measures near our guardhouse. The displayed gear and accompanying descriptions help our employees and contractors better understand how to use the gear, and ensures that the gear is within easy reach during emergencies.



### (3) Joint industrial safety inspections

Our factory doctors, factory nurses, and occupational safety personnel conduct on-site inspections of high-risk personnel and units to perform hazard assessments and carry out preventive actions, provide training, or offer suggestions for improvement. Our industrial safety department conducts voluntary inspections, periodically convenes employees from relevant units to participate in observations of on-site occupational health and safety activities, and discusses hidden dangers that should be tracked and improved.



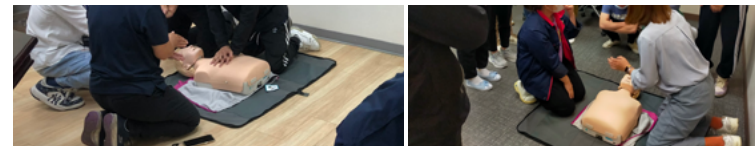
### (4) Electrical safety management

We have procured visual IR thermometers following the standard procedures for infrared imaging inspections. Dedicated personnel conduct periodic patrols, record-keeping, and follow-up of electrical equipment to ensure electrical safety within factory areas.



### (5) Health management

Personnel who come into contact with noise, chemicals, products, special operational procedures, or foods are required to undergo special physical examinations. We have established dedicated nursing personnel at our factories to handle emergency injuries, exceeding requirements set out by law, and we have also established factory clinics, health management centers, and emergency equipment such as AEDs. Additionally, we conducted periodic emergency training to establish an initial batch of emergency personnel who can be on hand to handle accident and injury events within our factories.



## 4.Occupational safety training

Grape King Bio conducts periodic follow-ups and on-the-job occupational health and safety training to ensure that all operators, operational managers, and contractors complete their required on-job training hours. We also actively participate in external occupational health and safety training. In addition to organizing a variety of occupational health and safety training courses and emergency responses drills, we also conducted training on ISO 14001 and OHSAS 18001 standards using comprehensively designed training courses to ensure full implementation of relevant occupational health and safety procedures by our employees. In 2023, a total of 419 people participated in Grape King Bios occupational health and safety training, which encompassed a total of 1,697 hours.



### Themed activities : Occupational health and safety week activities





4.5.2 Evaluation of Occupational Safety Risks

I. Environment and safety assessments

Grape King Bio hopes to achieve control of related risks through execution of multiple projects and improvement plans. Starting in 2017, we established an occupational health and safety system under our ISO/CNS 45001:2018 framework, which is operated using a Plan, Do (support and operation), Check (performance evaluation), and Action (improvements) cycle. We track our occupational health and safety environment statuses every year through our EHS risk and opportunity management procedures. All relevant departments propose management systems and scenario analyses based on the conditions they face, helping us to understand whether workplace environments contain potential hazards that could cause occupational injuries or diseases in our personnel, or cause damage, discomfort, or fear in nearby residents, following which we design contingency projects for the top 25% of identified high-risk items.

We set management goals for high-risk environmental and occupational health and safety factors identified from these assessments. In 2023, we implemented 14 management projects and invested an estimated NT\$490,000 to reduce possible EHS risks year by year. We also implemented specific projects for material environmental issues as well as occupational health and safety management risks.


In 2023, we analyzed systematic EHS issues in our operations and identified 27 risks. We further analyzed and proposed response measures for major issues such as improvements of noise control, strengthening of contractor management, prevention of water pollution, improvements of operational safety, traffic safety, and strengthening of emergency response mechanisms.



II. Sanitation and health assessmentssafety assessments

**Procedures to Prevent Diseases Caused by Abnormal Workloads**

Grape King Bio has evaluated subsidy applications for job re-design for middle-aged and elderly employees, and from 2021 to 2023, a total of 4 subsidies have been granted.



**2021-2023 Subsidy amount statistics**

Category	Subsidy Amount (NT\$)
1 Items	\$33,600
2 Items	\$140,700
1 Items	\$63,000

**Assessment and management of human-induced hazards**

To provide our employees with good work environments, help them maintain their health, prevent human-induced hazards, and prevent repetitive strain injuries, we established the “Procedures to Prevent and Manage Human-Induced Hazards” to effectively reduce risks of musculoskeletal injuries in our employees.



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# 4.6 Employee Communication

## 4.6.1 Multiple Communication ChannelsSafety

We provide open communication channels in accordance with the “Procedures of Whistle-blowing and Complaints” and “Sexual Harassment Prevention Measures and Regulations.” We support an open, transparent, ethical, and moral culture; encourage internal and external personnel to report any violations of law or our corporate policies through our reporting channels; allow anonymous reporting; and prevent inappropriate supervision, unfair behaviors, sexual harassment in the workplace, or other work-related issues. Additionally, we also periodically disseminate the following matters to our employees:

- Announce and explain to employees all benefit measures and retirement systems
- Announce and explain our behavioral and ethical codes of conduct to employees
- Announce and explain our complaint and reporting procedures to employees as well as test all employees on their understanding of our complaint and reporting procedures to ensure that they understand their rights and our corporate policies related to complaints and reports.



### 1. Grievance mechanisms

We support an open, transparent, ethical, and moral culture; encourage internal and external personnel to report any violations of law, our corporate policies or human rights related issues through our reporting channels; and allow anonymous grievance mechanisms. We have established the “Ethical Corporate Management Best Practice Principles” and “Procedures of Whistle-blowing and Complaints” to provide clear stipulations of our reporting system and details of specific reporting channels, incentive systems, and responsible units. Tests are incorporated in our annual promotional activities for active dissemination of related communication channels and to ensure that our employees understand their rights. Our reporting channels include the following:

1. Grievance channels:

- (1) Internal suggestion box
- (2) Reporting and complaint hotline for internal and external personnel
  - (a) Reporting hotline : (03)4572121#1999
  - (b) Complaint hotline : (03)4582121#1995
- (3) Feedback via email or our website
  - (a) Mailbox for reporting complaints : companyopinion@grapeking.com.tw
  - (b) Mailbox for reporting grievances : employeeopinion@grapeking.com.tw

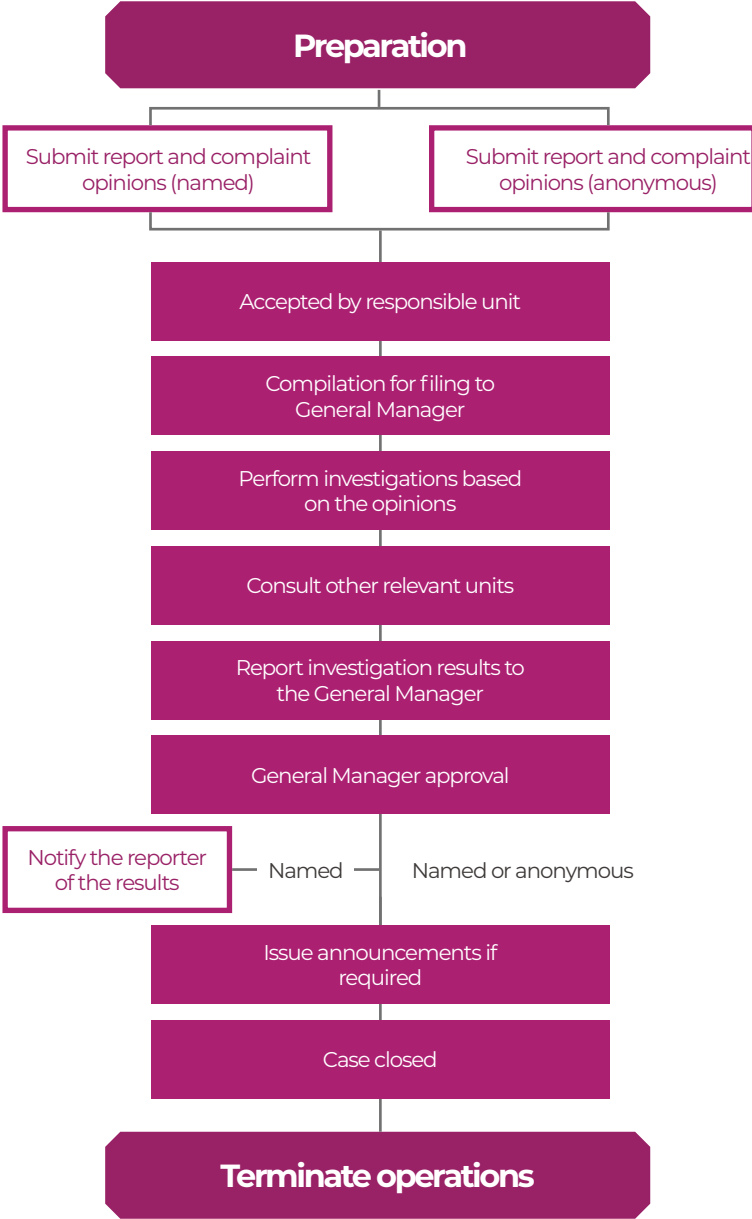
2. Incentive systems:

- (1) External personnel: We provide gifts based on the nature of reported incidents to express our thanks.
- (2) Internal personnel: Rewards are provided in accordance with corporate HR regulations.

3. Responsible units:

- (1) Suggestions provided through our internal suggestion box:
  - (a) Suggestions from our reporting mailbox are compiled and handled by our audit office.
  - (b) Suggestions from our grievance mailbox are compiled and handled by our HR department.
- (2) Suggestions provided by mail or through our website: Compiled and handled by designated personnel. All reports and complaints are compiled and submitted to the general manager; cases can only be closed following approval by the general manager. Four grievances were reported in 2023.

### Grievance handling regulations and rocedures





## 2.Periodic labor-management meetings

In 2023, we invited labor-management representatives to conduct a total of 4 labor-management meetings encompassing 100% of all employees. A total of 24 proposals relating to Company operations and human resources matters were discussed, and relevant departments were asked to provide further explanation. Follow-up reports of these proposals were presented at the next labor-management meeting. In 2023, discussions and negotiations were carried out on proposals relating to recruitment numbers for each department, job transfer exams, rotation mechanisms for typhoon days, and so on. Grape King Bio respects and supports Employees' freedom of association and other citizens' rights. We also protect our employees right to collective bargaining so we can jointly build friendly workplace environments.

## 3.Non-periodic interviews

Non-periodic interviews are used as a corporate feedback mechanism, allowing us to gain an understanding of employee work status, and to provide employees with opportunities to express their ideas or suggestions.

- (1) New employee interviews: Interviews are conducted with new employees of each department within the first three months to assess their suitability and to provide appropriate assistance if necessary.
- (2) Interviews with current employees: These interviews help us fully understand employee satisfaction levels towards their jobs.
- (3) Performance interviews: These interviews are used to provide timely communications and immediate feedback to employees regarding their work performance.
- (4) Exit interviews: These interviews are used to analyze reasons for employee departure and are used as a reference for future improvements at the company.

## 4.Internal publications

Grape King Bio's internal publication, "GK Life," is a biannual publication that contains themed reports, encouraging words to employees from chairman, information on future company policies and prospects, and the latest information on products. As of 2023, we have published 10 online issues, and we continue to use this publication to help our colleagues better understand ESG concepts and our corporate sustainability actions.

## 4.6.2 Employee Satisfaction

In the third quarter of each year, Grape King Bio distributes questionnaires to survey topics on job satisfaction, intrinsic and extrinsic work motivations, and positive and negative feelings during work (such as stress and happiness) to employees who can choose whether to provide their names on the questionnaires. We listen to the opinions of our colleagues and conduct statistical analyses, quantitative reporting, and employee interviews to better understand employee needs and formulate improvement solutions.

In 2023, employee participation in the survey decreased to 70%, with 80% of employees providing their names and overall satisfaction scores were 69.8. Satisfaction scores were highest for the "Ethical value" aspect and lowest for the "Promotion, relative compensation for workload, and corporate policies, and implementation" aspect. Because of this, we held the "Outstanding Employee Recognition Ceremony" and provided "travel subsidies" in 2021. We hope to enhance employee emotions and strengthen employee engagement through public recognition of their performance and sponsoring expenses as we gradually adjust various measures to optimize the effectiveness of the survey and continue to build a happy workplace environment.

Results of the employee satisfaction survey			
Year	2021	2022	2023
All	75.0	72.4	69.8
Male	75.4	72.4	70.1
Female	75.1	72.4	69.5
Overall participation rate	92.3%	91.6%	70.2%










# CH5

## Social Prosperity





## Target Formulation

	Targets for 2024-2025	Targets for 2026-2027	Targets for 2028 and beyond	Corresponding SDGs
<b>Care for Children</b>	<ul style="list-style-type: none"> <li>Donate at least NT\$1.35 million to schools for care of disadvantaged children</li> </ul>	<ul style="list-style-type: none"> <li>Donate at least NT\$1.45 million to schools for care of disadvantaged children annually</li> </ul>	<ul style="list-style-type: none"> <li>Donate at least NT\$1.5 million to schools for care of disadvantaged children annually</li> </ul>	 
<b>Food for the Disadvantaged Program</b>	<ul style="list-style-type: none"> <li>Benefit at least 15,000 people under the Food for the Disadvantaged program</li> </ul>	<ul style="list-style-type: none"> <li>Benefit at least 16,000 people under the Food for the Disadvantaged program</li> </ul>	<ul style="list-style-type: none"> <li>Benefit at least 16,000 people under the Food for the Disadvantaged program</li> </ul>	 
<b>Expand Social Influence</b>	<ul style="list-style-type: none"> <li>Increase industry-related community investments plans</li> <li>Focus on social aspects</li> </ul>	<ul style="list-style-type: none"> <li>Utilize our own technologies/expertise to develop long-term solutions to important issues (health, poverty, education, and so on)</li> <li>Communicate benefits to stakeholders of social projects</li> </ul>	<ul style="list-style-type: none"> <li>Calculate social impacts of social projects</li> <li>Strengthen specific community investments projects based on the results of social impact assessments</li> </ul>	  



Local Creations

Grape King Bio : Supporting Local Mushroom Industries Through Mushroom Production



The indigenous people of Wufeng Township in Hsinchu County have raised shiitake mushrooms for generations, but these mushrooms require high investments and can only be harvested every ten months. Additionally, the hard work of these indigenous people is often wasted due to lack of marketing and sales channels. In recent years, younger generations have gradually migrated out of the township, leaving only the elders in Wufeng to support this industry. After learning about this situation, Grape King Bio Chairman Shenglin Andrew Tseng decided to utilize Grape King Bio resources to assist Wufeng Township in promoting their mushroom industry, ensuring that this valuable specialty could continue to be passed to future generations.

In 2023, Grape King Bio integrated the existing plans of Wufeng Township with three different marketing approaches including “social media marketing,” “influencer marketing,” and “travel exhibition marketing,” to promote ecotourism in the aboriginal region of Wufeng Township and magnify its overall benefits. Social media marketing targets existing customer groups interested in Wufeng Township, while influencer marketing aims to increase the township's visibility, attracting diverse clientele interested in aboriginal region, ecological, outdoor, and family tourism. Travel exhibition marketing leverages participation in physical international travel fairs to maximize benefits. For a detailed performance summary, please refer to the table below.

Year	Approaches	Projects	Performance Summery
2023	Social Media	Instagram fan page (Wu-FengTravel Raffle)	Conducting promotion on Instagram fan page • Number of people reached on fan page : 1,054 people • Regular posts on fan page : 24 posts
		Instagram fan page (Connecting to travel fair pages)	• Number of people reached on fan page : 25,017 people • Regular posts on fan page : 9 posts • Likes : 16,035 • Comments : 262 • Shares : 1,208
	Travel Fair Marketing	Co-branded Souvenir Gift Box	Collaboration on 500 co-branded gift boxes.
		International Travel Expo Promotion Event	Media Press Release Distribution • Number of people reached: 2,000 people

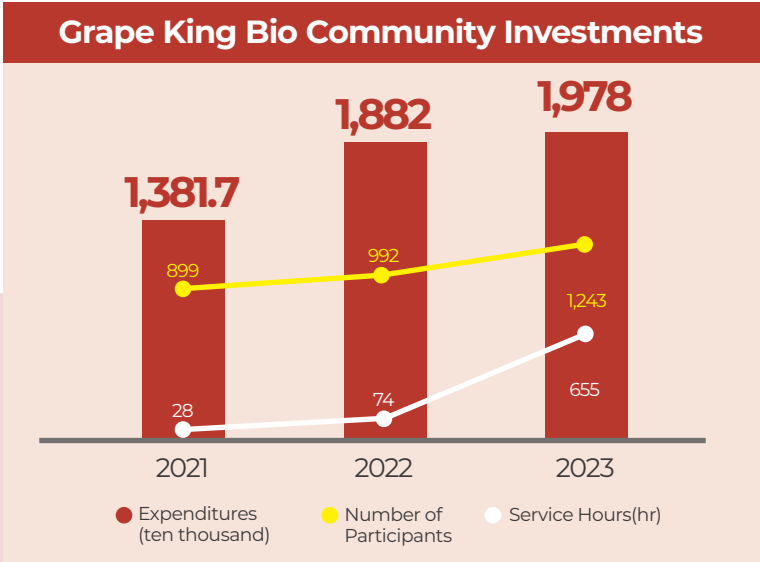
During the last four years, we invested the resources from 13 professional units, 1,397 person-hours and NT\$1,330,000 of funds into this project. In the future, we will continue to support mushroom farmers in Wufeng by effectively using corporate resources and sharing corporate management mechanisms to promote the mushroom industry in Wufeng and build social influence.

Social Inclusion

Community investments at Grape King Bio falls into five focus areas that form the cornerstone of our fulfillment of corporate social responsibilities. Our philosophy for community investments: “Local investment, social contributions, and building social influence.”

- 1. Academic participation and strengthen competitiveness of future key talents
- 2. Community development and provide local support and care
- 3. Care for the disadvantaged and provide resources and counseling
- 4. Providing companionship and assistance to individuals targeted for self-reliance to enhance their daily living.
- 5. Care for the elderly and emphasize needs of senior citizens

We are committed to providing financial aid and learning resources to disadvantaged groups in society, and work to utilize our advanced bioscience technologies in continued research, development, and creation of products that will benefit society. We also plan to host and participate in various charitable activities to raise employee awareness of and involvement in social welfare. Grape King Bio community investments for the past three years are shown in the following table :

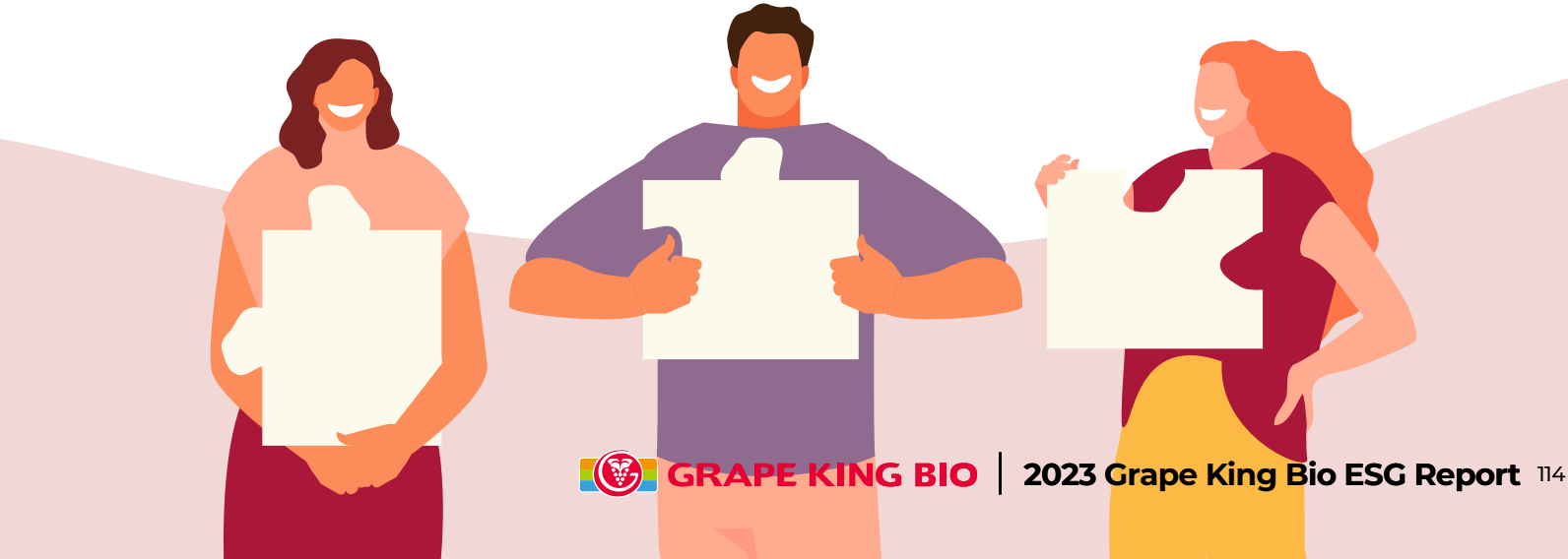


Note 1: Includes expenditures for donations to government institutions, other clubs, and communities.  
Note 2: Includes expenses from the Tseng Shui Chao Welfare Charitable Foundation.

Grape King Bio Employee Participation

Grape King Bio is active in community investments and formed the Grape Volunteer Team in 2013, gathering like-minded employees to participate in volunteer activities. Volunteer activities were hosted during work hours and our senior managers led our colleagues in performing volunteer tasks. A total of 1,243 volunteers and 655 service hours were invested in community investment projects in 2023.

Focus	Academic Participation	Community Development	Care for the Disadvantaged	Companionship and Assistance	Care for the Elderly
Targets	Disadvantaged schoolchildren and adolescents	Neighboring communities around factories	Disadvantaged groups	<ul style="list-style-type: none"><li>Individuals striving for independence</li><li>Women and children suffering from trauma</li><li>Physically or mentally disabled individuals</li></ul>	The elderly
Assistance Provided	<ul style="list-style-type: none"><li>Financial support</li><li>Community sponsorships</li><li>Scholarships</li></ul>	<ul style="list-style-type: none"><li>Long-term provision of local services</li><li>Support for schools and other institutes</li><li>Long-term care from volunteer teams</li></ul>	<ul style="list-style-type: none"><li>Material and financial donations</li><li>Meal support and rural companionship</li></ul>	<ul style="list-style-type: none"><li>Companionship and respite services</li><li>Independent living projects</li></ul>	<ul style="list-style-type: none"><li>Care for the needs of elders and provide warm</li><li>companionship</li><li>Enrich life activities</li></ul>
Social Influence	Enhance local children's right to education	Promote mutual growth by providing assistance to local neighboring communities	Reduce inequality of social resources	Improve living standards for disadvantaged groups	Improve the health and wellbeing of the elderly



## 5.1 Academic Participation

### 5.1.1 Student Internships and Exchanges

We actively provide field trip opportunities to colleges and universities, and internships for winter/summer vacations and during semesters. A total of 205 students have interned at our factories over the past three years. This added to our intangible assets, allowed us to pass on our expertise to young students, helped students align with industry needs, and gave us a chance to screen and recruit excellent new employees. Currently, 15 of our previous interns have become full-time employees following graduation. The number of interns at Grape King Bio factories over the past three years are shown below :

Year	2021	2022	2023
Winter Vacation	20	23	20
Summer Vacation	0	40	35
During Semesters	25	32	10



### 5.1.2 Seed Talent Program (STP)

Grape King Bio emphasizes talent cultivation. Our Seed Talent Program (STP) provides young college and university students with opportunities to directly work on industrial projects while strengthening industrial-academic links. Our chairman personally guides Grape King Bio colleagues in leading students through all project stages from proposal to implementation, enabling them to gain practical experiences beyond academic textbooks. This program was initiated in 2014. As of 2023, a total of 135 interns have participated in this program and worked on 24 projects.

Each batch of student teams is given different topics that they work on from activity planning, design, production, and execution so that they can fully understand each implementation process and develop problem-solving capabilities. This year, we continued to support Wufeng using our fan page and raffle events to promote shiitake mushrooms.

Results for 2023 :

- ◆ One batch of students
- ◆ Number of interns : 9
- ◆ Amount of contribution: NT\$ 460,000
- ◆ Participating supervisors and units: Chairman, General Manager' s office, ESG Committee (Social Welfare Implementation Team), Marketing Planning Section



### 5.1.3 Academic Sponsorships to Support Education for Schoolchildren

Starting from 2007, we at Grape King Bio made it our mission to care for local schoolchildren. We donate to the emergency relief funds of elementary and middle schools (Long Xing Junior High School, Pingzhen Junior High School, Zhongli Junior High School, Lung Gang Elementary School, Beishi Elementary School, and others) each year, and have donated a total of NT\$6,600,000 as of year-end 2023. We are committed to helping disadvantaged schoolchildren gain an education, ensuring that their studies are not affected by external factors. We hope that our efforts can provide actual help to disadvantaged schoolchildren.

#### Grape King Bio Scholarships

We encourage talented youth from disadvantaged families to continue their studies and help to alleviate their worries. Grape King Bio scholarships for junior high and high school students were established in 2014 to support hardworking students. As of year-end 2023, we have sponsored a total of 15 high schools and 55 young students, donating a total of NT\$2,220,000 to help disadvantaged students continue to work hard on their studies. In the future, we hope to expand our scholarships so that we can also help college students and ensure that talent cultivation is not limited by external factors as part of our contribution to society.

#### Sponsorships of School Clubs to Encourage Diversified Development of Schoolchildren

Talent cultivation is not limited to academic studies, and we also attach great importance to student participation in school clubs. We encourage diversified development of schoolchildren and work to expand the scope of sports and arts activities. We supported 12 schools from 2013 to 2023, donating a total of NT\$5,274,000.



## “Mini Grape Camp” Workplace Experiences

Grape King Bio has hosted a number of parent-child workplace experience activities and organized the first “Mini Grape Camp” during the summer vacation of 2020. The children of our colleagues were invited to experience workplace environments at our Pingzhen Factory. Children are always curious about where their parents work, so this creative “Mini Grape Camp” event allowed the children of our employees to understand Grape King Bio’s culture as well as the environment and location where their parents work. On the day of this event, we not only introduced Grape King Bio, but also allowed these children to dress in clean room suits and experience air showers so they could understand their parents’ work conditions. At noon, we invited these children to our employee canteen to taste the catered meals, following which there was a visit to our Tourist Factory, a scavenger hunt which communicated health concepts, and DIY chocolate and ice-cream activities. Our Chairman presented certificates to the children who finished the scavenger hunt, and also took a group photo to commemorate the event.

Grape King Bio attaches great importance to the children of our employees and will continue to host “Mini Grape Camps” in the future to bring happiness to these children. We continued to host the Mini Grape Camp in 2023 for a total of 51 attendees.

## 5.2 Community Development

### 5.2.1 Grape Volunteer Team

To promote social welfare, Grape King Bio formed the Grape Volunteer Team in 2013, gathering like-minded employees to participate in volunteer activities. Volunteer activities were hosted during work hours, and we provide flexible compensatory time for employees who are willing to participate in volunteer activities outside of working hours. Grape King Bio managers personally led the Grape Volunteer Team in performing volunteer tasks.

### Social volunteers

Andrew Charity Association - volunteers for food boxes packaging In collaboration with this association, Grape King Bio’s Chairman led the Pro-Partner volunteers to assist in sorting and packing food and resource boxes to feed disadvantaged children. We also invited two suppliers to participate together. Since 2018, we have continuously participated in this volunteering activity for 6 years, totaling 8 sessions, with colleagues contributing 279 hours of service.

### Double Bliss Welfare And Charity Foundation - volunteers for Senior Sports Meet

This year, our volunteers participated in the Senior Sports Meet organized by the Double Bliss Welfare And Charity Foundation, which combined sports and fun activities. This event aimed to assess the physical and cognitive training effectiveness of seniors through the participation of those with dementia accompanied by our volunteers.



### Chen Jen Institute for the Disabled - volunteers for outdoor activity companionship

In 2023, the Grape Volunteer Team once again led colleagues to participate in outdoor activities for individuals with Down Syndrome. This year, our volunteer team accompanied 30 individuals with Down Syndrome on a day trip to visit the aquarium and experience the mysteries of the ocean world. This event aimed to provide opportunities for disabled people to experience a variety of leisure activities. Since 2013, we have continuously hosted this volunteering activity for 11 years, totaling 20 sessions, and supporting a total of 628 individuals from 5 social welfare organizations, with colleagues contributing 2,202 hours of service.



Environmental Volunteers

Canvassing Event in the Community (June 17)  
The Grape Volunteer Team has organized an annual canvassing event since 2018, but we temporarily suspended this event due to the pandemic in recent years. In 2023, we hosted once again the canvassing of areas around our factories to fulfill our corporate social responsibilities. We have continuously held this event for 6 years, totaling 5 sessions, with 405 colleagues contributing 764 hours of service.

SDG15 - Taiwan Environmental Information Association - Natural Valley Habitat Maintenance Volunteer Activity (July 12)

This year, our Chairman led colleagues to participate in activities aimed at understanding Taiwan's natural ecology, eliminating exotic species such as Mikania micrantha, protecting and establishing low-altitude forests, promoting biodiversity, and demonstrating our commitment to "protecting biodiversity and natural habitats."

SDG14 – Taiwan RE-THINK Environmental Education Association -Collaborative Beach Cleanup with Suppliers (September 28)

Grape King Bio’ s volunteers, along with our 11 suppliers and the Taiwan RE-THINK Environmental Education Association, joined our first beach cleanup event at Houcuo Harbor in Taoyuan and worked together to remove marine debris from the beach. A total of 75 volunteers participated in this event and successfully cleared a total of 288.4 kgs of garbage by the end of that day.



5.2.2 Community Care

Involvement of Local Communities

Our community interaction activities have resumed to their previous scale, including important festivals where we distribute gifts to neighboring households and sponsor local community Mid-Autumn Festival evening events, bringing a little extra joy to residents' lives in 2023. In addition to festival sponsorships, Grape King has continued to provide venues for community health check-up events, as well as snacks and prize draws to invite residents and company colleagues to participate in blood donation activities, promoting kindness and health awareness while giving residents more opportunities to learn about Grape King. Additionally, in 2023, both the Headquarters and the Zhongli factory each hosted a neighborhood friendship street-cleaning event in collaboration with local community offices, led by volunteers guiding Grape King employees through the streets and alleys for cleaning, reaching deep into the local communities.

This year, we continued last year's "Warm Winter" initiative with the Promotion Office and the Pingzhen Industrial Park, donating goods to vulnerable groups in need of care. Additionally, for the first time this year, we were invited by local representatives to sponsor beverages for the "International Day for the Elimination of Violence against Women Charity Walk," hoping to find more opportunities to contribute and achieve our goals of corporate sustainability and community prosperity.



In 2023, our expenses for sponsorships and environmental improvement activities came to NT\$2,419,852. Our investment items and expenditures over the past three years were as follows :

	Item	2021	2022	2023
Sponsorships	Dragon Boat Festival Gifts	459,600	480,162	538,929
	Moon Festival Gifts	415,800	540,327	546,618
	Various Activities	87,018	251,070	226,605
	Multiple Benefits and Care Program	2,448,000	-	-
Zhongli Factory	Zhenxing Village-Moon Festival Cash Gifts	-	100,000	100,000
	Zhenxing Village-Community Safety	200,000	200,000	200,000
Pingzhen Factory	Beixing Village-Moon Festival Cash Gifts	-	100,000	100,000
Subtotal		1,671,559	1,671,559	1,712,152
Environmental Improvements		223,000	83,000	707,700
Total		3,833,418	1,754,559	2,419,852



Local Community Sponsorship and Environmental Improvement Initiatives

- 1. Environmental improvement investments for local communities.
- 2. Each plant shares festival gifts with nearby communities during the Dragon Boat Festival and Mid-Autumn Festival.
- 3. Responding to the care activities for the disadvantaged organized by the Zhongli Plant's Zhenxing Neighborhood and the Pingzhen Industrial Park.Sponsored Moon Festival dinner parties in Longxing, Longde, Zhenxing, and Beixing villages.
- 4. Community cleanup activities in Beixing, Zhenxing, and Longxing villages.
- 5. Regular cleaning of the drains around the Beixing neighborhood factory area in the Pingzhen Plant. °
- 6. Noise improvement project for the perimeter neighborhoods of the Pingzhen Plant.
- 7. Odor improvement project for the third exit of the Zhongli Plant.
- 8. Odor improvement project for sludge storage at the Zhongli Plant.
- 9. Improvement project for odor emissions from food production at the Zhongli Plant.

Mother's Day pop-up charity event

We learned that roses handmade by Down syndrome individuals lacked a sales channel, so we organized an event which gifted flowers to elementary schools and invited our colleagues to support the “Chensenmei Social Welfare Foundation.” These Mother’ s Day gifts taught young children about charity, helping others, cherishing what they have, and making contributions. As of 2023, we have assisted 7 organizations, 198 classes, and 5,615 people.

“Save the Earth with A Low-Carbon Diet” World Earth Day Activity

Starting in 2017, Grape King Bio began hosting “Save the Earth with A Low-Carbon Diet” activities at all factories. We began promoting concepts relating to low-carbon diets and environmental protection to our employees beforehand, and low-carbon lunches were served on World Earth Day and World Food Day. We also worked with “Ruth Society for Disability Services” on these days to source organic vegetables grown by individuals with Down syndrome. In 2023, a total of 987 participants attended from the entire factory across 2 events. As of 2023, over the course of 5 consecutive years, a total of 9 events have been held, with a cumulative attendance of 3,920 participants.

Faith for Animals (High-intensity stray sterilization project)

Starting in 2020, we began working with Faith for Animals to carry out a high-intensity sterilization project on stray dogs in Taoyuan City, which we hoped to help to sterilize stray female dogs, reduce problems caused by stray dogs, greatly lower social costs, and prevent countless animals from suffering. We achieved our goal of sterilizing more than 80% of stray female dogs in Taoyuan City. As of 2023, we have sterilized a total of 1,800 dogs.

Other local community items in 2023 were as follows :

<p><b>Sponsored physical examinations :</b></p> <p>Provided site, manpower, material support, and electricity for physical examinations of Zhenxing Village residents near the Zhongli Factory</p>
<p><b>Blood drives :</b></p> <p>We have hosted blood drives since 2018. Borough heads of regions near our Zhongli Factory and Pingzhen Factory were invited to help us promote these events. As of 2023, we have cumulatively hosted 13 events attended by 1,067 employees and local residents, collecting 1,501 bags of blood.</p>
<p><b>Online charity stalls :</b></p> <p>We invited local social welfare organizations in Taoyuan to set up online stalls on our website. A total of 3 organizations were invited (including the World Peace Association, Eden Social Welfare Foundation, and Children Are Us Foundation) to our 3 events.</p>
<p><b>Spreading love in the community :</b></p> <p>Grape King Bio began purchasing handmade Moon Festival gift boxes from bakeries run by disabled people starting in 2018. We have now worked with 6 associations for disabled people. In 2023, we purchased 200 gift boxes from the Baby Development Center and gave these out to neighboring communities.</p>



## 5.3 Care for the Disadvantaged

### 5.3.1 Food Assistance

#### Meal Packages

Starting in 2017, Grape King Bio began working with Andrew Charity Association to make regular donations of foods and other resources. As of 2023, we have donated a total of 3,400 food and resource boxes, helped 3,400 families, and assisted 13,600 people.

#### Winter and Summer Vacation Meal Coupons

Schools are closed during winter and summer vacations, and therefore no school lunches are provided. Starting in 2018, Grape King Bio began working with the World Peace Association, providing donations to set up meal services for disadvantaged children during the winter and summer vacations, enabling them to redeem food coupons for regular meals so that they would not go hungry. As of 2023, we have assisted 446 students and supplied 15,330 meals.

#### Charity Breakfast Program

Starting in 2020, we began supplying nutritious daily breakfasts to disadvantaged children and youth living in rural areas of Tainan City by donating NT\$50 each day to purchase their breakfasts, providing them with breakfasts during the semester, weekends, and summer and winter vacations so they could maintain their strength for learning, enhance their learning capabilities, and increase their future competitiveness. In 2023, we made donations to 25 disadvantaged children in 3 schools and provided 9,125 meals. As of 2023, we have assisted 93 disadvantaged children and supplied 33,945 meals.



### 5.3.2 Medical and Healthcare Assistance

Grape King Bio collaborated with various units in 2023 to provide medical care-related assistance as follows:

#### Medical Resources Subsidies

Grape King Bio worked with the Huizhong Medical Relief Foundation to provide medical subsidies to disadvantaged patients at the Taipei Veterans General Hospital Taitung Branch so they could enjoy equal opportunities for healthcare even though they were unable to pay their medical expenses. As of 2023, we have assisted 108 people.

#### Annual program for epidermolysis bullosa patients

Starting in 2019, we began supporting Dystrophic Epidermolysis Bullosa Research Association Taiwan, collecting medical items required by patients with moderate to severe epidermolysis bullosa and providing home care services for patients with severe epidermolysis bullosa to reduce the burdens on their families. As of 2023, we have assisted 2,112 people.

#### Breast Cancer Patient Subsidy

Since 2021, Grape King Bio has donated to the Taiwan Clinical Oncology Research Foundation for “Breast Prostheses and Brassiere Assistance” and “Assistance Specific Fund” projects to assist more breast cancer patients in regaining balance, confidence, and beauty, as well as to help those who are financially unable to afford medical expenses enjoy equal opportunities for healthcare. As of 2023, we have assisted a total of 87 individuals.

### 5.3.3 Learning Support for Rural Regions

#### Reindeer Island Tour

Starting in 2016, Grape King Bio began collecting Christmas boxes for disadvantaged schoolchildren in rural schools through the “Reindeer Island Tour” project to provide mental support for these children and promote moral education while spreading warmth and happiness. We also funded facilities required by rural schools to fill resource shortages. As of 2023, we have donated Christmas boxes to 1,149 people, and purchased facilities and equipment for 24 rural schools.

#### 2023 Christmas Wish project

Starting in 2017, Grape King Bio began hosting a series of Christmas events for children, seniors, disabled people, and women, to help beneficiaries of different institutes experience warmth and enjoy this festival. We hope that these events can bring more people together to care for disadvantaged groups and expand our social influence. As of 2023, we have assisted 97 organizations and more than 6,100 people, and donated a total of NT\$6.86 million.

#### Experiential Activities and Wishlists for Disadvantaged Schoolchildren

When providing support to local schoolchildren, Grape King Bio discovered that many disadvantaged schoolchildren came from families who could not afford to pay school fees and were unable to give these children normal childhoods. Therefore, we began organizing “Mini Grape One-Day Tour” experiential activities starting in 2014, enabling schoolchildren to experience diverse lifestyles, build their confidence, and cultivate gratitude and care for others. These activities enhanced parent-child interactions and gave the children hope for the future. We also began organizing “Wishlist” activities starting in 2016 to fulfill the wishes of these disadvantaged schoolchildren, bringing them hope for the future and helping to provide them with daily necessities. As of 2023, we have assisted 632 people.





## Ti-Hwei Children's Home

Ti-Hwei Children's Home is a private orphanage located in Tianmu (Taipei) which attaches great importance to sports education and believes that children should learn by doing and reflecting. They host outdoor adventure camps every year during the summer vacations to help their residents learn independence. Grape King Bio began supporting these experiential camps in 2015. Each year, our colleagues serve as corporate volunteers and participate in these activities alongside the children. As of 2023, we have assisted 104 people, invested 813 volunteer service hours, and donated NT\$3,580,000.

## 5.4 Companionship and Assistance

### 5.4.1 Care and Independence for Disabled People

#### Companion Care and Respite Services

Grape King Bio hosted a series of "Companionship & Respite" activities starting in 2013 and provided volunteer companions for individuals with Down Syndrome. This not only provided opportunities for positive social interactions, but also helped institute caregivers. As of 2023, we have continuously hosted this volunteering activity for 11 years, totaling 20 sessions and supporting a total of 628 individuals from 5 social welfare organizations, with 2,202 hours of voluntary service. In 2023, we once again held a series of "Companionship & Respite" activities and hope to further amplify their impact.

Items related to assistance for disabled people in 2023 were as follows:

#### Monetary Donations for Patients with Down Syndrome

Canaan Disability Home cares for severely disabled patients from disadvantaged families. Starting in 2017, Grape King Bio helped these patients with Down Syndrome plant gardens and participate in green healing classes by planting fruit trees. These patients weeded, plowed soil, applied fertilizer, and achieved green healing by caring for their farms. They also sold the Yuherbau litchis and used the proceeds thereof as monetary donations for severely disabled individuals to purchase daily necessities. As of 2023, we have assisted a total of 252 individuals.

#### Hope Farm - Assistance for Children with Developmental Delay

Starting in 2018, Grape King Bio donated organic fertilizers to the Hope Farm of Ruth Society for Disability Services for six consecutive years, aimed at providing vocational training in vegetable cultivation for children with developmental delay. This donation helps them acquire valuable expertise, ensures the stability of vegetable production at the Hope Farm, facilitates the supply of vegetables to their organization and potentially enables external sales. As of 2023, we have assisted a total of 726 individuals.

#### Arts promotion for disabled people

Starting in 2020, Grape King Bio began making donations to the Arts Promotion Association for the Disabled R.O.C. to support accessible arts and provide diversified employment opportunities for disabled people. As of 2023, we have assisted a total of 475 individuals.

#### Assistive Devices

Starting in 2022, Grape King Bio worked with the Eden Social Welfare Foundation to purchase assistive devices for disabled people. We aim to provide support to those with disabilities in vocational, psychological, leisure, and other aspects and help them achieve autonomy and self-reliance based on the concept of independent living. As of 2023, we have assisted a total of 9,864 individuals.

Items related to care for disabled people in 2023 were as follows:

#### Facility and Equipment for Daily Living

Grape King Bio donated funds required for the purchase of furniture and equipment to the Renyou Sanatorium to enhance the living quality for individuals with Down Syndrome at the Sanatorium.

#### Improving Life Quality for Individuals with Down Syndrome

Grape King Bio donated funds to the SING FU Happiness Foundation to urgently procure home sofa sets and shoe cabinets, enabling individuals with Down Syndrome to meet their residential needs and improve their quality of life.

#### Program for Establishing Learning Spaces for Disabled People

The privately owned Taoyuan City Baby Development Center will enhance its capacity for daytime care services upon the inauguration of its new home. Grape King Bio has donated funds for the establishment of learning spaces in its new home, with the hope of enabling disabled individuals to care for themselves, alleviate barriers, and unlock their potential.



## 5.4.2 Self-Reliance for Women

### Care and Assistance for Abused Women

In recent years, the topics of sexual assault and domestic violence have received increasing attention. Grape King Bio worked with the Taipei Women's Rescue Foundation, Garden of Hope Foundation, and Modern Women's Foundation to provide assistance and support by hosting lectures related to law and psychological support. We have also hosted long-term companionship workshops to help abused women become self-reliant. As of 2023, we have assisted 611 people. Starting from 2022, we supported the Garden of Hope Foundation and helped women realize their strengths and support each other through annual returns to their parental homes. These activities helped the women understand that they were not alone, established a support system, and encouraged them to build brighter futures.



## 5.5 Care for the Elderly

### 5.5.1 Care for Seniors

Starting in 2018, Grape King Bio assisted the Hondao Senior Citizen's Welfare Foundation in extending their safety net to provide care for the hungry and malnourished. We also delivered meals for elderly people living in 11 administrative districts in Taichung City who were underprivileged, lived alone, or had mobility issues. As of 2023, we have assisted 81 elders and supplied 11,074 meals.

Grape King Bio also continues to support the Hondao Senior Citizen's Welfare Foundation in promoting sports activities for elders and encouraging seniors to exercise. We formed a baseball league platform and formulated competition rules for elders, giving them a chance to leave their homes and step into baseball stadiums. We began hosting baseball tournaments for seniors starting in 2019, and our colleagues also formed teams to play against these seniors. As of 2023, we have hosted 4 games, assisted 177 people, and invested 194 service hours.



## 5.5.2 Companionship for Lunar New Year

Grape King Bio provides care to disabled, demented, and dependent seniors. We have continued to care for disadvantaged seniors living alone since 2016. Our volunteers care for and visit these seniors, personally delivered Lunar New Year meals, and assisted the Huashan Social Welfare Foundation in organizing a year-end banquet so that these seniors could feel our love and care on the eve of Lunar New Year. As of 2023, we have assisted 2,392 people, and made cumulative donations of NT\$3.11 million.

Starting in 2019, Grape King Bio launched "Happy Charity Boxes" containing worship items for Ghost Festival. We have also worked with Huashan Social Welfare Foundation for four consecutive years to assist elders living alone in communities around our Pingzhen and Zhongli factories, providing meal assistance to elders living in Jinling Road and Longgang District to prevent them from going hungry. As of 2023, we have assisted 150 people.

In 2023, Grape King Bio worked with different organizations on the following senior care program:






#### Senior Health Program

Since 2021, Grape King Bio has been working with the Double Bliss Welfare And Charity Foundation to provide gym training for frail and demented seniors in the community, helping them fend off or delay the development of disabilities or dementia. We maintain a ratio of 3:1 for seniors and youth coaches while providing in-depth health and nutrition information that can effectively help prevent disabilities and delay dementia. In 2023, the foundation further hosted the Senior Sports Meet, which combined sports and fun activities. Our volunteers accompanied seniors with dementia to participate in this event to assess their physical and cognitive training effectiveness. As of 2023, we have assisted a total of 1,296 individuals.



## 5.6 Community Investments in Response to the United Nations Sustainable Development Goals (SDGs)

In 2023, we reviewed our community investments programs, social issues, and environmental issues, as well as their corresponding United Nations Sustainable Development Goals (SDGs).

SDGs	Issues	Project Titles	Project Description	Grape King Bio Accumulated Investments
 	Disaster prevention and food banks	Spreading Love in Hometowns: Safety and Sustainability Project	The Mustard Seed Mission corresponds to SDG 13 (Climate Action) and SDG 11 (Sustainable Cities and Communities) as it works to integrate disaster prevention measures into daily life and establish effective community disaster assistance models, thereby enhancing public disaster response and preparation capabilities, as well as community resilience, recovery abilities, and rapid responses to disaster needs. We will plan and design suitable disaster prevention and relief models for the community that encompass enhancement of disaster response capabilities and establishment of mutual resource support networks, including establishment of community disaster food storage sites, cultivation of independent disaster prevention capabilities in the community, and disaster prevention education for children. Grape King Bio has supported the Atayal tribe in Jianshin Township (Hsinchu County) and the Atayal tribe at Balung (Taoyuan City Fuxing District) for 4 consecutive years, helping these isolated tribes establish disaster preparation and food storage sites that can provide the most immediate assistance to local residents in the event of a disaster.	1 million
 	Care for seniors	Senior Vitality Center	To promote healthy aging, the Hondao Senior Citizen's Welfare Foundation has developed diverse sports venues that bring exercise into the homes of seniors, so that the elderly can enjoy lives filled with "health" and "hope." We supported implementations related to this exercise-at-home project and plan to establish home exercise models for middle-aged and aged people which encompass research, development, and promotion of home exercise courses; cultivation of senior trainers; development of home exercise models for seniors; and operation of physical exercise venues for the elderly. Future extensions of this project include development of a mobile application in 2024, promotions in 2025, and competitions in 2026.	0.2 million
	Care for seniors	Comprehensive and diverse care for seniors project	To provide comprehensive care, companionship, social resources, and community care for solitary seniors, we donated 7 meal delivery scooters to 5 centers to assist with delivering meals to mountainous areas, conducting visits, and other care services. We have optimized meal delivery services that span from Beitou in the north to Puli in the south. Additionally, we supply "nutrition boxes for seniors" that help seniors maintain their health and prevent frailty. We also donated one mobile resource van that delivers daily necessities to remote regions and assists disadvantaged seniors in Taichung, Changhua, and Nantou. We further helped disadvantaged seniors and those living alone with home repairs, solving issues they had in their homes.	1 million
	Care for seniors	Embrace solitary seniors with continuous love	As part of our sustainable development actions, we provide home care, material support, meal deliveries, medical escort services, blood pressure monitoring, and other healthcare services to disadvantaged families to enhance "diet" and "health" standards of disadvantaged seniors in Taoyuan. We work to care for disadvantaged seniors, believing that we should "care for all elders as though they were members of our own families" as we bring the warmth of society to solitary, disabled, and demented seniors. We provide comprehensive local and community care for seniors through projects encompassing mental health, physical health, dietary health, environmental health, and social health. We hope to establish a care model based on dignity and respect by providing services to seniors in the community.	0.8 million
	Children	"Sending Love to Remote Regions" Campus Renovation Project	Taoshan Elementary School, Wufeng Township, Hsinchu County - we assisted it in the replacement of individual electricity meters for each old dormitory, installation of campus security equipment (surveillance camera lenses), and repairs of kindergarten facilities. Wufeng Elementary School, Wufeng Township, Hsinchu County - we supported it to improve school buildings and the environment, including repainting the offices in Building B, removing dangerous slides, and pruning hazardous trees on campus. Huayuan Elementary School and its Zhulin Branch, Wufeng Township, Hsinchu County - we assisted them in repairing sliding doors, constructing screen doors, improving fire safety equipment, and implementing campus safety measures at the Zhulin Branch. Chiayi County Alishan Township Charshan Primary School - we supported it in setting up shelters to prevent water accumulation between pathways and enhance the safety of passages between buildings.	2.2 million

# CH6

## Green Environment



# Target Formulation

## Energy and Process Water Management

### Targets for 2024-2025

- We continue to promote energy conservation and carbon reduction measures and set an energy saving target rate of 5% for each of our three factories in 2024, which will reduce energy usage by an estimated 1,459,870 kWh equivalent to 720,000 kg of carbon emissions.
- We transfer solar power to our headquarters, and target to transfer 1,200,000 kWh in 2025.
- Complete and verify the energy-saving enhancement project for ESCO air conditioning equipment and water pump system at Zhongli Factory, which will conserve energy at an estimated rate of 33.2%.

### Targets for 2026-2027

- Continue to promote energy conservation and carbon reduction measures, strengthen intensity of energy management, reduce energy usage and set an average energy saving target rate of over 3%.
- Reduce natural gas usage at our Pingzhen, Zhongli, and Longtan factories by more than 3% compared to 2022 in 2027.
- Gradually increase renewable energy consumption and achieve a target of over 5% of renewable energy consumption across all three factories.
- Assess other spaces within the factory and generate low-carbon energy through either a collaborative model with equipment vendors or self-generation.

### Targets for 2028 and beyond

- Strengthen intensity of energy management and set an average energy saving target rate of over 5%.
- Gradually increase renewable energy consumption and achieve a target 5-15% of total renewable energy consumption across all three factories.
- Assess other spaces within the factory and generate low-carbon energy through either a collaborative model with equipment vendors or self-generation.
- Recycle process water at our Pingzhen, Zhongli, Longtan and Yungfeng factories by more than 5% compared to 2022 in 2030.
- Reduce total tap water usage at all four factories by more than 5% compared to 2022 in 2030.

### Corresponding SDGs



## Wastewater Management

- Ensure all wastewater is legally discharged and the quality of water discharge exceeds average Chemical Oxygen Demand (COD) standards by 35%.
- Reduce the average amount of water discharge by more than 5%.
- Continue to conduct inspections of wastewater pipelines and catch basins to ensure effective collection and proper disposal of wastewater.

- Ensure all wastewater is legally discharged and the quality of water discharge exceeds average Chemical Oxygen Demand (COD) standards by 40%.
- Reduce the average amount of water discharge by more than 7%.
- Actively obtain ISO14001 and other environmental management system verifications.
- Continue to implement pipeline inspections and increase water recycling programs.

- Ensure all wastewater is legally discharged and the quality of water discharge exceeds average Chemical Oxygen Demand (COD) standards by 40%.
- Continue to reduce the average amount of water discharge by more than 7%.
- Achieve company-wide environmental protection targets and become an environmentally friendly enterprise.
- Obtain awards related to environmental protection.



## Management of Toxic Substances and Waste

- Conduct audits of waste disposal and reuse vendors at least once every year.
- Enhance the reusability value of sludge and assess the reuse of food sludge to reduce environmental impacts.
- Increase the recycling rate of resources by seeking pathways for the recycling of waste plastics (waste code D-0299).

- All waste disposal vendors hold legal licenses.
- Aim to reduce the volume of domestic waste at all factories by 1-3%.
- Reduce the volume of sludge and aim to enhance sludge reuse by 60%.
- Reduce the volume of waste plastic and aim to enhance waste plastic reuse by 50%.
- Actively obtain ISO14001 and other environmental management system verifications.

- Achieve company-wide environmental protection targets and become an environmentally friendly enterprise.
- Obtain awards related to environmental protection.



Director of  
Manufacturing  
Division  
**Yi-Ru Hu**



“

*Grape King Bio strives to co-exist with nature. Our manufacturing processes incorporate energy-saving, carbon-reduction, water-saving, and waste-reduction concepts into all stages of product life cycle to minimize environmental impacts.*

”

## 6.1 Grape King Bio Climate Actions Under the Task Force on Climate-Related Financial Disclosures (TCFD)

The Global Risks Report 2024 issued by the World Economic Forum stated that, of the top ten risks for the next ten years, five are environmental risks, namely, “Extreme weather events,” “Critical change to Earth systems,” “Biodiversity loss and ecosystem collapse,” “Natural resource shortages,” and “Pollution.” The Emissions Gap Report 2022 released by the United Nations Environment Programme in October 2022 also pointed out that if current carbon emissions from various nations remain the same, global temperatures will rise by 2.8°C by the end of the century. The world is still far from ideal carbon emissions levels, and therefore the report warned that “the window of climate opportunity is about to close.”

Recognizing the urgency of global climate change issues, Grape King Bio began adopting the Task Force on Climate-related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB) starting in 2020, using this framework to assess impacts caused by climate change, identify climate risks and opportunities, and mitigate and management impacts to the Company from environmental changes. We became the first healthcare enterprise in Taiwan to officially sign on as a TCFD Supporter in 2021. In 2023, we initiated the plan for Science Based Targets initiative (SBTi) 1.5°C targets setting. In the future,, we plan to incorporate net zero emissions targets into our long-term goals and vision while actively adhering to the National Development Council’ s “Taiwan 2050 Net Zero Emissions Path” and fulfilling our responsibilities to the environment and the earth as an RE100 member and a health care expert for the nation.

### 1. Governance

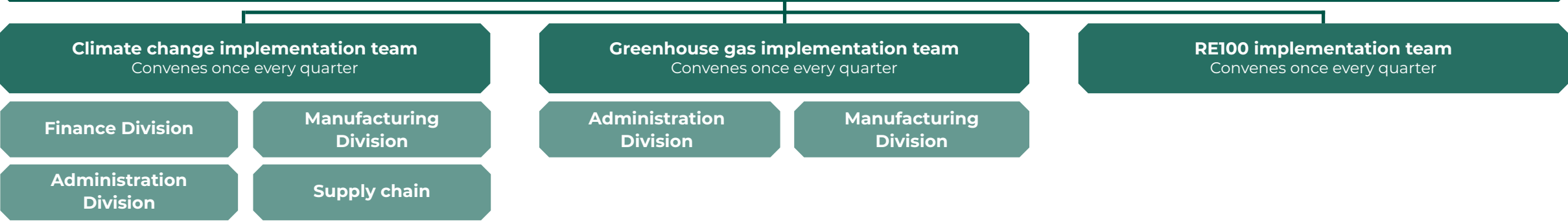
We stay highly attentive to our climate change risks and opportunities to ensure that we fulfill our responsibilities to society, the environment, and all our stakeholders. All members of our management team from our chairman to senior managers consider climate change to be an important corporate issue and work to monitor and manage climate topics using an effective governance framework.

Additionally, we actively participate in industry initiatives associated with sustainability and climate change. We joined related associations, and our chairman serves as a director of the Taiwan Center for Corporate Sustainability and attends quarterly director meetings. We also work with other enterprises to mitigate climate change issues through our efforts, actions, and contributions.



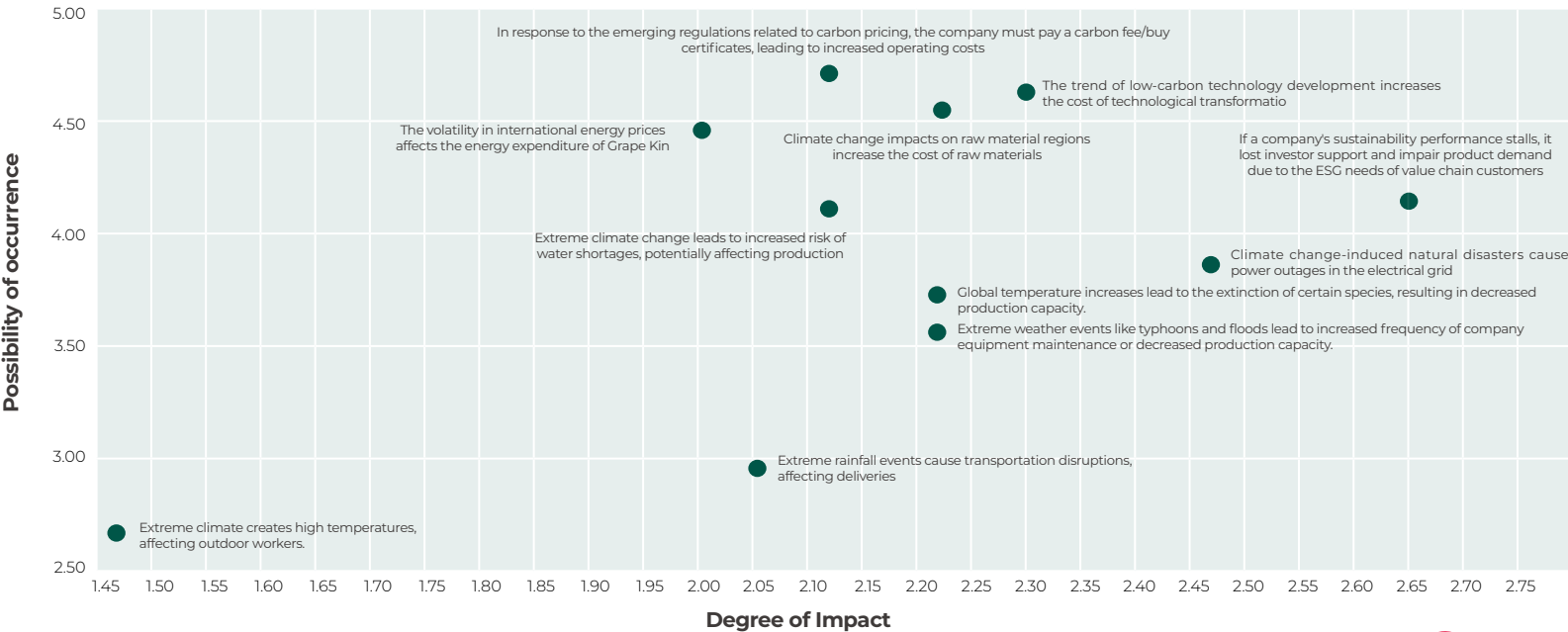
Sustainability and ESG Committee

The Chairman serves as the Chief Commissioner of the Sustainability and ESG Committee. Under the ESG Committee, there are project groups, including those focused on climate risk, greenhouse gas issues, and the RE100 implementation group. These groups meet at least once a quarter and are responsible for setting the company's targets and actions on these issues. The relevant units coordinate and communicate with the departments involved according to the requirements and suggestions of the current period, obtaining related information, and regularly review and report on the implementation results and direction of improvement to the Chairman and the Board of Directors.



2. Strategies

The Sustainability and ESG Committee invited the heads and executives of each implementation team to assess the current major climate risks and opportunities faced by Grape King Bio through the TCFD questionnaire. We collected a total of 20 responses and used these to build a TCFD climate change risks and opportunities matrix as shown below :



Additionally, regarding timelines and financial impacts of climate risks and opportunities, we use the following definitions based on consensus reached by internal and external experts and internal managers :

Timeline	
Short-term	2024-2025
Mid-term	2026-2030
Long-term	2031-2050

Level of financial impacts	
Material	5% of net profits before tax in 2022
High	3.75%-5% of net profits before tax in 2022
Medium	0.25%-3.75% of net profits before tax in 2022
Low	0.25% of net profits before tax in 2022

Climate Related Risk and Opportunity Analysis

Grape King Bio considers the "degree of impact" and "possibility of occurrence" of climate-related risks and opportunities for prioritization and setting threshold value for materiality. Therefore, we have identified four major climate-related risks and one climate-related opportunity.

Climate Related Risks		Transition-Market	Transition-Costs to transition to lower emissions technology	Transition- Mandates on and regulation of existing products and services	Transition-Reputation
	Description	In response to customer demand, international advocacy, and the company's own set emission reduction targets , our factories continue to increase the use of renewable energy, leading to a rise in operational costs.	To adapt to the development of low-carbon technology, Grape King Bio needs to use recycled materials in product packaging, which increases the cost of lower emissions technology.	To achieve our carbon reduction goals, operational costs have increased.	In response to the ESG demands of customers in the value chain, if the company's sustainability performance does not progress, it could lose favor with investors and impact product demand.
	Timeline	Short to medium term	Short to medium term	medium term	medium term
	Level of financial impacts	Medium to high	Medium to high	Medium to high	Medium to high
	Financial impacts	Increased operating costs	Capital investments in technology development	Increased operating costs	Reduced revenue from decreased demand for goods/services
	Response Measures	Grape King Bio made a commitment to join the RE100 in 2019. We plan to achieve our first-stage target of 15% renewable energy consumption by 2030 and achieve full use of renewable energies by 2035. In 2023, we achieved a 1.6% energy saving across all three of our factories. Moreover, we completed the installation of our solar photovoltaic system at the Longtan Factory, which generated 205,764 kWh of electricity. Additionally, we made a cumulative purchase of 900,000 kWh of renewable energy .	We actively work to reduce the environmental impacts from our product lifecycles. In terms of sustainable packaging, recyclable plastic materials are one of the main packaging products used by Grape King Bio, and we will continue to establish recycling sites. We also continue to assess and develop products which use packaging made from plastic-free paper materials and recyclable materials.	In 2022, Grape King Bio established four strategies to prevent stockouts, including completion rates of customer orders, Pro-Partner' s continuous supply goals, raw materials and spare components assessment goals, response rates of sustainability self-assessment surveys from significantsuppliers, and SIMP promotion rates. For more information, please refer to 2.1.1 Procurement Strategy.	In response to the heightened focus of investors on the ESG performance of the company, Grape King Bio is proactively addressing this issue. To meet investors' expectations and maintain market competitiveness, we have been striving to improve our ESG performance, enhance communication with investors, and incorporate feedback into our strategic planning.

Physical Risk Climate Scenario Analysis

Climate Related Opportunities		Access to new markets
	Description	Expand ESG disclosures to attract investor interest: In the face of climate change, Grape King Bio is responding to global climate goals by committing to join the RE100 initiative and disclose information through TCFD (Task Force on Climate-related Financial Disclosures). This allows investors to better understand the company's emphasis and actions on climate change-related issues, gaining their attention.
	Timeline	Short to medium term
	Level of financial impacts	Medium to High
	Financial impacts	Increased revenues through access to new and emerging
	Response Measures	In response to the impacts of climate change, Grape King Bio has pledged to join the RE100 initiative and has signed on as a TCFD (Task Force on Climate-related Financial Disclosures) Supporter to disclose information. This demonstrates our commitment to global climate goals and underlines our focus on climate change risk.





Although no major physical climate-related risks were identified in this climate risk and opportunity assessment, multiple international scientific reports have indicated that climate change will dramatically impact the environment and human health in the long term. Therefore, Grape King Bio continues to utilize the AR6 statistically downscaled data proposed from the Taiwan Climate Change Projection Information and Adoption Knowledge Platform (TCCIP) to run analyses in Taoyuan City (where main production bases of Grape King Bio and Pro-Partner are located) to understand the “changes in annual maximum value of daily maximum temperature (Note 1)” and “rate of change in annual maximum 1-day precipitation (Note 2)” under the worst-case scenario (SSP5-8.5). Compared with the base period (1995-2014), Taoyuan City is expected to see an average rise in temperature of 1.6°C and reach maximum temperatures of 35.4°C in 2050.

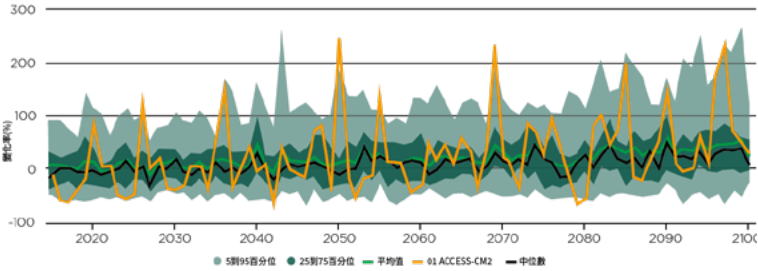
Research conducted by Academia Sinica based on information taken from the National Health Insurance Research Database shows that the number of days where the temperature was higher than 34°C has increased, and this has increased the number of emergency patients suffering from heat stroke and other associated conditions.

Additionally, the rate of change in annual maximum 1-day precipitation will increase by 13.8% in 2050, reaching 213.5 mm, thereby increasing the risks of “short-duration intense rainfall.” Current municipal drainage systems may not be able to drain the excess water in a timely manner, so cities and factories are at risk of flood, and people outdoors may be at risk of emergencies.

Annual maximum value of daily maximum temperature in Taoyuan city under SSP5-8.5 scenario; Subtitle: Observational base period: 33.8°C

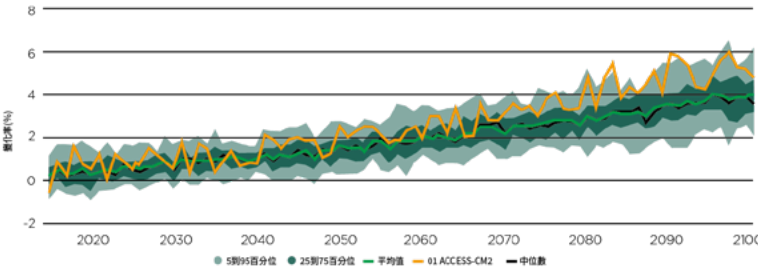
Annual maximum value of daily maximum temperature in Taoyuan city under SSP5-8.5 scenario

Observational base period: 33.8°C



Annual maximum 1-day precipitation in Taoyuan city under SSP5-8.5 scenario

Observational base period: 187.6mm



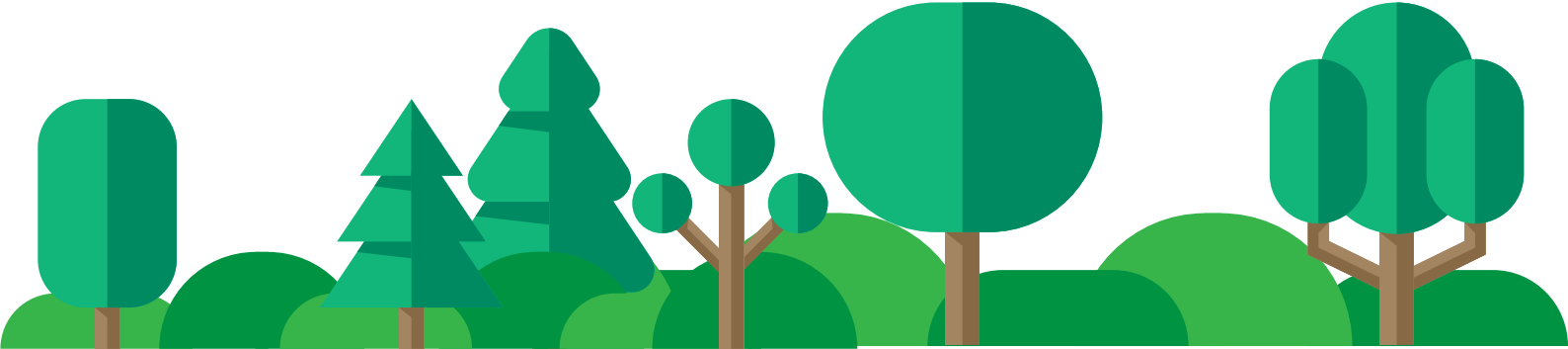
Based on the aforementioned analysis, Grape King Bio has established the following strategies :

Item	Strategy
Increased likelihood of heat injuries in employees	<ul style="list-style-type: none"><li>• We conduct annual scenario to analyze the management systems at our factories so we can understand the conditions, risks, and opportunities faced by factory personnel and propose improvement plans based on these issues.</li><li>• We facilitate regular health checks for our employees.</li><li>• Our chairman signed a workplace health promotion declaration, and we continue to host occupational health and safety activities each year to help our employees build their safety inspection, emergency first-aid, and health management capabilities.</li></ul>
Increased likelihood of short-duration intense rainfall	<ul style="list-style-type: none"><li>• We continue to evaluate flood prevention measures at our factories and strengthen our responses to acute flooding disasters.</li><li>• We monitor water conditions using real-time information provided by the Water Resources Agency and formulate corresponding countermeasures.</li></ul>

Note:  
1.Maximum daily high temperature: The maximum value of the daily high temperature within a year, measured in °C.  
2.Annual maximum one-day rainfall change rate: The maximum value of daily rainfall within a year, measured in millimeters.

3. Risk Management

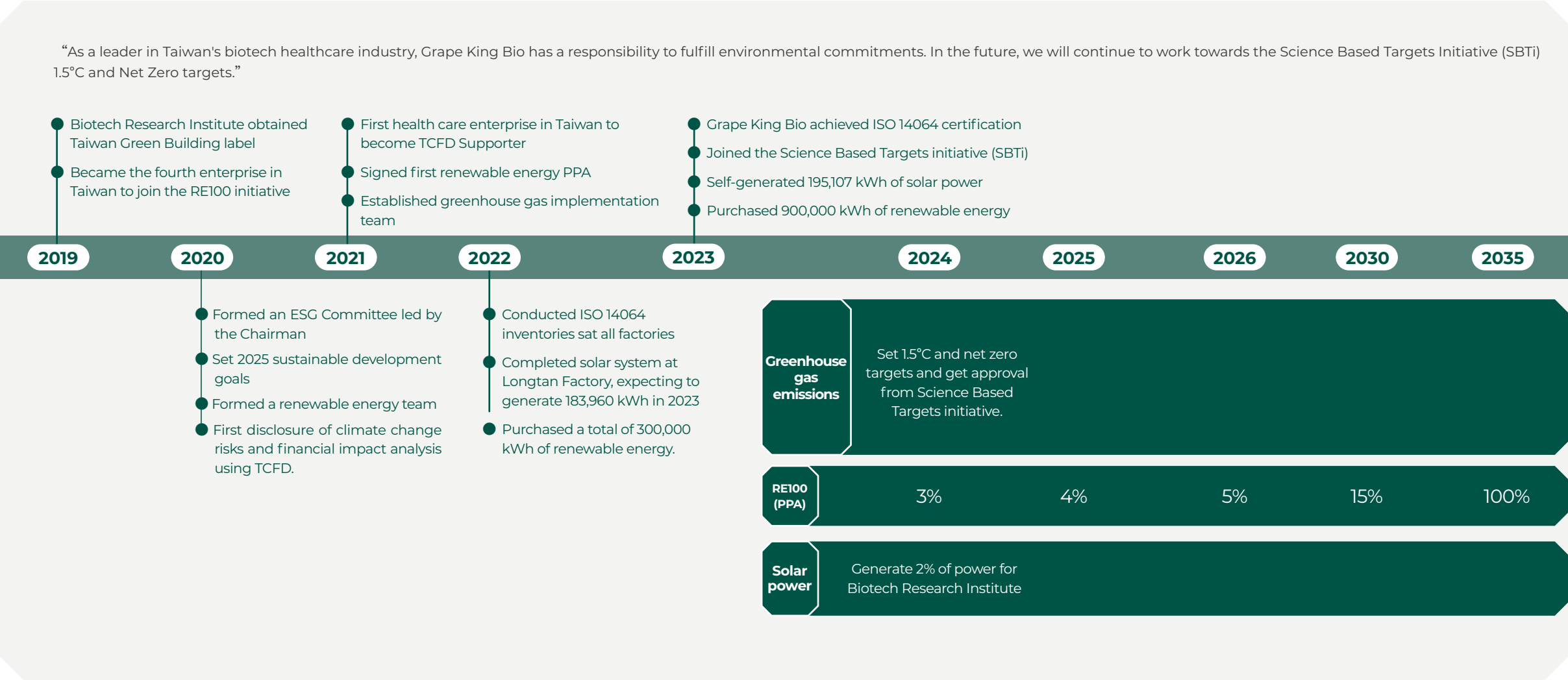
Climate change related issues are reported twice a year in the committee meetings by our Climate Change Implementation Team and Greenhouse Gas Implementation Team under the "Sustainability and ESG Committee". Additionally, we also plan to form a “Risk Management Committee” to manage responses to climate risks. In terms of processes for identifying and assessing risks, we currently use a bottom-up approach where frontline units report on-site climate issues and formulate related strategies.



## 4. Metrics and Targets

Grape King Bio is a company with many food manufacturing factories. Therefore, energy usage, greenhouse gas emissions, water consumption, and waste management are all indicators that have direct impacts on operations (please refer to 6.2 Management of Energy Resources and Greenhouse Gases, 6.3 Management of Water Resources, and 6.4 Waste Management). Please refer to the following image for information on our timeline of climate change responses, future plans, and targets :

### Grape King Bio climate change timeline

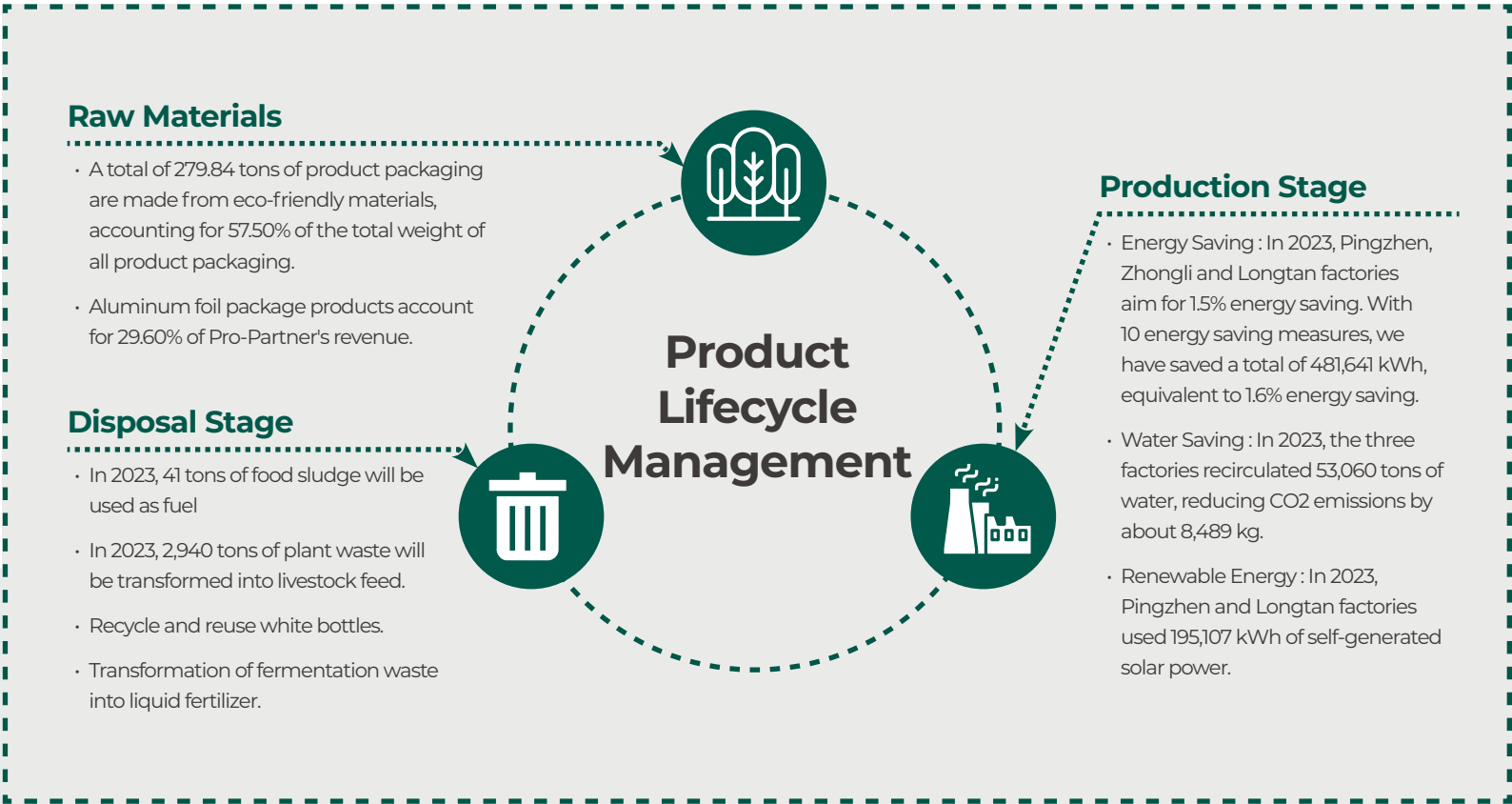


## 6.2 Management of Energy Resources and Greenhouse Gases

The issue of climate change has become an operational focus for corporations seeking to achieve sustainable development. Green operations, environmental protection, and sustainable development are part of Grape King Bio’s social responsibility and commitment. Our environmental safety and health management policies stipulate that we have a responsibility to implement environmental protection actions. Grape King Bio adheres to the ISO14001 environmental management system and adopts the PDCA methodology for continued implementation of key environmental protection and management tasks. Our Pingzhen headquarters has already obtained ISO14001 environmental management system certification.

Fulfill compliance obligations / Reduce hazard risks / Implement environmental protection  
Build friendly work environments / Support low-carbon energies  
Enhance energy efficiency / Promote full employee participation / Improve sustainability cycles

### Grape King Bio’s Product Lifecycle Management



### RE 100 : Working with Global Enterprises to Achieve 100% Renewable Energy

“Grape King Bio is committed to RE100 targets and will continue to improve energy efficiency and use of renewable energies to generate value from waste, create positive environmental impacts, and maximize benefits from energy consumption.”

RE100 is a global renewable energy initiative led by the Climate Group and the CDP, which gathers the most influential enterprises in the world and works to achieve environmental friendliness from an electricity demand perspective by increasing use of renewable energy. Participating enterprises must publicly commit to 100% green electricity usage at a time between 2020 to 2050, as well as report annual progress.

Grape King Bio joined the international RE100 renewable energy initiative in 2019 and committed to the first stage of 15% usage of renewable energy by 2030 and the second stage of 100% usage of renewable energy by 2035. In June 2022, we began transferring solar power to our Pingzhen headquarters, and have transferred 900,000 kWh as of November 30, 2023.

The main energy sources used at Grape King Bio are electric power and natural gas. Electricity is mostly used to power common systems and production equipment, while natural gas is used for boiler fuel within factories.

6.2.1 Management of Energy Resources and Greenhouse Gases

Grape King Bio completed re-evaluations of the ISO 50001 Energy Management System in August 2022. We executed the following strategies in 2023:



1.We continued to adhere to the PDCA energy management system in setting an energy-saving target of 1.5% in 2023 for all three factories. We use energy performance indicators and other tools to survey, track, and manage overall power usage of energy-consuming equipment and areas within our factories.

2.We have formulated internal training programs, implemented internal audits and management reviews, as well as compiled regularly updated documentation of internal and external risk issues.



The following measures were formulated in 2023 :

Factory	Measures
Pingzhen Factory	(1) Adjusted 28 heaters within the electricity substation on the third floor, saving 23,974 kWh of electricity (2) Adjusted operation schedules for the chemical treatment systems in wastewater plants, saving 8,889 kWh of electricity (3) Improved 100HP blowers in wastewater plants and adjusted their operation schedules and enhanced operation efficiency thereof during holidays, saving 70,070 kWh of electricity (4) Adjusted operation schedules of chilled water systems for the soft belt line process, saving 16,897 kWh of electricity
Zhongli Factory	(1) Adjusted operation schedules of air conditioners on the second floor of building C from continuous operation for 24 hours a day to ceasing operation during non-production hours for 7 hours at night, saving 171,360 kWh of electricity (2) Stopped using the original 5-ton air-cooled chiller for PKL filling machine and replaced with a shared system using chilled water with a supply fan, saving 21,000 kWh of electricity (3) Adjusted operation schedules of air conditioners on the second and third floors of building G from continuous operation for 24 hours a day to ceasing operation during non-production hours for 7 hours at night, saving 37,800 kWh of electricity
Longtan Factory	(1) Adjusted operation schedules of process cooling water supply pumps (40HP and 15HP), saving 50,894 kWh of electricity (2) Adjusted operational schedules for outdoor air conditioners, cooling fan motors, electric heaters and humidifiers on the first floor, saving 100,958 kWh of electricity (3) Reduced water supply pressure for the 400RT chiller's primary pumps (50HP) from 1kg to 0.6kg during the summer from June to October, saving 11,978 kWh

We convene EHS and Energy Management Committee meetings hosted by our Chairman every quarter to report on implementation status, project progress, internal and external issues, and follow-up items relating to ISO14001/ISO50001 systems.

Environmental Management Plans for Grape King Bio Biotech Research Institute (Longtan Branch)

Our Biotech Research Institute was officially launched in 2019. We regularly repair and maintain all of our environmental protection equipment to ensure that they operate normally. To fulfill our corporate social responsibilities, we installed gas collection devices in our production areas and linked these to our gas processing equipment to improve environmental air quality. We began using food sludge as organic fertilizer in 2020 to enhance waste recycling rates and reduce related environmental burdens.

Our Biotech Research Institute has already passed Green Building label evaluations. To enhance overall production capacity and maximize resource usage rates, we continue to implement environmental management facilities such as HVAC designs, steam condensate recovery equipment, boiler economizers, and so on.





Carbon Reduction Measures

- The solar photovoltaic system at Longtan Factory was completed and began generating electricity for self-use on November 10, 2022, with an installed capacity of 180 kW. The system is expected to generate 183,960 kWh of electricity and reduce carbon emissions by 92,347 kg during the first year of operations. In 2023, the system generated 194,582 kWh of total electricity and reduced carbon emissions by 96,318 kgs, which is equivalent to the annual electricity usage of 53 households and the carbon quantities adsorbed by 14,818 trees per year.
- In June 2022, we began transferring solar power to our Pingzhen headquarters and the transferred amount exceeded our second-phase target of 900,000 kWh as of November 2023.
- We continued to enhance circular recycling of water resources and accumulated 53,060 tons of ROR recycled water in our three factories as of 2023, reducing carbon emissions by 8,283 kgs.
- The flash steam heat recovery and reuse project at our Longtan Factory was completed and put into operation on November 27, 2023. The operational efficiency statistics as of December 29 are as follows: (1) Accumulated 91 tons of recycled condensate water by two pumps. (2) The energy saved by condensate water and flash steam recovery amounted to N\$40,275. (3) The system reduced carbon emissions by 5 tons.

6.2.2 Energy Usage

In 2023, we compiled energy usage data from Grape King Bio, Longtan Branch, Rivershine Co. Ltd., and Pro-Partner. Total heavy crude oil, natural gas, electric power, diesel, and gasoline energy usage for the past three years is shown in the following table :

Item (Unit: MWh)		2021	2022 <small>(Note 1)</small>	2023
Direct energy use	Natural gas energy consumption	19,477	18,434	19,931
	Diesel energy consumption	111	76	83
	Gasoline energy consumption	99	177.45	198
Indirect energy use	Electric power consumption	29,542	32,178	33,114
	Purchasing of Renewable energy (Power Purchase Agreement ,PPA)	-	300	600
	Renewable energy from self-generation and self-consumption (Solar Photovoltaic ,PV)	1	12	195
Total energy consumption		49,230	51,177	54,121

Note 1: We began incorporating energy usage data from Pro-Partner in 2022.

Energy Intensity

Production weight was used as a basis for calculating our energy intensity levels. Energy consumption by production weight at our Pingzhen Factory, Zhongli Factory, and Longtan Branch was calculated in kilograms. Our energy intensity levels for 2021-2023 are shown below.

Item	Unit	2021	2022	2023
Total energy consumption	GJ	177,177	184,226	194,774
Production weight	kg	5,384,000	7,835,000	7,884,489
Energy intensity	GJ/kg	0.0329	0.0235	0.0247

Greenhouse Gas Emissions

In 2022, Grape King Bio first introduced the external inventory of ISO 14064-1:2018, conducted by using the operational control method. The organizational boundary includes Grape King Bio’s Taipei Sales Office, Headquarters, Distribution Center, Zhongli Factory, Biotech Research Institute (Longtan Branch), Telesales Center, Pro-Partner Co., Ltd., and Rivershine Co. Ltd.

Item (Unit: tons CO2e)	2021	2022	2023
Scope 1 <small>(Note 1)</small>	3,862.04	5,633.72	6,227.32
Scope 2 <small>(Note 2, Note 3)</small>	14,829.39	16,544.05	16,425.70
Total	18,691.43	22,177.78	22,653.03
GHG emissions per unit of revenue (tons CO2e /per million NTD )	1.91	2.13	2.13
GHG emissions per product(tons CO2e / Production weight in kg)	3.47	2.83	2.87

Note 1: In 2021, Grape King Bio used the “GHG Protocol” to conduct voluntary greenhouse gas inventories. Relevant parameters were taken from the Greenhouse Gas Emission Factor Table (version 6.0.4) released by the Ministry of Environment. The scope of our voluntary inventory conducted in 2021 encompassed Grape King Bio and Pro-Partner. Because we implemented external ISO 14064-1:2018 inventories for the first time in 2022, the base year was set as 2022.

Note 2: Electricity emission factors for 2023 referenced the electricity emission factor of 0.495 kg CO2e/kWh released by the Bureau of Energy.

Note 3: Electricity emission factors for 2022 referenced the electricity emission factor of 0.509 kg CO2e/kWh released by the Bureau of Energy.

Note 4: Electricity emission factors for 2021 referenced the electricity emission factor of 0.502 kg CO2e/kWh released by the Bureau of Energy.

Note 5: The Global Warming Potential (GWP) adopts the factors of Sixth Assessment Report (AR6) of Intergovernmental Panel on Climate Change (IPCC).



The significant increases in scope 1 emissions for 2022 was due to our comprehensive inventory of fugitive emissions, including emissions from air-conditioners, industrial refrigeration equipment, and other greenhouse gas sources.

The final greenhouse gas emission values for Grape King Bio are as shown above. After obtaining verification of our ISO 14064 greenhouse gas inventory system in August 2024, we will release the details on our website (Green Environment: Energy and greenhouse gas management). Please refer to our corporate website for more information.



**[Column] Leading the Way: Collaborating with Suppliers to Promote Smart Manufacturing, Real-time Monitoring of Carbon Emission Data**

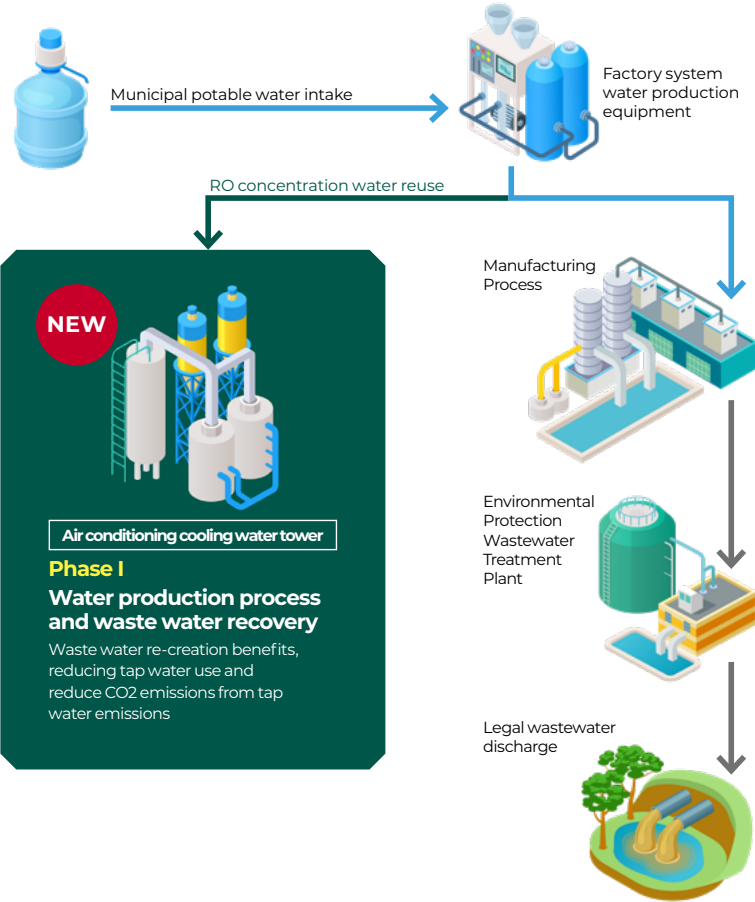
Responding to the Ministry of Economic Affairs' Industry Development Bureau's "Large firms help smaller ones" initiative, Grape King Bio is working with four suppliers to promote smart manufacturing. By 2024, we plan to establish visual management systems at our Pingzhen and Zhongli factories. In addition to real-time tracking of production line status, we will also be able to monitor water usage, energy consumption, and carbon emissions data, precisely understanding energy consumption during the production process.

6.3 Management of Water Resources

In appreciation of our precious water resources, we work to prevent wastage of water resources and ensure efficient use of energy resources. Grape King Bio developed a process water recirculation system based on a circular economy framework. By making simple adjustments to existing equipment and systems, our factories were able to recycle and reuse high-concentration process water originally discharged to wastewater plants, thereby reducing wasted water resources and wastewater volumes. We expect the total water consumption from our four factories to decrease by more than 5% in 2030 compared to 2022, a cumulative reduction of 53,060 tons. In 2023, we've saved a total of 18,989 tons of process water. Grape King Bio did not incur any violations of legal standards related to water quality/quantity permits in 2023.



Process for Water Reclamation Processes



Additionally, as a food manufacturer, Grape King Bio places high importance on the control and management of water quality inspection and wastewater discharge. We are also evaluating the introduction of water-saving manufacturing equipment and the expansion of wastewater treatment facilities. By increasing our water recovery rate, we can effectively reduce water usage and wastewater discharge, thereby reducing our impact on the environment.

Year		2021	2022		2023	
			Manufacturing sites (Note 4)	Office sites (Note 5)	Manufacturing sites (Note 4)	Office sites (Note 5)
Water withdrawal (million liters) (Note 1)	Groundwater withdrawal (million liters)	72.00	119.40	0	122.16	0
	Water from third party-municipal potable water withdrawal (million liters)	208.43	206.33	12.38	218.82	14.20
	Total water withdrawal (million liters)	280.43	338.11		355.18	
Water discharge (million liters) (Note 2)		215.84	260.02	NA (Note 6)	238.55	NA (Note 6)
Water consumption (million liters) (Note 3)		64.59	65.71		102.43	
Water use intensity (million liters/million dollars in revenue)		0.0348	0.0325		0.0334	
Wastewater disposal intensity (million liters/million dollars in revenue)		0.0220	0.0250	NA (Note 6)	0.0224	

Note 1: All water was sourced from ground water and third party-tap water, and was not taken from any other sources. All water was taken from Taiwan, not from water-stressed sites.  
Note 2: After the sewage treatment, it will be discharged into the sanitary sewer.  
Note 3: Water consumption = Water withdrawal - Water discharge  
Note 4: Manufacturing sites included Pingzhen Factory, Zhongli Factory, Longtan Branch, and Yungfeng Factory.  
Note 5: Office sites included Logistics center, Taipei Operational Headquarters, Telesales call center, Taichung Office, Pro-Partner.  
Note 6: Because the amount of water discharge of office sites could not be calculated, the amount of water discharge and water consumption only included Pingzhen Factory, Zhongli Factory, Longtan Branch, and Grape King Bio Park.  
Note 7: Due to the use of recycled Water water (such as rainwater and domestic water) solely for irrigation of landscaping, it does not re-enter the production process, and therefore, no numerical disclosure is conducted.



6.3.1 Production and Related Inspections for Process Water

The pure water used in manufacturing processes at Grape King Bio passes through multiple stages to remove impurities and hazardous substances. We continually inspect and monitor water quality to ensure compliance with standards of raw materials used for health food manufacturing.

Pure water production process

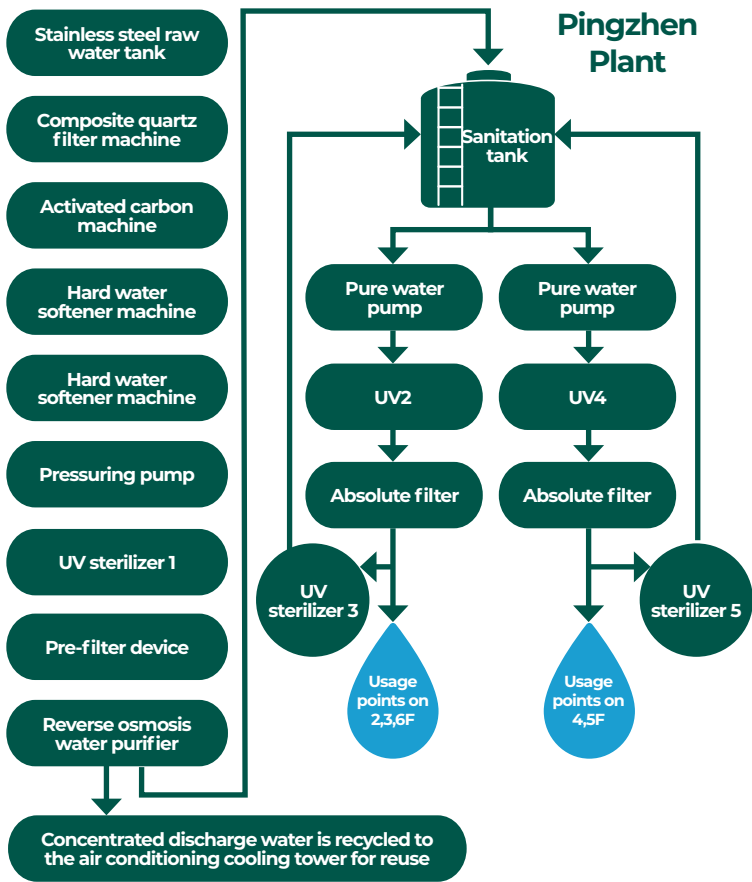
- (1) Impurities are removed by quartz filter machines
- (2) Activated carbon is used to neutralize residual chlorine and absorb dissolved organic substances
- (3) Water softener machines are used to filter out calcium and magnesium ions
- (4) Finally, reverse osmosis and UV sterilizers are used to remove heavy metals, bacteria, hazardous substances, and dead bacteria to meet the requirements for pure water.

Pingzhen Factory

In 2023, Grape King Bio invested NT\$ 620,000 in outsourced water quality inspections. Grape King Bio conducts internal monitoring procedures and also commissions external institutes to conduct periodic water quality inspections. A total of 1,140 items were inspected internally this year. Quality assurance specialists periodically collect water samples and perform multiple inspection procedures under relevant regulations (please refer to Appendix Table 3 for more information).

### 6.3.2 Wastewater Discharge Management

In order to expand green benefits, Grape King Bio adheres to the 3R principles (reduce, recycle, reuse) to further optimize waste classification processes for recyclable items while also working to create additional value from waste sludge. Grape King Bio has formulated comprehensive operational procedures for management of wastewater disposal. All discharged wastewater must pass through specific processing procedures, and water quality is inspected periodically to ensure compliance with governmental regulations. We implemented the following wastewater management measures:



### 1. Production EHS requirements:

For water pollution prevention and control management, in addition to compliance with laws and regulations, it is also oriented towards water-saving planning and management.

- (1) Daily tests of water quality: To strengthen wastewater management, we require our wastewater treatment plants to regularly inspect water quality at frequencies higher than that required by law, to ensure that the quality of our discharged water adheres to environmental regulations.
- (2) Water-saving improvements for process water: Installed new machinery and equipment with water-saving designs that can be used during planned periods to reduce the amount of water consumption and wastewater discharge.
- (3) Reusing reclaimed water: Our Pingzhen and Longtan factories are respectively equipped with 690-ton and 400-ton rainwater storage tanks for water for non-process and non-contact personnel use.

### 2. Preventive maintenance procedures:

As part of our aim to become an eco-friendly company, we not only replace old equipment and pipelines from time to time, but also implement preventive maintenance procedures and regular internal water quality inspections to ensure that our discharged water adheres to relevant standards.



### 3. Upgrades to wastewater treatment equipment:

- (1) From time to time, we voluntarily sample and test the water discharged by our treatment vendors and also train professional technicians responsible for wastewater treatment
- (2) We work with our production units to segregate high- and low-concentration wastewater to enhance treatment efficiency
- (3) We optimize wastewater system settings to increase treatment capacity
- (4) Process wastewater which has undergone chemical treatment and biological decomposition processes can only be discharged when water quality adheres to legal standards. Additionally, hazardous industrial waste is collectively stored and managed before periodic disposal and treatment by government-approved vendors.



Wastewater Quality Inspections: Inspection Items for Discharged Water

Zhongli Factory							
Inspection Items	Standard Range	2021 (First half)	2021 (Second half)	2022 (First half)	2022 (Second half)	2023(First half)	2023(Second half)
pH value	6~9	8.2	8	7.3	7.5	7.4	8.1
COD (Chemical oxygen demand)	<100mg/l	37.3	15	30.8	67.3	42.7	17.2
BOD (Biochemical oxygen demand)	<30mg/l	2	<1	2.9	17.5	2.4	1
True color	<400ADMI	30	35	<25	63	46	<25
SS (Suspended solids)	<30mg/l	13.1	4.2	12.2	18.3	13.1	5.3
Water temperature	<38℃ (May to September) <35℃ (October to April)	36.7	24.4	28.9	31.9	29.1	26.2
Free available residual chlorine	<2.0mg/l	0.06	0.03	ND	0.03	0.05	0.03
Coliform levels	<200,000CFU/100 ml	—	3,100	—	—	85,000	45,000

Pingzhen Factory							
Inspection Items	Standard Range	2021 (First half)	2021 (Second half)	2022 (First half)	2022 (Second half)	2023(First half)	2023(Second half)
pH value	6~9	7.2	7.5	7.6	8.0	7.9	8.2
COD (Chemical oxygen demand)	<100mg/l	31.8	27	18.2	8.2	16.4	14.3
BOD (Biochemical oxygen demand)	<30mg/l	9.8	8.4	7.4	<1.0	4.4	1.1
True color	<400ADMI	—	—	---	---	-----	----
SS (Suspended solids)	<30mg/l	9.5	10.9	7.8	<2.5	9.9	2.6
Water temperature	<38℃ (May to September) <35℃ (October to April)	28.6	27	32.4	28.6	31.5	27.2
Oil levels	<10mg/l	2.4	2.2	<0.5	<0.5	<5	<5
Coliform levels	<200,000CFU/100 ml	57,000	310	57,000	310	16,000	<10

Longtan Factory							
Inspection Items	Standard Range	2021 (First half)	2021 (Second half)	2022 (First half)	2022 (Second half)	2023(First half)	2023(Second half)
pH value	6~9	8.2	8.8	7.8	8	8.3	8.2
COD (Chemical oxygen demand)	<100mg/l	4.8	23.1	27.7	19.2	13.6	ND
BOD (Biochemical oxygen demand)	<30mg/l	29.6	<1	1.5	1.3	<1	<1
True color	<400ADMI	57	112	69	44	<25	<25
SS (Suspended solids)	<30mg/l	2.9	1.4	< 2.5	10.2	2.7	<1.25
Water temperature	<38℃ (May to September) <35℃ (October to April)	34.8	22.9	27.9	28.4	27.5	24.7
Oil levels	<10mg/l	1.3	0.6	< 0.5	0.8	< 0.5	0.5
Coliform levels	<200,000CFU/100 ml	—	—	—	—	—	—

## 6.4 Waste Management

Grape King Bio conducts waste classification, collection, storage, management, and disposal to effectively manage industrial waste and other types of waste. Disposal, handling, and reuse of waste materials are conducted per environmental laws and regulations. Our Longtan Branch uses food sludge as organic fertilizer to enhance waste recycling rates and reduce waste disposal costs. Other relevant management measures included :

1. In accordance with environmental laws and regulations, our factories have formulated industrial waste disposal plans and implement waste management procedures in accordance with law.
2. In accordance with ISO 14001 environmental management system requirements, our factories have established waste management operational standards and implement waste management procedures in accordance with our management regulations.
3. We have signed waste disposal and treatment contracts with authorized public and private waste disposal and treatment companies to handle relevant procedures.
4. In accordance with laws and regulations, waste disposal and treatment processes are filed online, and tracking and confirmation of final processing statuses are implemented within required time limits.
5. Our environmental management personnel conduct irregular on-site inspections of waste treatment companies to ensure that waste disposal and treatment processes adhere to relevant regulations. Our Longtan Factory has completed 3 audits of waste treatment and reuse vendors and our Pingzhen Factory has completed 4 audits of waste treatment and reuse vendors.



Waste disposal amounts for Grape King Bio from 2021 to 2023 were as follows :

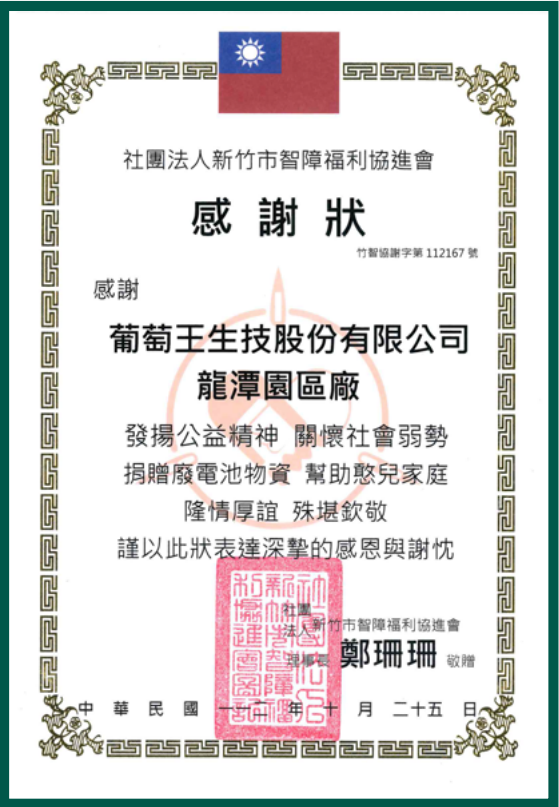
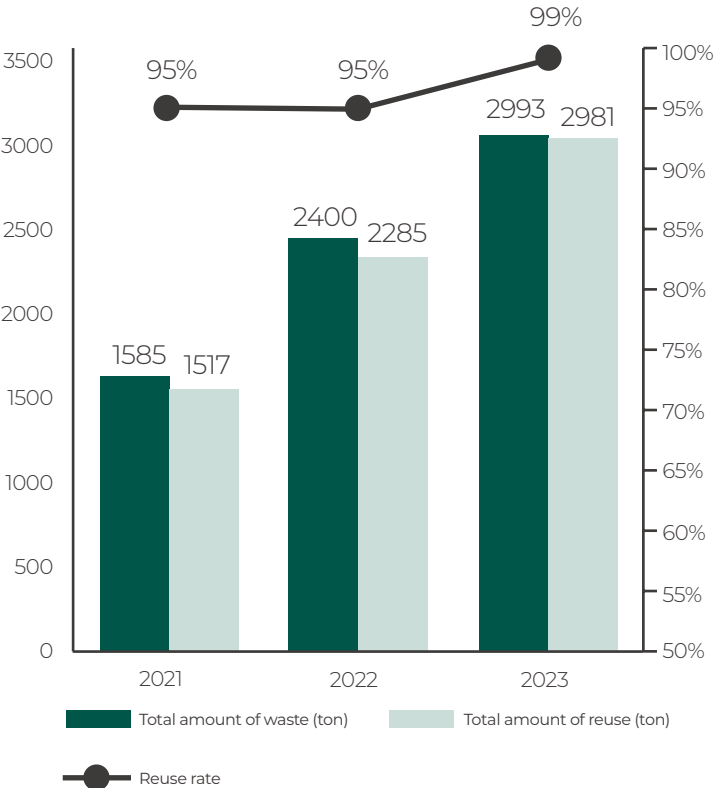
Types and disposal method Unit (ton)		2021	2022	2023
Non-Hazardous Waste	Reuse and recycling	1,517.71	2,407.39	3,256.91
	Incineration	37.52	112.091	124.38
	Landfill disposal	0	0	0
	Other disposal methods (physical treatment)	40.78	18.93	14.19
	Other disposal methods (thermal treatment)	366.53	276.69	29.93
	Total	1,962.54	2,815.101	3,425.41
Hazardous Waste	Reuse and recycling	0	0	0
	Incineration	7.02	10.81	4.49
	Landfill disposal	0	0	0
	Other disposal methods	0	0	0
	Total	7.02	10.81	4.49
Recyclable		105.47	94.68	93.23

Grape King Bio Environmental Program Investments in 2023 (NTD) :

Air pollution management costs	294,684
Wastewater management costs	320,339,482
Waste management costs	9,154,309
Noise management costs	0
Total	329,788,475

Waste management highlights

- 1. Promoted classification and treatment procedures for sterilized non-infectious industrial waste (D-2101). (Zhongli Factory)
- 2. Promoted reuse of food sludge to generate green electricity. (Zhongli Factory)
- 3. Under the CSR “Bottles of Love” charity event, our Environmental Protection Administration collected and temporarily stored 360 kgs of recycled bottles which are scheduled to be decomposed into reusable plastic pellets in June 2024 for recycling and reuse as part of our environmental protection initiative. (Pingzhen Factory)
- 4. Our Longtan Factory has actively promoted the utilization of waste resources and achieved a waste recycling rate of over 95% in the past three years, progressing towards a circular economy. Please refer to the following figure for details.
- 5. Our Longtan Factory promoted charity activities related to environmental protection, actively facilitating the recycling of waste batteries and donating them to the Hsinchu City Disability Welfare Association as charitable assistance for disabled people. Please refer to the following figure for details.



6.4.1 Prevention of Air Pollution

Grape King Bio has installed and maintained air pollution prevention equipment to enhance and improve the environmental protection. All of our factories implement regular maintenance procedures for our equipment to ensure that they operate normally.

Results of Air Pollution Inspections at Zhongli Factory

Inspection Items	Standard Range (2022)	Boiler (E001)		
		2021	2022	2023
Particulate contaminants	<30mg/Nm3	—	—	No inspection required.
Sulfur oxides	<150ppm	—	—	
Nitrogen oxides	<100ppm	24	26	
Inspection Items	Standard Range (2022)	Boiler (E002)		
		2021	2022	2023
Particulate contaminants	<30mg/Nm3	—	—	No inspection required.
Sulfur oxides	<150ppm	—	—	
Nitrogen oxides	<100ppm	52	67	

Results of Air Pollution Inspections at Longtan Branch


Inspection Items	Standard Range (2022)	Boiler (E002)		
		2021	2022	2023
Nitrogen oxides	<100ppm	42	43	34

Note: At present, all boilers at Grape King Bio use natural gas as fuel. We conduct inspections according to regulations, with regular inspections of nitrogen oxide emissions each year, and measurements of particulate contaminants taken in the years when permits are being renewed.

# 6.5 Biodiversity

## Biodiversity

Formal assessments of potential biodiversity impacts from our operations (including assessments of environmental impacts prior to construction of factories in protected areas)  
Grape King Bio also has the following biodiversity and environmental related projects :

SDGs	Issue	Project Name	Description	Total Amount
 	Clean water	Subscription of farmland utilizing rationalized fertilization	This year, Grape King Bio collaborated with the Northern Region Water Resources Branch of the Water Resources Agency under the Ministry of Economic Affairs and farmers to subscribe to farmland utilizing rationalized fertilization. This initiative not only reduces soil degradation and preserves biodiversity but also conserves water resources. The Oldham bamboo shoots produced by farmers not only serve as our company's lunch and catered meals for colleagues but also benefit individuals with Down Syndrome supported by the Chensenmei Social Welfare Foundation and solitary seniors cared for by the Huashan Social Welfare Foundation, which achieves multiple positive outcomes at once.	100,000
	Environmental education	Environmental education program	Grape King Bio supports environmental protection, education, and promotion. We have made donations to the Taiwan RE-THINK Environmental Education Association, which builds interactive educational websites and teaching materials with innovative designs that integrate board games and design thinking concepts. Their materials have been promoted to schools all over Taiwan, and cover issues such as marine waste, plastic reduction, resource recycling, and circular economy. The Recycling Encyclopedia designed interactive and educational board games and websites around concepts such as “the myths of classification” and “the value of recycling,” enabling students to understand systemic factors behind resource recycling and changes that can be done on a personal level by playing games. This corresponds to SDG 12 “Responsible Consumption and Production.”	1,000,000
	Ocean conservation	Cetacean stranding rescue van program	The “Taiwan Cetacean Society” initiated the establishment of “Marine Wildlife Medical Rehabilitation Stations” in the northern region to address the shortage of medical resources for marine wildlife. To protect marine wildlife, Grape King Bio donated funds to this organization, enabling them to promptly rescue and rehabilitate stranded whales, dolphins, and sea turtles, as well as cultivate more marine veterinarians through the construction of holding pools, medical rooms, and autopsy laboratories, thereby enhancing the quality of medical care for marine wildlife in the northern region. Grape King Bio sponsored one 3.5-ton and one 2-ton rescue pools, aiming to save more stranded sea turtles. We also promoted this organization's concepts internally, providing education and training on beachside rescue for marine wildlife to employees. We further invited employees to participate in naming and blessing activities, hoping for the successful rescue of more “Grape King Little Turtles” that can return to the ocean in the future and enjoy a carefree life!	800,000
	Biodiversity	Wild animal rescue support program	Grape King Bio has donated medical expenses required by 1,600 wild animals over the past four years, including fruits and vegetables, feed, live bait, nutritional supplements, materials for surgery and care, animal medications, autopsies, pathological examinations, and materials to enrich the environments of veterinarian hospital cages to enhance the immediate medical resources used by wild animals in the eastern region and increase the number of rescued wild animals.	1,200,000
 	Biodiversity	Restoration program for Taiwan oil millet	The program is based on food and agriculture education and strives to integrate local knowledge and professional education. By teaching about the restoration of the “Taiwan oil millet,” we enabled children to participate in growing “future foods” while also gaining an understanding of the history and culture of their ancestors so they could become protectors of sustainable climate goals and take action corresponding to SDG 13 “Climate Action.” We plan to establish exhibition rooms on campuses all over Taiwan as well as a demonstration area of around 20 pings for food and agriculture education, where we will arrange professional teachers to promote the Taiwan oil millet, invite tribe elders to participate in farming activities, promote local education by cultivating and training teachers, and finally disseminate these concepts domestically and internationally in hopes of restoring growth of the Taiwan oil millet both at home and overseas as it is a super crop which can adapt to climate change and regions lacking arable land.	1,000,000
	Biodiversity	Commitment to a sustainable Earth	To protect and establish low-altitude forests as well as expand community conservation areas, and build an environmental learning center for all, we implemented the habitat management program to protect and establish low-altitude forests, promote biodiversity, eliminate Mikania micrantha (an exotic species which kills other plants), and maintain environmental protection by establishing automatic infrared cameras at four activity hotspots for wild animals to provide round-the-clock ecological monitoring. Additionally, we aim to promote our environmental education program and build an environmental learning center for all, which participates in environmental education classes in elementary schools, designs teaching activities, exchanges educational resources, and trains volunteer guides to strengthen environmental education and cultivate relevant sensibilities.	600,000





## Sustainable Use and Conservation of the Ocean

### Grape King Bio assisted the Taiwan Cetacean Society in rescuing sea turtles and promoting marine education

In the event of marine wildlife stranding incidents along the northern coast, the best time for emergency rescue is often missed due to the absence of nearby temporary rescue stations.

Therefore, the “Taiwan Cetacean Society” initiated the establishment of “Marine Wildlife Medical Rehabilitation Stations” in the northern region to address the shortage of medical resources for marine wildlife.

Grape King Bio sponsored one 3.5-ton and one 2-ton rescue pools, aiming to save more stranded sea turtles. We also promoted this organization's concepts internally, providing education and training on beachside rescue for marine wildlife to employees. We further invited employees to participate in naming and blessing activities, hoping for the successful rescue of more “Grape King Little Turtles” that can return to the ocean in the future and enjoy a carefree life.

Our other assistance includes:

1. Mini Grape Camp on the Theme of Marine Conservation: Grape King Bio has hosted several parent-child workplace experience activities and invited the Taiwan Cetacean Society to promote ocean conservation among employees' children, enabling the concept of ocean conservation to take root in the young.

2. Visit to Medical Rescue Stations Where Chairman Serving as a One-Day Care Volunteer for Sea Turtles: This visit includes a tour of the rescue station, assisting in the medical treatment of sea turtles, maintaining water quality in turtle pools, preparing bait and feeding turtles, and examining turtle feces.

### Collaborate with ReThink to develop marine educational materials and conduct beach cleanup activities

Grape King Bio supports environmental protection, education, and promotion. We have made donations to the Taiwan RE-THINK Environmental Education Association (ReThink), which builds interactive educational websites and teaching materials with innovative designs that integrate board games and design thinking concepts. Their materials have been promoted to schools all over Taiwan, and cover issues such as marine waste, plastic reduction, resource recycling, and circular economy.

The Recycling Encyclopedia designed interactive and educational board games and websites around concepts such as “the myths of classification” and “the value of recycling,” enabling students to understand systemic factors behind resource recycling and changes that can be done on a personal level by playing games. This corresponds to SDG 12 “Responsible Consumption and Production.”

Additionally, Grape King Bio’s volunteers, along with our 11 suppliers and the Taiwan RE-THINK Environmental Education Association, joined our first beach cleanup event at Houcuo Harbor in Taoyuan and worked together to remove marine debris from the beach. A total of 75 volunteers participated in this event and successfully cleared a total of 288.4 kgs of garbage.



# Appendix

Table 1. Collaborating Associations

Association	Form of Participation
The Institute of Internal Auditors, R.O.C.	Chief Auditor Yi Chun Lee is a member
Taiwan Quality Food Association (TQF)	Grape King Bio is an association member
Taiwan Niu-Chang-Chih Industry Association	Grape King Bio is an association member/Deputy General Manager Jin-Chu Chen serves as director
International Life Sciences Institute Taiwan (ILSI Taiwan)	Grape King Bio is an association member/Deputy General Manager Jin-Chu Chen serves as director
Association for Taiwan-Japan Cooperation on Industrial Technology (TJCIT)	Grape King Bio is an association member
Chinese Association for Industrial Technology Advancement	
Taiwan Association for Lactic Acid Bacteria	Grape King Bio is an association member/Deputy General Manager Jin-Chu Chen serves as Chairman
Taoyuan Importers & Exporters Chamber of Commerce	Grape King Bio is an association member
Chinese Excellent Management Association (CEMA)	
Taiwan Bio Industry Organization (TBIO)	Grape King Bio is an association member
Institute for Biotechnology and Medicine Industry	Grape King Bio is an association member
Taiwan Functional Food Industry Association	Grape King Bio is an association member/Chairman Tseng serves as executive director
Taiwan Association for Food Science and Technology	Grape King Bio is an association member/Deputy General Manager Jin-Chu Chen serves as a member of the Food Safety Advisory Committee
Taiwan-Japan Business Exchange Association	Grape King Bio is an association member
Health Food Society of Taiwan	Grape King Bio is an association member/Deputy General Manager Jin-Chu Chen serves as director
Food Industry Intelligent Automation Association Taiwan	Grape King Bio is an association member
International Life Sciences Institute Taiwan	Grape King Bio is an association member/Deputy General Manager Jin-Chu Chen serves as director
Botanical Drug Development Consortium	Grape King Bio is an association member
Taiwan Halal Integrity Development Association	Grape King Bio is an association member
Taiwan Association for Traditional and Complementary Medicine (TATCM)	Grape King Bio is an association member/Deputy General Manager Jin-Chu Chen serves as executive director
Taoyuan City Nurses Association	Hsin-Yu Hsu is a member. According to the regulations of the Nursing Personnel Act, nurses are required to join nurses associations when practicing in various regions
Taiwan Testing and Quality Assurance Society (TTQAS)	Grape King Bio is an association member/Vice Division Director Sheng-Chieh Hsu serves as director
Taiwan Parenteral Drug Association	Grape King Bio is an association member
Chinese Non-Store Retailer Association	Grape King Bio is an association member

Association	Form of Participation
Taoyuan City Industrial Association	Grape King Bio is an association member
Taiwan Pharmaceutical Manufacturers Association	Grape King Bio is an association member
Taiwan Science Park Association of Science and Industry	Longtan Factory is an association member
Taiwan Institute of Directors	Grape King Bio is an association member/Chairman Tseng serves as director
Center for Corporate Sustainability	Grape King Bio is an association member
The Third Wednesday Club	Grape King Bio is an association member
Taoyuan Pharmacist Association	Grape King Bio is an association member
Taoyuan Tourism Factory Advancement Association	Grape King Bio is an association member/Grape King Bio serves as the fourth association executive director
Agricultural Chemical Society of Taiwan	Grape King Bio is an association member/Deputy General Manager Jin-Chu Chen serves as director
Taiwan Association for Food Protection	Grape King Bio is an association member/Deputy General Manager Jin-Chu Chen serves as executive director
Mycological Society of Taiwan	Grape King Bio is an association member/Deputy General Manager Jin-Chu Chen is an association member
Chinese National Association of Industry & Commerce, Taiwan	Grape King Bio is an association member
Information Systems Audit and Control Association (ISACA)	Grape King Bio is an association member/Chung-Chi Hung is an association member
Biotechnology and Biochemical Engineering Society of Taiwan	Grape King Bio is an association member/Deputy General Manager Jin-Chu Chen serves as director
Development Center for Biotechnology	Grape King Bio is an association member
Research Center for Biotechnology and Medicine Policy	Grape King Bio is an association member
Antrodia cinnamomea Association of Taiwan Treasure	Grape King Bio is an association member
Taiwan Society for Mass Spectrometry	Grape King Bio is an association member
Taiwan Cannery Association	Grape King Bio is an association member
REI100	Grape King Bio is an association member
Taiwan Advertisers' Association	Grape King Bio is an association member

Grape King Bio actively participates in food safety activities. We are a member of several food-related associations, including the Taiwan Quality Food Association, Taiwan Association for Food Science and Technology, and Taiwan Functional Food Industry Association, and our Deputy General Manager is a director of multiple associations. We continue to strengthen industrial food safety by working with various corporate organizations and by supporting and using association-formulated safety guidelines for processed foods and drinks. We also participate in industrial initiatives as part of our emphasis on food safety.



Table 2. Inspection Items at all Grape King Bio Factories

Category	Inspection items for Zhongli and Pingzhen factories	Inspection items for Biotech Research Institute
Physical characteristics	Appearance, color deviations, size, weight, thickness, burst strength, leak tests	Appearance, color deviations, weight
Chemical characteristics	Specific gravity, pH levels, moisture content, ash content, acid value, sugar content	pH levels, moisture content, sugar content
Microbiological tests	Aerobic plate count, coliform levels, Staphylococcus aureus, mold and yeast, Candida albicans, Listeria monocytogenes	Aerobic plate count, coliform levels, mold and yeast
Heavy metal tests	Arsenic, lead, cadmium, mercury, copper, antimony, tin	
Plasticizer tests	BBP, DBP, DEHP, DNOP, DINP, DIDP, DMP, DEP, DIBP (9 items)	
Pesticide residual tests	410 multiple pesticide residual analyses	
Mycotoxin residual tests	Ochratoxin A, aflatoxin, citrinin	
Water quality tests	pH levels, turbidity, electrical conductivity, total hardness, chloride, aerobic plate count, coliform levels	



Table 3. Water Quality Inspection Items at all Grape King Bio Factories

Water for pharmaceuticals-Internal inspection items			
Internal Inspection	Inspection Frequency	Inspection Items	
Raw water (Sampling site 1)	One inspection every two weeks	8 items : pH levels, turbidity, residual chlorine, total hardness, electrical conductivity, total organic carbon, aerobic plate count, coliform levels	
Water quality system site (Sampling sites 2-7)	One inspection every two weeks	Sampling site 2	Turbidity
		Sampling site 3	Total hardness
		Sampling site 4	3 items : Residual chlorine, aerobic plate count, coliform levels
		Sampling site 5	5 items : pH levels, total hardness, electrical conductivity, aerobic plate count, coliform levels
		Sampling site 6	3 items :electrical conductivity, aerobic plate count, coliform levels
		Sampling site 7	3 items : Total organic carbon, aerobic plate count, coliform levels
Pure water (Usage sites 1-6)	One inspection every two weeks	4 items : Appearance, electrical conductivity, total organic carbon, total organic carbon	

Water for foods-External inspection items			
External Inspections	Inspection Frequency	Inspection Items	
Raw water	One inspection every two weeks	External inspections cover a total of 68 inspection items in accordance with the standards for drinking water released by the Ministry of Environment.	
Raw water (Sampling site 1)	One inspection every two weeks	7 items: pH levels, turbidity, residual chlorine, total hardness, total dissolved solids, aerobic plate count, coliform levels	
Water quality system site (Sampling sites 2-5)	One inspection every two weeks	Sampling site 2	Turbidity
		Sampling site 3	total hardness
		Sampling site 4	Residual chlorine
		Sampling site 5	6 items: pH levels, turbidity, total hardness, total dissolved solids, aerobic plate count, coliform levels



Table 4. External Certifications and Legal Compliance for Food Safety at Grape King Bio

The Act Governing Food Safety and Sanitation, Regulations on Good Hygiene Practice for Food (GHP), Taiwan Quality Food (TQF) General Technical Specifications, ISO22000 & HACCP food safety management system, FSSC22000 food safety management system, National Sanitation Foundation Good Manufacturing Practice (NSF GMP), Halal certification, Health Food Control Act, food industry registry platform, and regulations issued by the TFDA.

Table 5. Third-Party Certifications Obtained by Grape King Bio

System Classification	Certification System	Pingzhen Headquarters	Zhongli Factory	Grape King Biotech Research Institute (Longtan Branch)
EMS	ISO 14001:2015	Yes	No	No
	ISO 50001:2018	Yes	No	No
OHSMS	ISO 45001:2018	Yes	No	No
	CNS 45001:2018	Yes	No	No
QMS	FSSC 22000 <small>(Note 1)</small>	Yes	No	No
	ISO 22000:2018 <small>(Note 5)</small>	Yes	Yes	Yes
	HACCP <small>(Note 2)</small>	Yes	Yes	Yes
	PIC/S GMP	No	Yes	No
	GDP	Yes	Yes	No
	NSF GMP	Yes	No	No
	TQF <small>(Note 3)</small>	Yes	No	No
	Halal <small>(Note 4)</small>	Yes	Yes	Yes
	ISO/IEC 17025:2017	Yes	Yes	No

Note 1 : The latest version (Version 5) was obtained  
Note 2 : Commissioned verification by SGS  
Note 3 : Taiwan Quality Food Association; Taiwan Quality Food (TQF)  
Note 4 : Our Pingzhen Factory obtained 6 product certifications, and our Zhongli and Longtan factories obtained raw material certifications.

Sustainability Reporting Indicators — Food Industry

No.	Requirement	Corresponding Sections	Page No.	Remarks
1.	The evaluation and improvement regarding the company's personnel, work environment, hygiene management of facilities and quality control system to improve food sanitation, safety and quality, as well as the significant product and service categories and the percentage affected.	CH2 Product Liability	51	
2.	The types and number of violations, number of product recalls, and total weight of recalled products related to applicable food safety and sanitation laws and noncompliance with product and service information and labeling laws.	1.5 Legal Compliance 2.2.3 Product Quality and Safety Inspections	46 60	
3.	The percentage of the purchased volume in accordance with internationally recognized responsible production standards, categorized by standards.	2.3.2 Green Product Packaging and Recycling	66	
4.	The percentage of the production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards.	2.2.1 Systemic Food Safety Protections	58	
5.	The number and percentage of suppliers audited, and the audit items and results.	2.1.3 Regular Evaluation of Existing Suppliers	55	
6.	The product trace and track management conducted voluntarily or according to the applicable laws, and the percentage of such relevant products to the whole products.	2.2.4 Tracking and Compliance Management	62	
7.	The food safety laboratories established voluntarily or according to the applicable laws, testing items, testing results, relevant expenses and the percentage of such expenses to the net revenue.	2.2.3 Product Quality and Safety Inspections CH2 Product Liability	60	
8.	Total energy consumption, percentage of purchased electricity, and usage rates of renewable energy	Sustainability Accounting Standards Board (SASB) Index	148	
9.	Total water withdrawal and total water consumption	6.3 Management of Water Resources	133	
10.	Weight of sold products and number of production facilities	Sustainability Accounting Standards Board (SASB) Index	148	



# Global Reporting Initiative (GRI) Standards Index

## General Disclosures

Grape King Bio follows GRI to publish this report. The report covers performance in economic, social and environmental aspects in 2023 (from January 1 to December 31, 2023)

GRI Standard	Disclosure Item	Corresponding Sections	Page No.	Remarks
GRI 1 : Foundation 2021				
GRI 2 : General Disclosures 2021				
1. The organization and its reporting practices				
2-1	Organizational details	About this Report	3	
2-2	Entities included in the organization's sustainability reporting	About this Report	3	
2-3	Reporting period, frequency and contact point	About this Report	3	
2-4	Restatements of information	No changes in mergers or acquisitions, reporting periods, nature of business, and measurement methods		
2-5	External assurance	About this Report Appendix-Independent Assurance Opinion Statement	3 153	
2. Activities and workers				
2-6	Activities, value chain and other business relationships	Introduction to Grape King Bio	9	
2-7	Employees	4.2 Talent Recruitment and Structure	93	
2-8	Workers who are not employees	4.2 Talent Recruitment and Structure	93	
3. Governance				
2-9	Governance structure and composition	2022 Annual Report 2023 Annual Report 1.1 Corporate Governance and Transparency	27	Since Grape King Bio's 2023 ESG report was published before the 2023 annual report, information regarding the company's governance structure and composition can be referred to in the 2022 annual report for now.
2-10	Nomination and selection of the highest governance body	1.1 Corporate Governance and Transparency	27	
2-11	Chair of the highest governance body	Introduction to Grape King Bio – ESG Management Structure: Sustainability and ESG Committee 1.1 Corporate Governance and Transparency	9 27	
2-12	Role of the highest governance body in overseeing the management of impacts	Introduction to Grape King Bio-ESG Management Structure : Sustainability and ESG Committee	9 13	

2-13	Delegation of responsibility for managing impacts	Introduction to Grape King Bio-ESG Management Structure : Sustainability and ESG Committee	9 13	
2-14	Role of the highest governance body in sustainability reporting	Stakeholder Communication and Analysis of Material Topics	19	
2-15	Conflicts of interest	1.1 Corporate Governance and Transparency 1.2 Corporate Integrity and Business Ethics	27 33	
2-16	Communication of critical concerns	1.1 Corporate Governance and Transparency 1.2 Corporate Integrity and Business Ethics	27 33	
2-17	Collective knowledge of the highest governance body	1.1 Corporate Governance and Transparency	29	
2-18	Evaluation of the performance of the highest governance body	1.1 Corporate Governance and Transparency	31	
2-19	Remuneration policies	1.1 Corporate Governance and Transparency	30	
2-20	Process to determine remuneration	1.1 Corporate Governance and Transparency	30	
2-21	Annual total compensation ratio	1.1 Corporate Governance and Transparency 4.3.1 Remuneration and Bonuses	33	
4. Strategy, policies and practices				
2-22	Statement on sustainable development strategy	A Message from the Chairman Sustainability Strategy: Goals and Commitments	19 6	
2-23	Policy commitments	4.1 Human Rights	87	
2-24	Embedding policy commitments	4.1 Human Rights	87	
2-25	Processes to remediate negative impacts	4.6.1 Multiple Communication Channels	109	
2-26	Mechanisms for seeking advice and raising concerns	4.6.1 Multiple Communication Channels	109	
2-27	Compliance with laws and regulations	1.5 Legal Compliance	39	
2-28	Membership associations	Table 1. Collaborating Associations	142	
5. Stakeholder engagement				
2-29	Approach to stakeholder engagement	Stakeholder Communication and Analysis of Material Topics	19	
2-30	Collective bargaining agreements	4.6.1 Multiple Communication Channels	109	
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	Stakeholder Communication and Analysis of Material Topics	19	
3-2	List of material topics	Stakeholder Communication and Analysis of Material Themes	19	
3-3	Management of material topics	Impacts of Material Themes and Corporate Responses	21	

Disclosure of 10 Key Issues

GRI Standard	Disclosure Item		Corresponding Sections	Page No.	Remarks
1.Product Liability and Safety					
GRI 3	3-1	Process to determine material topics	Stakeholder Communication and Analysis of Material Issues CH2 Product Liability	19	
	3-2	List of material topics		47	
	3-3	Management of material topics			
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	1.5 Legal Compliance	44	
2. Ethics and Integrity					
GRI 3	3-1	Process to determine material topics	Stakeholder Communication and Analysis of Material Issues	19	
	3-2	List of material topics	1.2 Corporate Integrity and Business Ethics	33	
	3-3	Management of material topics			
GRI 205: Anti-Corruption 2016	205-3	Confirmed incidents of corruption and actions taken	1.2 Corporate Integrity and Business Ethics	33	No incidents of corruption occurred in 2023
3.Legal Compliance					
GRI 3	3-1	Process to determine material topics	Stakeholder Communication and Analysis of Material Issues	19	
	3-2	List of material topics	CH2 Product Liability	47	
	3-3	Management of material topics			
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	1.5 Legal Compliance	44	
4. Employee Compensation and Benefits					
GRI 3	3-1	Process to determine material topics	Stakeholder Communication and Analysis of Material Issues	19	
	3-2	List of material topics			
	3-3	Management of material topics			

GRI 201 : Economic Performance 2016	201-1	Direct economic value generated and distributed	1.4 Financial Performance	41	
5. Talent Attraction and Retention					
GRI 3	3-1	Process to determine material topics	Stakeholder Communication and Analysis of Material Issues	19	
	3-2	List of material topics	4.3 Talent Cultivation and Performance Appraisals	96	
	3-3	Management of material topics			
GRI 401 : Employment 2016 GRI 404 : Training and Education 2016 GRI 405 : Diversity and Equal Opportunity 2016	401-1	New employee hires and employee turnover	4.2 Talent Recruitment and Structure	93	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.3 Talent Cultivation and Performance Appraisals	96	
	404-1	Average hours of training per year per employee	4.4 Employee Compensation, Benefits, and Health	99	
	405-2	Ratio of basic salary and remuneration of women to men			
6. Corporate Governance and Transparency					
GRI 3	3-1	Process to determine material topics	Stakeholder Communication and Analysis of Material Issues	19	
	3-2	List of material topics			
	3-3	Management of material topics			
GRI 2	2-9	Governance structure and composition	1.1 Corporate Governance and Transparency	27	
7. Occupational Health and Safety					
GRI 3	3-1	Process to determine material topics	Stakeholder Communication and Analysis of Material Issues	19	
	3-2	List of material topics			
	3-3	Management of material topics			
GRI 403 : Occupational Health and Safety 2018	403-2	Hazard identification, risk assessment, and incident investigation	4.5.1 Safe and Hygienic Work Environments	106	
			4.5.2 Evaluation of Occupational Safety Risks	108	
8. Customer Service					
GRI 3	3-1	Process to determine material topics	Stakeholder Communication and Analysis of Material Issues	19	
	3-2	List of material topics			
	3-3	Management of material topics			



GRI 418 :Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.3.3 Listening to Customer Opinions 3.3.4 Protection of Customer Privacy and Rights	83 84	
9.Human Rights					
GRI 3	3-1	Process to determine material topics	Stakeholder Communication and Analysis of Material Issues	19	
	3-2	List of material topics	4.3 Talent Cultivation and Performance Appraisals	96	
	3-3	Management of material topics			
GRI 2	2-23	Policy commitments	4.1 Human Rights 4.6.1 Multiple Communication Channels	87	
	2-24	Embedding policy commitments		109	
	2-25	Processes to remediate negative impacts			
	2-26	Mechanisms for seeking advice and raising concerns			
10. Innovation and R&D					
GRI 3	3-1	Process to determine material topics	Stakeholder Communication and Analysis of Material Issues	19	
	3-2	List of material topics			
	3-3	Management of material topics			
GRI 302 : Energy 2016	302-3	Energy intensity	6.2.2 Energy Usage	132	
Other issues (Assurance has been received on these items)					
GRI 305 : Emissions 2016	305-1	Direct (Scope 1) GHG emissions	6.2.2 Energy Usage	132	
	305-2	Energy indirect (Scope 2) GHG emissions	6.2.2 Energy Usage	132	
GRI 404 : Training and Education 2016	404-1	Average hours of training per year per employee	4.3.2 Employee Training and Development	98	



General Disclosures

GRI Standard	Disclosure Item		Corresponding Sections	Page No.	Remarks
GRI 204 : Procurement Practices 2016	204-1	Proportion of spending on local suppliers	2.1.1 Procurement Strategy	53	
GRI 205 : Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	1.2 Corporate Integrity and Business Ethics	33	
	205-2	Communication and training about anti-corruption policies and procedures	1.2 Corporate Integrity and Business Ethics	33	
	205-3	Confirmed incidents of corruption and actions taken	1.2 Corporate Integrity and Business Ethics	33	
GRI 302 : Energy 2016	302-1	Energy consumption within the organization	6.2.2 Energy Usage	132	
	302-3	Energy intensity	6.2.2 Energy Usage	132	
GRI 303 : Water and Effluents 2018	303-3	Water withdrawal	6.3 Management of Water Resources	133	
	303-4	Water discharge	6.3 Management of Water Resources	133	
	303-5	Water consumption	6.3 Management of Water Resources	133	
GRI 306 : Effluents and Waste 2016	306-2	Waste by type and disposal method	6.4 Waste Management	137	
GRI 406 : Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	4.1 Human Rights	87	
GRI 408 : Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	4.1 Human Rights	87	
GRI 409 : Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.1 Human Rights	87	
GRI 413 : Local Communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities	4.1 Human Rights	87	





# Sustainability Accounting Standards Board (SASB) Index

Household Personal Products and Processed Foods

Category	Disclosed Theme	Code	Accounting Metric	Measurement Unit	Value
Environmental	Water Management	CG-HP-140a.1	Total water withdrawn	Cubic meters(m³)	355,182
			Total water consumed	Cubic meters(m³)	102,430
			Percentage of each in regions with High or Extremely High Baseline Water Stress	Percentage (%)	0%
		FB-PF-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Number	0
		CG-HP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Qualitative analysis	Grape King Bio places high emphasis on water quality management and commissions SGS to conduct annual external water quality sampling inspections. This year, we continued to increase recovery volumes of RO concentrate discharge to enhance water-saving rates, effectively lowering water usage volumes, wastewater discharge volumes, and environmental impacts.
	Energy Management	FB-PF-130a.1	Total energy consumed	GJ	194,777
			Percentage grid electricity	Percentage (%)	62.99%
			Percentage renewable	Percentage (%)	1.47%
Social Capital	Product Environmental, Health, and Safety Performance	CG-HP-250a.1	Revenue from products that contain REACH substances of very high concern (SVHC)	Reporting currency	Pro-Partner products Shin Yue Kang contained some regulated EU REACH substances. Total revenues of related products in 2023 amounted to NT\$ 113,767,000.
		CG-HP-250a.2	Revenue from products that contain substances on the California DTSC Candidate Chemicals List	Reporting currency	Grape King Bio does not have any products which contain substances on the California DTSC Candidate Chemicals List.
		CG-HP-250a.3	Discussion of process to identify and manage emerging materials and chemicals of concern	Qualitative analysis	The inspection center at Grape King Bio is a TAF certified laboratory and operates according to ISO/IEC 17025 standards. Our inspection items include physical and chemical properties, compliance with sanitation regulations, and food safety factors. Our inspection technicians have received TAF certification and our laboratory personnel periodically take capabilities tests conducted by laboratories with third-party certifications to ensure that our inspection center adheres to the highest standards.
		CG-HP-250a.4	Revenue from products designed with green chemistry principles	Reporting currency	Grape King Bio does not currently use any materials that adhere to green chemistry principles , therefore the cost is NT\$ 0.
	Food Safety	FB-PF-250a.1	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Rate	The three production lines (capsule, powder and granule, and sterilized soft bag lines) at Pingzhen Factory are all FSSC 22000 certified in accordance with the Global Food Safety Initiative (GFSI). Food safety inspections revealed no major food safety violations in 2023.
		FB-PF-250a.2	Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	Percentage (%) by cost	Grape King Bio had a total of 220 Tier 1 food suppliers in 2023. We conduct annual evaluations on our raw material suppliers to confirm that they have obtained international food safety certifications including HACCP, ISO22000, ISO 14001, and OHSAS 18001. In future, we will include other international GFSI food certification systems in our evaluations.
		FB-PF-250a.3	(1) Total number of notices of food safety violation received, (2) percentage corrected	Number, Percentage (%)	0%
		FB-PF-250a.4	(1) Number of recalls issued and (2) total amount of food product recalled	Number, Metric tons (t)	No product recall incident occurred in 2023. For more information, please refer to "2.2.3 Product Quality and Safety Inspections 4. Product Safety Assurance."
	Health & Nutrition	FB-PF-260a.1	Revenue from products labeled and/or marketed to promote health and nutrition attributes	Reporting currency	Grape King Bio and Pro-Partner defines products with health and nutrition attributes as those with Ministry of Health and Welfare Health Food Certification. Total sales revenues for 2023 amounted to NT\$ 657,537,000.
		FB-PF-260a.2	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	Qualitative analysis	Relevant products possess manufacturing process quality control certifications and various experimental or scientific verifications, and we have also submitted applications to the Ministry of Health and Welfare. Products can only receive MOHW certification following a review by the Ministry of Health and Welfare Health Food Review Committee to confirm safety and efficacy. Consumers can check certification details on MOHW websites, or refer to the product certification information on our website.

Category	Disclosed Theme	Code	Accounting Metric	Measurement Unit	Value
Social Capital	Product Labeling & Marketing	FB-PF-270a.1	Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines	Percentage (%)	0%
		FB-PF-270a.2	Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	Qualitative analysis	(1)In accordance with the "Regulations Governing Labeling of Packaged Foods Containing Genetically Modified Ingredients," the percentage of genetically modified ingredients in all Grape King Bio products is lower than 3% and are therefore regarded as non-genetically modified products. As a result, our income from genetically modified products was 0. (2)In 2023, all Grape King Bio and Pro-Partner products were non-genetically modified products, and total revenues were NT\$10,635,464,000.
		FB-PF-270a.3	Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	Number	3
		FB-PF-270a.4	Total amount of monetary losses as a result of legal proceedings associated with labeling and/or marketing practices	Reporting currency	NT\$ 440,000
Business Models and Innovation	Packaging Lifecycle Management Environmental & Social Impacts of Palm Oil Supply Chain	CG-HP-410a.1 FB-PF-410a.1 CG-HP-410a.2 FB-PF-410a.2	(1) Total weight of packaging,	Metric tons (t)	486.69
			(2) percentage made from recycled and/or renewable materials,	Ratio	In 2023, a total of 279.84 tons of product packaging came from environmentally friendly materials, accounting for 57.50% of the total weight of all product packaging.
			and (3) percentage that is recyclable, reusable, and/or compostable	Ratio	In 2023, a total of 383.19 tons of product packaging can be recycled and reused, accounting for 78.73% of the total weight of all product packaging.
		CG-HP-410a.2 FB-PF-410a.2	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Qualitative analysis	Relevant products within the Group: 1. All Grape King Bio products with aluminum foil packaging (which account for 29.60% of Pro-Partner revenues) use 100% green paper pulp materials made from FSCTM (Forest Stewardship Council) certified wood materials, ensuring that our paper materials come from legitimate and well-managed forest sources that avoid shifting cultivation and deforestation. 2. Many Grape King Bio products have adopted recyclable plastic bottles and we work with recycling plants to maintain our spirit of sustainability. 3. We continue to actively discuss the feasibility of using recycled packaging materials with our suppliers to gradually increase the sustainability ratios of our packaging materials.
	Environmental & Social Impacts of Palm Oil Supply Chain	CG-HP-430a.1	Amount of palm oil sourced, percentage certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved,	Metric tons (t)	No Grape King Bio products use palm oil.
			(b) Segregated,	Metric tons (t)	0
			(c) Mass Balance,	Metric tons (t)	0
			or (d) Book & Claim	Percentage (%)	0%

Category	Disclosed Theme	Code	Accounting Metric	Measurement Unit	Value
Business Models and Innovation	Environmental & Social Impacts of Ingredient Supply Chain	FB-PF-430a.1	Percentage of food ingredients sourced that are certified to third-party environmental and/or social standards, and percentages by standard	Percentage (%) by cost	We conduct annual evaluations of our raw material suppliers and included 21 ESG evaluation items for the first time in 2021. In future, we plan to include evaluation criteria relating to third-party environmental and social certifications.
		FB-PF-430a.2	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Rate	In 2022, we distributed ESG self-evaluation questionnaires to 80 of our significant suppliers. All suppliers achieved a qualification rate of 100% on ESG evaluation items. We also distributed a survey on integrity and anti-corruption policy promotion to these 78 suppliers. Very few suppliers were unaware of our anti-corruption hotline and related measures, which we will continue to promote.
	Ingredient Sourcing	FB-PF-440a.1	Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress	Percentage (%) by cost	According to analysis of global baseline water stress regions from the World Resources Institute, Grape King Bio uses two key ingredients sourced from high baseline water stress regions. We will continue to be attentive of supply conditions and formulate corresponding countermeasures.
		FB-PF-440a.2	List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations	Qualitative analysis	In 2022, we distributed ESG self-evaluation questionnaires to 78 of our significant suppliers. All suppliers achieved a qualification rate of 100% on ESG evaluation items.
Operational Indicators		CG-HP-000.A FB-PF-000.A	Units of products sold and total weight of products sold	Metric tons (t)	Total sales volumes for 2023 were 2,073,050 units. Total weight of products sold for 2023 was 2,364.09 tons, including only the content of Grape King Bio products and excludes the weight of OEM raw materials, supplies, sales giveaways, and shipping cartons.
		CG-HP-000.B, FB-PF-000.B	Number of manufacturing facilities	Number of factories	4 (Note 1)

Note 1: The number of factories includes four Grape King Bio locations at Zhongli, Pingzhen, Longtan, and Yungfeng factories, but excludes the factory at Shanghai Grape King.



ISO26000 Index

Core Subject	Issue	Corresponding Sections	Page No.	Remarks
Organizational governance	The system by which an organization makes and implements decisions in pursuit of its objectives	1.1 Corporate Governance and Transparency	27	
Human rights	Due diligence	4.2 Talent Recruitment and Structure	93	
	Human rights risk situations	4.2 Talent Recruitment and Structure	93	
	Avoidance of complicity-direct, beneficial and silent complicity	1.2 Corporate Integrity and Business Ethics	33	
	Resolving grievances	4.6 Employee Communication	109	
	Discrimination and vulnerable groups	1.2 Corporate Integrity and Business Ethics 4.2 Talent Recruitment and Structure	33 93	
	Civil and political rights	4.6 Employee Communication	109	
	Economic, social and cultural rights	4.4 Employee Compensation, Benefits, and Health	99	
	Fundamental principles and rights at work	4.4 Employee Compensation, Benefits, and Health	99	
Labour practices	Employment and employment relationships	4.2 Talent Recruitment and Structure	93	
	Conditions of work and social protection	4.5.1 Safe and Hygienic Work Environments	106	
	Social dialogue	Stakeholder Communication and Analysis of Key Issues	19	
	Health and safety at work	4.4.4 Health and Safety Management	102	
	Human development and training in the workplace	4.4 Employee Compensation, Benefits, and Health	99	
The environment	Prevention of pollution	CH6 Green Environment-Environmental Management	123	
	Sustainable resource use	6.3 Management of Water Resources 6.4 Waste Management	133 137	
	Climate change mitigation and adaptation	6.1 Grape King Bio Climate Actions Under the Task Force on Climate-Related Financial Disclosures (TCFD)	125	
	Protection of the environment, biodiversity and restoration of natural habitats	6.5 Biodiversity	139	

Core Subject	Issue	Corresponding Sections	Page No.	Remarks
Fair operating practices	Anti-corruption	1.2.2 Avoiding Conflicts of Interest and Anti-Corruption	36	
	Responsible political involvement	Appendix Table 1	142	
	Fair competition	1.2.1 Ethical Management and Moral Conduct	34	
	Promoting social responsibility in the value chain	Value Chain	17	
	Respect for property rights	1.5 Legal Compliance	44	
Consumer issues	Fair marketing, factual and unbiased information and fair contractual practices	2.2.3 Product Quality and Safety Inspections-Product Marketing and Promotion Management 2.2.4 Tracking and Compliance Management	60 62	
	Protecting consumers' health and safety	2.2 Food Safety and Responsibility	57	
	Sustainable consumption	2.3 Sustainable Products	65	
	Consumer service, support, and complaint and dispute resolution	3.3.2 Customer Service Processes 3.3.3 Listening to Customer Opinions	81 83	
Consumer issues	Consumer data protection and privacy	3.3.4 Protection of Customer Privacy and Rights	84	
	Access to essential services	3.3 Customer Service	79	
	Education and awareness	3.3.3 Listening to Customer Opinions	83	
Community involvement and development	Community involvement	5.2 Community Development	116	
	Education and culture	5.1 Academic Participation	115	
	Employment creation and skills development	5.1.2 Talent Cultivation Program	115	
	Technology development and access	3.1 Innovation Management and Patents	69	
	Health	5.3 Care for the Disadvantaged	119	
	Social investment	CH5 Social Prosperity	111	






# United Nations Global Compact Comparison Chart

Category	Ten Principles	Corresponding Sections	Page No.	Remarks
Human rights	Businesses should support and respect the protection of internationally proclaimed human rights; and	4.2 Talent Recruitment and Structure	93	
	make sure that they are not complicit in human rights abuses	4.1 Human Rights	87	
Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	4.6 Employee Communication	109	
	the elimination of all forms of forced and compulsory labour;	1.2 Corporate Integrity and Business Ethics 4.5 Occupational Safety	33 105	
	the effective abolition of child labour; and	1.2 Corporate Integrity and Business Ethics	33	
	the elimination of discrimination in respect of employment and occupation.	1.2 Corporate Integrity and Business Ethics 4.2 Talent Recruitment and Structure	33 93	
Environment	Businesses should support a precautionary approach to environmental challenges;	CH6 Green Environment	123	
	undertake initiatives to promote greater environmental responsibility; and	6.2 Management of Energy Resources and Greenhouse Gases 6.3 Management of Water Resources 6.4 Waste Management	130 133 137	
	Encourage the development and diffusion of environmentally friendly technologies	2.3 Sustainable Products	65	
Anti-corruption	Businesses should work against corruption in all its forms, including extortion and bribery.	1.2.2 Avoiding Conflicts of Interest and Anti-Corruption	36	



Independent Assurance Opinion Statement



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INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

Grape King Bio Inc.,

We have undertaken a limited assurance engagement on the selected performance indicators in the Sustainability Report ("the Report") of Grape King Bio Inc., ("the Company") for the year ended December 31, 2023.

**Subject Matter Information and Applicable Criteria**

See Appendix 1 for the Company's selected performance indicators ("the Subject Matter Information") and applicable criteria.

**Responsibilities of Management**

The management of the Company is responsible for the preparation of the Subject Matter Information in accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, Universal Standards, Sector Standards and Topic Standards published by the Global Reporting Initiative (GRI), and for such internal control as management determines is necessary to enable the preparation of the Subject Matter Information that are free from material misstatement resulted from fraud or error.

**Auditors' Responsibilities**

Our responsibility is to plan and conduct our limited assurance engagement in accordance with Standard on Assurance Engagement 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation of the Republic of China to issue a limited assurance report on whether the Subject Matter Information (see Appendix 1) is free from material misstatement. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We based on our professional judgment in the planning and conducting of our work to obtain evidence supporting the limited assurance. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

- Inquiring of management and the personnel responsible for the Subject Matter Information to obtain an understanding of the policies, procedures, internal control, and information system relevant to the Subject Matter Information to identify areas where a material misstatement of the subject matter information is likely to arise.
- Selecting sample items from the Subject Matter Information and performing procedures such as inspection, re-calculation, re-performance, observation, and analytical procedures to obtain evidence supporting limited assurance.

- 1 -

**Inherent Limitations**

The Subject Matter Information involved non-financial information, which was subject to more inherent limitations than financial information. The information may involve significant judgment, assumptions and interpretations by the management, and the different stakeholders may have different interpretations of such information.

**Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Standard on Quality Management 1 "Quality Management for Public Accounting Firms" issued by the Accounting Research and Development Foundation of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

**Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information is not prepared, in all material respects, in accordance with the applicable criteria.

**Other Matters**

We shall not be responsible for conducting any further assurance work for any change of the Subject Matter Information or the applicable criteria after the issuance date of this report.

The engagement partner on the limited assurance report is Han-Ni Fang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

May 3, 2024

*Notice to Readers*

For the convenience of readers, the independent auditors' limited assurance report and the accompanying summary of subject matter information have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report and summary of subject matter information shall prevail.

- 2 -

APPENDIX

SUMMARY OF SUBJECT MATTER INFORMATION

#	Subject Matter Information	Corresponding Section	Applicable Criteria	Industry-specific Disclosures of the Sustainability Metrics Describe in the Rules Governing the Preparation and Filing of Sustainability Reports
1.	100% of our products have undergone food hygiene, food safety, and quality management procedures that encompass control of operating personnel, locations, facility hygiene, and quality assurance systems.	02 Product Liability	The evaluation and improvement regarding the company's personnel, work environment, hygiene management of facilities and quality control system to improve food sanitation, safety and quality, as well as the significant product and service categories and the percentage affected.	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 1, Table 1-1, No.1

- 3 -

## Independent Assurance Opinion Statement

#	Subject Matter Information					Corresponding Section	Applicable Criteria	Industry-specific Disclosures of the Sustainability Metrics Describe in the Rules Governing the Preparation and Filing of Sustainability Reports														
2.	<p>• Events of Food Regulation Violations in 2023:</p> <table><tr><th>Category</th><th>Number of Incidents</th><th>Amount of Fine (NT\$)</th><th>Legal Basis</th><th>Violation Incidents 2023</th></tr><tr><td rowspan="2">Marketing and Labeling</td><td>1</td><td>40,000</td><td>In violation of Article 28 of the Governing Food Safety and Sanitation Act</td><td>The advertisements for "Slim Turmeric Complex Essence Drink" and "Night Slim Turmeric Complex" are implicated in false, exaggerated or misleading.</td></tr><tr><td>2</td><td>400,000</td><td>In violation of Paragraph 1, Article 14 of the Health Food Control Act</td><td>The labeling or advertisement of health foods such as "Health mark number-Antrodia King" and "Health mark number-Slim Probiotics King" involve false, exaggerated, or misleading content.</td></tr></table> <p>• In 2023, the number of product lines recalled is zero, and both the number of product removals and the total weight of products removed are zero.</p>					Category	Number of Incidents	Amount of Fine (NT\$)	Legal Basis	Violation Incidents 2023	Marketing and Labeling	1	40,000	In violation of Article 28 of the Governing Food Safety and Sanitation Act	The advertisements for "Slim Turmeric Complex Essence Drink" and "Night Slim Turmeric Complex" are implicated in false, exaggerated or misleading.	2	400,000	In violation of Paragraph 1, Article 14 of the Health Food Control Act	The labeling or advertisement of health foods such as "Health mark number-Antrodia King" and "Health mark number-Slim Probiotics King" involve false, exaggerated, or misleading content.	1.5 Legal Compliance 2.2.3 Product Quality and Safety Inspections	The types and number of incidents of violation against the applicable food safety and sanitation laws and noncompliance with product and service information and labeling laws.	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 1, Table 1-1, No.2
Category	Number of Incidents	Amount of Fine (NT\$)	Legal Basis	Violation Incidents 2023																		
Marketing and Labeling	1	40,000	In violation of Article 28 of the Governing Food Safety and Sanitation Act	The advertisements for "Slim Turmeric Complex Essence Drink" and "Night Slim Turmeric Complex" are implicated in false, exaggerated or misleading.																		
	2	400,000	In violation of Paragraph 1, Article 14 of the Health Food Control Act	The labeling or advertisement of health foods such as "Health mark number-Antrodia King" and "Health mark number-Slim Probiotics King" involve false, exaggerated, or misleading content.																		
3.	Grape King Bio's Carb Controller 2.0 print box and foil package series of products use 100% Forest Stewardship Council (FSC™) certified green pulp for packaging production.					2.3.2 Green Product Packaging and Recycling	The percentage of the purchased volume in accordance with internationally recognized responsible production standards, categorized by standards.	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 1, Table 1-1, No.3														
4.	Pingzhen Factory, Zhongli Factory and Longtan Branch have received ISO 22000 and HACCP management system certifications and our Pingzhen Factory has received FSSC 22000, TQF and NSF GMP certifications. Together, these three factories contain production lines for 8 dosage forms. All follow-up inspections of production lines were completed in 2023, achieving an inspection accomplishment rate of 100%. Furthermore, 100% of our products are produced by certified production lines.					2.2.1 Systemic Food Safety Protections	The percentage of the production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards.	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 1, Table 1-1, No.4														

- 4 -

#	Subject Matter Information	Corresponding Section	Applicable Criteria	Industry-specific Disclosures of the Sustainability Metrics Describe in the Rules Governing the Preparation and Filing of Sustainability Reports														
5.	<p>Grape King Bio conducts regular annual evaluations of raw material suppliers and outsourcing vendors. The four main aspects including Q (Quality), C (Cost), D (Delivery), and S (Service/Cooperation), evaluations and scoring are based on ethics and integrity consideration.</p> <p>The results of supplier audits conducted by Grape King Bio for the past three years are shown in the following table:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Total number of suppliers</td> <td>220</td> </tr> <tr> <td>Audited suppliers</td> <td>220</td> </tr> <tr> <td>Audit ratio</td> <td>100%</td> </tr> <tr> <td>Class A</td> <td>214</td> </tr> <tr> <td>Class B</td> <td>6</td> </tr> <tr> <td>Class C</td> <td>0</td> </tr> </tbody> </table> <p>* Categorization: Suppliers with a score of more than 81 are classified as Class A (excellent) suppliers; suppliers scoring from 65 to 80 are classified as Class B (qualified) suppliers; and suppliers with a score of less than 65 are classified as Class C (unqualified) suppliers; no transactions are permitted with unqualified suppliers.</p>	Year	2023	Total number of suppliers	220	Audited suppliers	220	Audit ratio	100%	Class A	214	Class B	6	Class C	0	2.1.3 Regular Evaluation of Existing Suppliers	The number and percentage of suppliers audited, and the audit items and results.	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 1, Table 1-1, No.5
Year	2023																	
Total number of suppliers	220																	
Audited suppliers	220																	
Audit ratio	100%																	
Class A	214																	
Class B	6																	
Class C	0																	
6.	Grape King Bio has established an internal SAP system and voluntary tracking management mechanism which adheres 100% to the "Product Identification and Tracking Management Procedures." Current mechanisms encompass the products manufactured by the 6 food production lines at Zhongli Factory and Pingzhen Factory (100% of which can be managed through the product identification and tracing mechanism).	2.2.4 Tracking and Compliance Management	The product trace and track management conducted voluntarily or according to the applicable laws, and the percentage of such relevant products to the whole products.	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 1, Table 1-1, No.6														

- 5 -



- 6 -

- 7 -





**GRAPE KING BIO**



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