



GRAPE KING BIO

2022

Grape King Bio

ESG Report

TSE 1707

This report follows the following international sustainability standards



Table of contents

Introduction

About this Report	02
Sustainability Strategy: Goals and Commitments	06
Introduction to Grape King Bio	09
Stakeholder Communication and Analysis of Material Themes	18
Grape King Bio Pandemic Response Measures	26

CH4 Happy Workplace

Target Formulation	88
4.1 Talent Recruitment and Structure	89
4.2 Talent Cultivation and Performance Appraisals	93
4.3 Employee Compensation, Benefits, and Health	96
4.4 Occupational Safety	103
4.5 Employee Communication	107

CH1 Ethical Governance

Target Formulation	29
1.1 Corporate Governance and Transparency	30
1.2 Corporate Integrity and Business Ethics	36
1.3 Risk Management	40
1.4 Financial Performance	48
1.5 Legal Compliance	50

CH5 Social Prosperity

Target Formulation	110
5.1 Academic Participation	113
5.2 Community Development	114
5.3 Care for the Disadvantaged	116
5.4 Companionship and Assistance	117
5.5 Care for the Elderly	118
5.6 SDGs	119

CH2 Product Liability

Target Formulation	54
2.1 Management of Procurement and Raw Materials	57
2.2 Supply Chain Management	58
2.3 Food Safety	61

CH6 Green Environment

Target Formulation	122
6.1 Management of Energy Resources and Greenhouse Gases	126
6.2 Management of Water Resources	128
6.3 Waste Management	131

CH3 Innovation and R&D

Target Formulation	70
3.1 Innovation Management and Patents	71
3.2 Industry-Academia Collaborations	78
3.3 Sustainable Products and Services	79
3.4 Customer Service	82

Appendix

Table 1 ~ Table 5	133
Sustainability Reporting Indicators Mandated by the Taiwan Stock Exchange (TWSE) - Food Industry	134
Global Reporting Initiative (GRI) Standards Index	135
Sustainability Accounting Standards Board (SASB) Index	138
ISO26000 Index	141
United Nations Global Compact Comparison Chart	142
Independent Assurance Opinion Statement	143

About this Report

This Sustainability Report was issued in 2023 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.



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 2022, which was certified by independent certified public accountants.



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 2022 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.



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
Pro-Partner Co., Ltd.	Grape King Biotech Research Institute (Longtan Branch)	No. 68, Longyuan 1st Rd., Longtan Dist., Taoyuan City	+886-3-499-3090
	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 Operations Center (Closed on 2022/10/7)	7F, No. 758, Zhongming S. Rd., South Dist., Taichung City	+886-4-22655337
	Taichung New Operations Center (Officially commenced operations on 2022/10/11)	3F, No. 130, Gongyuan E. Rd., East Dist., Taichung City	+886-4-22655337
	Fengyuan Operations Center (Closed on 2022/10/6)	5F, No. 15, Lane 67, Xinyi St., Fengyuan Dist., Taichung City	+886-4-25233218
	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	+886-3-457-2121	



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, 2022 to December 31, 2022. Previous records and future plans may be included in order to fully disclose related ESG information. Current issue released May 2023.

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

(Previous issue released March 2022)



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.

Add: No.402, Sec. 2, Jinling Rd., Pingzhen Dist., Taoyuan City
 Tel: +886-3-4572121
 Fax: +886-3-4572128
 E-mail: ESG@grapeking.com.tw
 Corporate website: <https://www.grapeking.com.tw>





董事長

陳盛麟

Chairman's Message – 2022

Since its established in 1969, Grape King Bio has been committed to becoming one of the top health food manufacturers in the Biotechnology Industry. We have a strong and reputable position 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. I am very proud of our employees for continuously working together in an exciting 2022 to ensure that the Company’s operations run as smoothly as possible.

This year also marked the ninth year that Grape King Bio has been publishing our independently-verified 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 2022 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 5 key aspects: reinforcing effective Corporate Governance structure, protecting Shareholders’ rights and interests, strengthening the functions of the Board of

Directors, respecting the rights and interests of Stakeholders, and enhancing information transparency. For the second year in a row Grape King Bio has been listed in the top 5% of listed companies for Corporate Governance 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).



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 Sustainable development 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 2022 was able to donate NT\$18.8 million, along with volunteering man hours. (see CH5 Social Prosperity for details).

Grape King Bio continues to promote food safety with its PIC/S GMP, ISO22000, HACCP, NSF GMP, TQF, HALAL, ISO/IEC 17025 TAF certified laboratories, FSSC22000 and other international certifications. In 2022, we completed 284 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 Liability 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 2022 Grape King Bio's R&D achievements were recognized with 29 gold, 2 Silver, 2 Bronze and 9 Special International invention and innovation awards as

well as the 2022 Taiwan BIO Outstanding Biotechnology Industry Award. Furthermore, Grape King Bio was awarded the numerous other awards related to parts of the business, including Marketing, Products, Occupational Health and Safety as well as Employee Wellbeing with the Gold Award for Happy Enterprise from the 2022 1111 Job Bank for the 3rd year in a row. (see CH4 Happy Workplace 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 and Headquarters is both ISO 14001 and ISO 50001 certified, and adopts the PCDA mode for environmental protection measures. In 2022 we managed to start procuring renewable energy, with 1% now being used. Furthermore we started to prepare for the implementation of ISO 14064 which is expected to be completed in 2023. Our goal is 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 2035.

We welcome your feedback on our 2022 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."

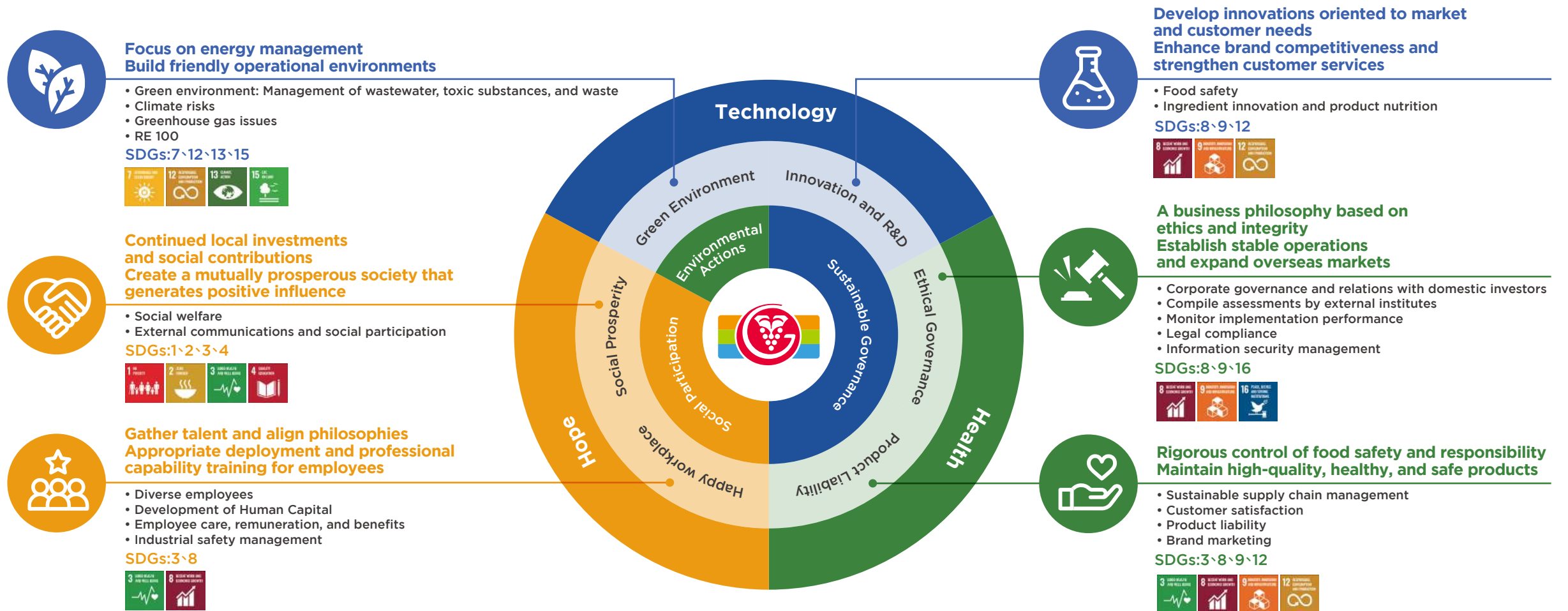


Sustainability Strategy: Goals and Commitments

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.

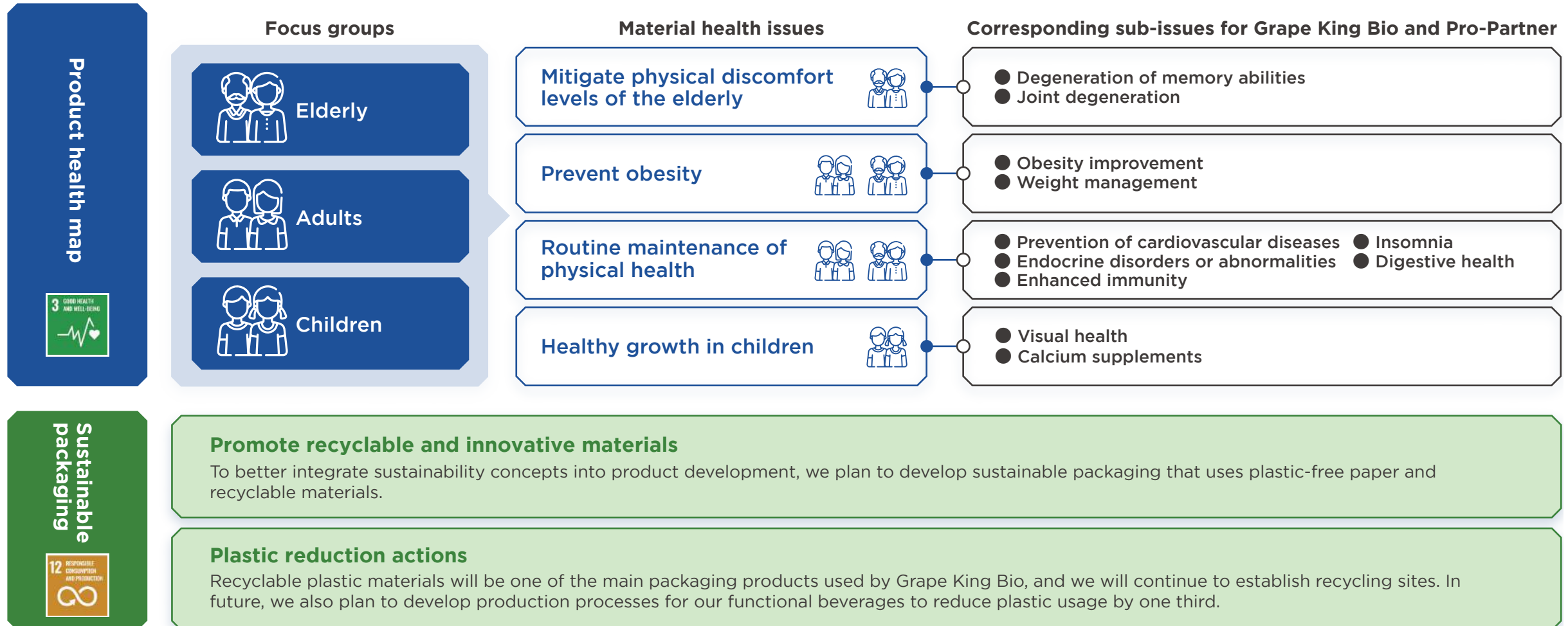
Grape King Bio believes in a people-oriented corporate culture and has established a blueprint for sustainable strategy under the framework of “Technology, Health, and Hope.” Grape King Bio has formulated six main categories for sustainable development: “Production Development and Innovation,” “Ethical 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

1960s

- 1969 Established "China Fuso Seiko Pharmaceutical Industries Ltd."

1970s

- 1971 Established "Grape King Food Co. Ltd."
- 1973 Established "Kangbeishiang Cosmetics Co., Ltd."
- 1976 "Kangbeishiang Cosmetics Co., Ltd." renamed "Head & Shoulders Cosmetics Co., Ltd."
- 1979 "China Fusang Shenghuang Pharmaceutical Industry Co., Ltd." and "Grape King Food Co., Ltd." were merged to form "Grape King Enterprise Co., Ltd."

1980s

- 1981 Merged "Head & Shoulders Cosmetics Co., Ltd." into "Grape King Enterprise Co., Ltd."
- 1982 The Securities Exchange Commission of the Ministry of Finance approved the Company's public listing
- 1987 Officially certified as a "GMP Implemented Pharmaceutical Factory" by the Executive Yuan Department of Health

1990s

- 1991 Established a Bioengineering Center (now known as the Grape King Biotech Research Institute) for research and manufacturing of biotechnology products
- 1991 Established "Pingzhen Logistics Center," which covers an area of 3,000 ping
- 1993 Invested in the founding of "Pro-Partner Enterprise"
- 1994 Established "Shanghai Grape King Bio Enterprise Corporation" in China through reinvestments
- 1998 "Pro-Partner Enterprise" officially became a multi-level marketing company

2000s

- 2002 The Company was renamed "Grape King Bio Ltd."
- 2008 Constructed automated production and packaging plant for biotechnology products and second fermentation plant

2010s

- 2010 Expanded the Bioengineering Center's third fermentation plant, adding two 40T and six 500L fermentation tanks
- 2013 Purchased an office building in Neihu with Pro-Partner, and converted the 11th floor of the building into Grape King Bio's business offices
- 2013 Established Corporate Social Responsibility Committee
- 2014 (May) Construction ceremony for new Pingzhen plant, which was scheduled to commence operations at year-end 2016
- 2014 (August) Received approval to set up a branch company at Hsinchu Science Park Longtan campus
- 2014 Obtained PIC/S GMP and ISO 22000 certification
- 2015 Obtained international ISO 17025 certification approved by a TAF institute
- 2016 (September) New Pingzhen Factory commenced operations
- 2017 (April) Obtained NSF GMP certification
- 2017 (July) Launched Grape King Bio Health and Vitality Power Center
- 2017 (October) Obtained OHSAS 18001 Occupational Health and Safety System, TOSHMS Taiwan Occupational Safety and Health Management System, and ISO 14001 Environmental Management System certification
- 2018 Taipei Headquarters commenced operations
- 2018 Obtained TQF and FSSC22000 certification
- 2019 Obtained ISO 50001 certification
- 2019 Obtained FSSC22000 certification
- 2019 (July) Grape King Bio Biotech Research Institute officially commenced operations

2020s

- 2020 Obtained ISO 45001 certification
- 2021 Launched new products "Night Slim Turmeric Complex" and "Ling Zhi Essence Drink"
- 2021 Began collaborating with Uni-President, the Company's biggest shareholder, to expand operations into global health markets
- 2021 Launched new products Deer Placenta Beauty Capsule, Probiotics Drink, Kombucha, Slim Turmeric Complex Essence Drink, Probiotics King for Kids, and Good Night Probiotics
- 2022 Launched new products PowerBOMB (Lychee Sea Salt Beer Hop Flavor), Kombucha (Grapefruit Honey Flavor), Slim Probiotics King, Ginseng King Health Drink, and a number of other exclusive products
- 2022 Created new HDMO business model



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.

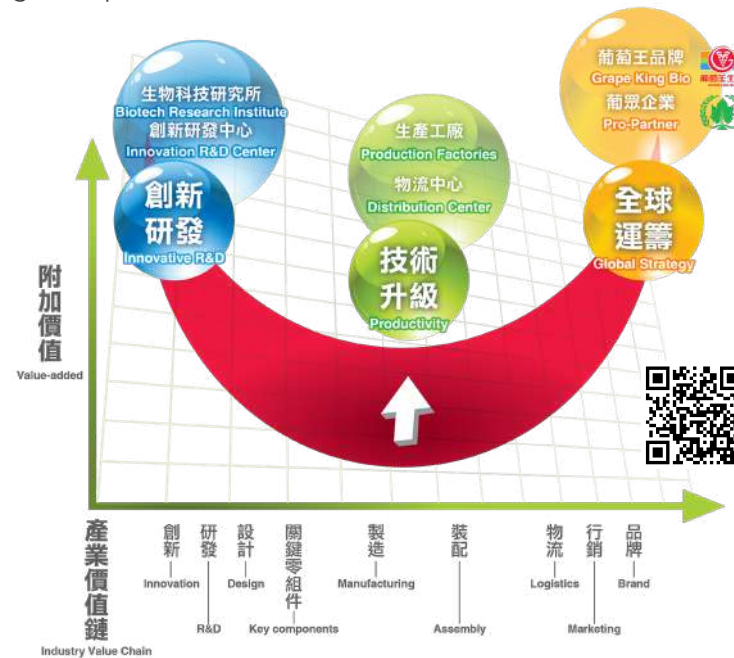
“Technology, Health, and Hope” has always been our guiding principle. We understand that biotechnology is one of the main industries of the 21st century, and this is an industry we are working to be a part of, both now and in the future. We hope to build on our current foundation and our mission is to 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

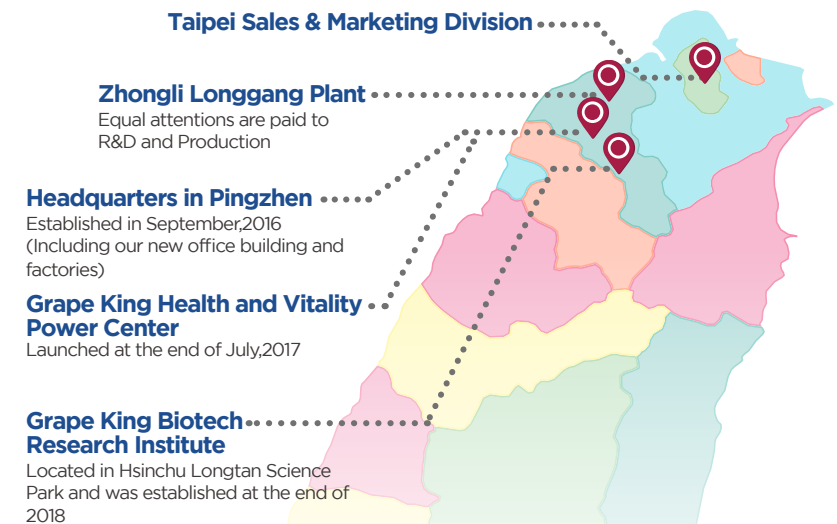
We have our own health foods and functional drinks brands, and also provide ODM/OEM services for health foods and pharmaceuticals. We have established the smile curve shown in the following figure and advantages in biotechnology operations through innovation and development, technical enhancements, and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



For more information on our smile curve, please refer to the Vision and Mission Statement section on our corporate website: <https://www.grapeking.com.tw/en/about/vision>.

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 37 on the DSN Global 100 List of global direct marketing companies in 2022, and has been the top local industry leader for 13 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 serves as the core sales base for Grape King Bio’s private label products. Our logistics center was moved to Xincheng 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).



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 two consecutive years
- [Grape King Bio] Received TSAA Taiwan Sustainability Action Awards Silver Award
- [Grape King Bio] Received 2022 "CommonWealth Magazine Sustainable Citizen Award" Medium-Sized Enterprise Rookie Award
- [Grape King Bio] Our mushroom fermentation technology was awarded the Go Global Award at the 2022 Taipei Biotech Awards
- [Grape King Bio] "Hericium alfalfa mycelium fermentation process" won the Annual Industry Innovation Award at the 2022 Taiwan BIO Awards
- [Grape King Bio] Won 2022 Ministry of Economic Affairs Energy Saving Benchmark Award (Zhongli Factory)
- [Grape King Bio] Won Happy Enterprise Gold Medal for the third time at the 2022 Happy Enterprise awards hosted by 1111 Job Bank
- [Grape King Bio] Our impressive sustainability performance won us two awards at the 15th TCSA Taiwan Corporate Sustainability Award (Platinum Corporate Sustainability Report Award and Corporate Sustainability Comprehensive Performance Category Top 100 Sustainability Model Enterprise Award)
- [Grape King Bio] Received Pandemic Prevention Award from the 7th Taiwan Immunization Vision and Strategy (TIVS) in 2022
- [Grape King Bio] Received "2022 Health and Safety Contribution Award" from the Taoyuan City Office of Labor Inspection
- [Grape King Bio] Received Accredited Healthy Workplace Maternity Health Award from the Ministry of Health and Welfare Health Promotion Administration in 2022

Product

- [Probiotics] Our probiotics series products won the "Health Brand Distinction Award" jointly awarded by Yahoo and Everyday Health
- [Cordyceps cicadae] Grape King Bio's "GKBio Cordyceps cicadae" received the 2022 IUFoST Global Food Industry Award
- [Hericium erinaceus] Grape King Bio's "Hericium erinaceus mycelium capsules" and "GKB Lion's mane mushroom" received the 2022 Hsinchu Science Park Outstanding Companies Innovative Products Award

Technologies & Patents

- "A composition for modulation of testosterone and its use" was awarded a Gold medal at the 2021 Russian Archimedes International Invention Exhibition
- "Use of Lactobacillus reuteri GKR1 for preparing composition of reducing uric acid" was awarded a Gold medal at the 2021 Russian Archimedes International Invention Exhibition

- "Use of Lignosus rhinoceros mycelia active substance for manufacturing an antiviral composition" was awarded a Silver medal at 2022 MTE
- "A *Lactobacillus rhamnosus* GKLC1, a composition and its use for improving alcoholic injury in liver, stomach and/or intestine" was awarded a Gold medal at 2022 MTE
- "*Lactobacillus fermentum* GKF3, composition containing the same and its use for improving psychataxia" was awarded a Gold medal at the 2022 World Genius Convention and Education Expo in Tokyo
- "Use of preparing a pharmaceutical composition for improving myelination of central nervous system by *Hericium erinaceus* mycelia extract" was awarded a Gold medal at the 2022 World Genius Convention and Education Expo in Tokyo
- "An active substance of Morchella, its use and a composition thereof for improving the reproductive function" was awarded 1 Gold and 1 Special medal at EURO Invent in Romania
- "*Lactobacillus plantarum* strain, composition comprising the same, method of producing the same and its use for inhibiting or reducing oral pathogens" was awarded a Gold medal at EURO Invent in Romania
- "Use of *Cordyceps cicadae* mycelium active substances for manufacturing a composition preventing, postponing or treating changes in the anterior/posterior chamber volume, vitreous humour, and/or retinal detachment" was awarded a Bronze medal at the 2022 International Invention, Innovation & Technology Exhibition (ITEX) in Malaysia
- "An active substance of *Lactobacillus paracasei* GKS6, a composition comprising thereof and its use for promoting longevity" was awarded a Gold medal at the 2022 International Invention, Innovation & Technology Exhibition (ITEX) in Malaysia
- "Method and composition for preventing, treating or relieving bone diseases" was awarded 1 Gold and 1 Special medal at the 2022 America's Science & Invention Expo (ASIE)
- "An active substance of Morchella, its use and a composition thereof for improving the reproductive function" was awarded 1 Gold and 1 Special medal at the 2022 America's Science & Invention Expo (ASIE)
- "Active substances of *Cordyceps cicadae* and its uses in preventing, delaying or treating cataract" was awarded a Gold medal at the 2022 World Invention and Innovation Contest (WIC) in Korea
- "*Lactobacillus brevis* GKJOY, composition containing the same and its use for improving psychataxia and promoting nerve function" was awarded a Gold medal at the 2022 World Invention and Innovation Contest (WIC) in Korea
- "*Lactobacillus fermentum* GKF3, composition containing the same and its use for improving psychataxia" was awarded a Gold medal at the 2022 All American DAVINCI International Innovation and Invention Expo
- "An active substance for preventing hearing loss, method for preparing thereof and pharmaceutical composition" was awarded a Gold medal at the 2022 All American DAVINCI International Innovation and Invention Expo
- "Use of *Phellinus linteus* for preparing composition of improving sarcopenia" was awarded 1 Gold and 1 Special medal at the 2022 International Invention Innovation Competition in Canada (iCAN)
- "Use of lactic acid bacteria for manufacturing and antiviral composition" was awarded 1 Gold and 1 Special medal at the 2022 International Invention Innovation Competition in Canada (iCAN)
- "A *Lactobacillus rhamnosus* GKLC1, a composition and its use for improving alcoholic injury in liver, stomach, and intestine" was awarded 1 Gold and 1 Special medal at the 2022 International Invention and Trade Expo London
- "Multilayer antioxidant coating lactic acid bacteria (maoc-lab) microencapsule" was awarded 1 Gold and 1 Special medal at the 2022 International Invention and Trade Expo London

- "Use of lactic acid bacteria for increasing resistance against Enterovirus 71" was awarded 1 Gold and 1 Special medal at the 2022 International Invention Show INOVA Croatia
- "Use of Cordyceps cicadae mycelium active substances for manufacturing a composition for preventing, postponing or treating changes in the anterior/posterior chamber volume, vitreous humour, and/or retinal detachment" was awarded 1 Gold and 1 Special medal at the 2022 International Invention Show INOVA Croatia
- "*Lactobacillus brevis* GKJOY, composition containing the same and its use for improving psychataxia and promoting nerve function" was awarded a Gold medal at the 2022 Innovation Week in Africa (IWA)
- "Use of lactic acid bacteria for manufacturing an antiviral composition" was awarded a Gold medal at the 2022 Innovation Week in Africa (IWA)
- "Use of lactic acid bacteria for increasing resistance against Enterovirus 71" was awarded 1 Gold medal at the 2022 IIIC International Invention Exhibition
- "Use of preparing a pharmaceutical composition for improving myelination of the central nervous system by *Hericium erinaceus* mycelia extract" was awarded 1 Gold medal at the 2022 IIIC International Invention Exhibition
- "Use of *Phellinus linteus* for preparing composition of improving sarcopenia" was awarded 1 Silver medal at the 2022 IIIC International Invention Exhibition
- "Compositions comprising an active compound for treating dementia and methods of use thereof" was awarded 1 Gold medal at the 2022 Hong Kong International Invention and Design Competition
- "*Lactobacillus fermentum* GKF3, composition containing the same and its use for improving psychataxia" was awarded 1 Gold medal at the 2022 Hong Kong International Invention and Design Competition
- "*Lactobacillus fermentum* GKF3, composition containing the same and its use for improving psychataxia" was awarded 1 Gold medal at the 2022 Ukraine Innovation Awards
- "Extract of *Cordyceps cicadae* and its use for the manufacture of pharmaceutical composition for at least one of the prevention, delaying and treatment of cataracts" was awarded 1 Gold medal at the 2022 Ukraine Innovation Awards
- "An active substance of *Lactobacillus paracasei* GKS6®, a composition comprising thereof and its use for promoting longevity" was awarded 1 Gold medal at the 2022 International WARSAW Invention Show (IWIS)
- "Uses of treating, preventing or improving bone diseases by lactobacillus bacteria, pharmaceutical composition and edible composition thereof" was awarded 1 Gold medal at the 2022 International WARSAW Invention Show (IWIS)



ESG Management Structure: Sustainability and ESG Committee

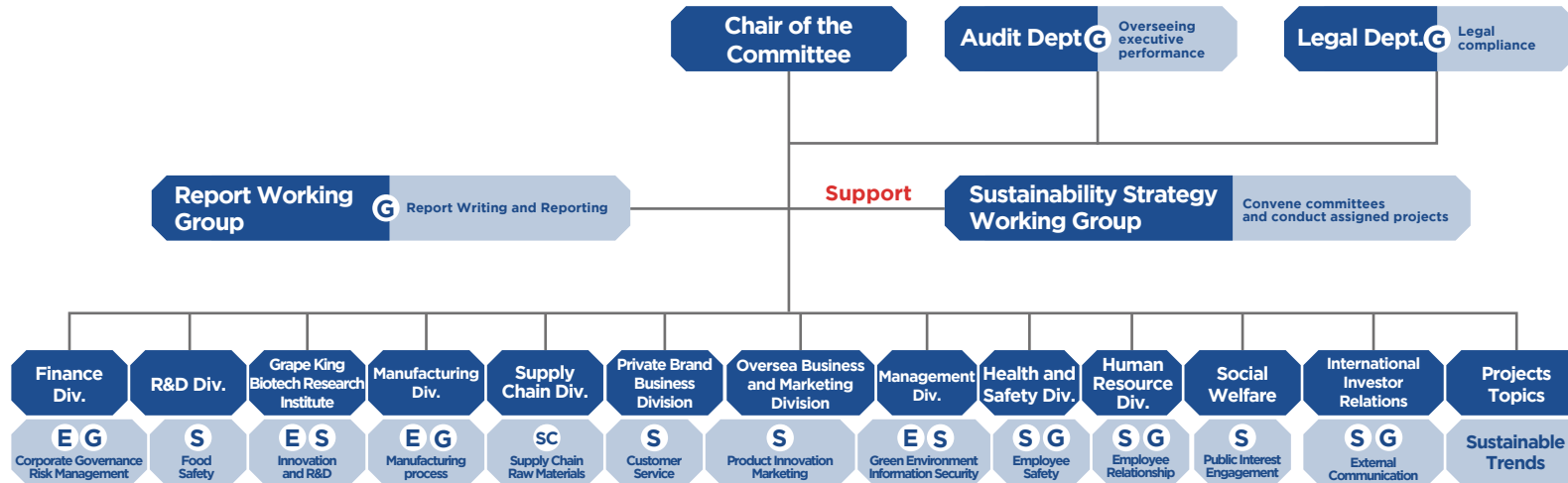
Director of Sustainable Development Affairs, General Manager's Office
Duncan Aitken



“

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.

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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 2022

	2022	Highlights for 2017-2021
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Governance</p> <p>Corporate Governance</p>	<ol style="list-style-type: none"> The "Sustainability and ESG Committee" continued to advance the sustainability goals of each ESG working group Began conducting assessments of CPA appropriateness using the Audit Quality Indicators (AQIs) starting in 2022 Performance evaluation results for the Board, individual directors, and functional committees for 2022 were all "Excellent" Invited to participate in 6 (domestic and overseas) investor conferences Zero complaints and reports (including anonymous reports) related to ethical management in 2022 Risk assessments in 2022 indicated that anti-corruption and ethical management risks were low Continued to adopt SASB indicators (household personal products and processed foods) for ESG com munications with investors 	<ol style="list-style-type: none"> Chairman Andrew Tseng received the highest number of votes in Global Bio & Investment Magazine's "Taiwan Biomedical Leader" poll in 2018. 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 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 The "Digital Transformation Committee" was established in 2021 to integrate digital technologies into operational strategies Directors were re-elected in 2021. The 19th and 20th Board of Directors convened a total of 7 times; average attendance rates were 97% 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
<p>Product Innovation</p>	<ol style="list-style-type: none"> Published 37 journal papers in 2022 Applied for 34 patents in 2022 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 Received NT\$11.2 million grant from the Ministry of Economic Affairs for "High-Fiber and High Protein Fungal Meat Substitute Research" project Received NT\$3 million grant from the Ministry of Economic Affairs Industrial Development Bureau iPAS corporate digital talent cultivation program Invested NT\$ 289,884,000 in innovation and R&D in 2022 	<ol style="list-style-type: none"> Received IUFOST Food Research Innovation Award in 2018 Officially commenced operations at the Grape King Bio Biotech Research Institute in 2019 Applied for 30 patents in 2020 and obtained approval for 17 patents Received a Gold Medal from Taiwan Innotech Expo Ranked 2nd out of 2000 companies in the Biotechnology and Pharmaceutical Industry by Commonwealth Magazine's Top 2000 Survey Received SNQ (Symbol of National Quality) certification for 5 products Participated in a total of 30 industry-academia cooperation and commissioned research projects in 2020, with total funds exceeding NT\$28 million Utilized fermentation technologies to develop a total of 219 products in 2020 Grape King Bio released 14 new products and Pro-Partner released 8 new products (including 2 functional beverages) in 2021 Received SNQ (Symbol of National Quality) certification for 5 products in 2021 Continued to extend the efficacy of key materials such as lactobacillus bacteria, Cordyceps cicadae, Hericium erinaceus, and others Grape King Bio's Sliim Turmeric Complex received the Nutraceutical Innovation Award
<p>Food Safety and Supply Chain Management</p>	<ol style="list-style-type: none"> Completed source verification of combibloc packaging and soft bag packaging in fourth quarter of 2022 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 Completed TGA GMP standard inventory procedures and identified discrepancies in 2022 Achieved 92.22% recovery rate on sustainability self-assessment surveys from key suppliers in 2022 Developed multiple material sources for 60 items Maintained regular annual evaluations for 100% of suppliers Increased SIMP supplier intelligent management platform utilization rate to 81.34% in 2022 	<ol style="list-style-type: none"> All production lines obtained third-party ISO 22000, HACCP, and NSF GMP certification in 2017 Completed internal traceability system for 100% of products in 2018 Audit ratios for raw materials suppliers in 2019 was 100% Built a "Smart supplier multi-channel communication platform" in 2020 Implemented HACCP, ISO/FSSC 22000, NSF GMP certification systems on soft bag production line at Pingzhen Factory in 2021 Received certification for Good Manufacturing Practices for Health Supplements and Nutraceuticals system implemented at Pingzhen Factory Completed launch of SIMP supplier intelligent management platform for 74% of suppliers in 2021

Customer Satisfaction and Legal Compliance

Brand Value

2022	Highlights for 2017-2021
<ol style="list-style-type: none"> 1. 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 2. Completed monthly production education and refresher courses, inviting nutritionists to conduct refresher training on products and common customer queries, thereby improving product service quality 3. 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 4. Established standard operating procedures for common customer complaints in 2022 	<ol style="list-style-type: none"> 1. Initiated comprehensive electronic order handling procedures for Grape King online store in 2019, reducing shipping and handling times to 3 workdays 2. Completed more than 40 consumer interviews in 2020 to identify opportunities for improvement and mid- to long-term plans for customer service strategies 3. Increased personnel product knowledge scores by 27% through training courses 4. Utilized Martech technology to establish comprehensive lifestyle and health needs for different customer profiles 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 6. Completed production education and refresher courses for each quarter, inviting nutritionists to conduct refresher training on new products and common customer queries, thereby improving product service quality in 2021 7. Established a database of frequently asked questions, which is continuously updated with customer queries for timely understanding of customer needs and to ensure consistency and accuracy of responses. 8. Established standard operating procedures for common customer complaints
<ol style="list-style-type: none"> 1. Received TCSA Platinum Corporate Sustainability Report Award in 2022 2. Received Corporate Sustainability Comprehensive Performance Category Top 100 Sustainability Model Enterprise Award in 2022 3. Received TSAA Taiwan Sustainability Action Awards Silver Award in 2022 4. Ranked at 9th place in Medium-Sized Enterprises and received a Rookie Award from the 2022 "CommonWealth Magazine Sustainable Citizen Award" 5. Ranked in the top 5% of companies by the Corporate Governance Evaluations for two consecutive years in 2022 6. Received Accredited Healthy Workplace Maternity Health Award from the Ministry of Health and Welfare Health Promotion Administration in 2022 	<ol style="list-style-type: none"> 1. Received Outstanding Management Award at the 25 National Quality Awards in 2018 2. Received Gold award at the 2019 Taiwan Bio Industry Organization Awards 3. Received Influenza Prevention Alliance Gold Award in 2020 4. Received TCSA Gold Corporate ESG Report Award in 2020 5. Received Annual Industry Innovation Award at the Taiwan Bio Industry Organization Awards in 2021 6. Awarded Ingenuity Award by the Excellent Enterprise Awards in Taoyuan City in 2021 7. Received Happy Enterprise Gold Award and Special Award from the 1111 Job Bank in 2021 8. Received the "Influenza Prevention Alliance Gold Award" from Taiwan Immunization Vision and Strategy in 2021 9. Received TCSA Gold Corporate ESG Report Award in 2021 10. Designated an Alliance for Protection of Maternal Health Model Institution by the Taoyuan City Government in 2021

Social

Talent Development and Employee Benefits

2022	Highlights for 2017-2021
<ol style="list-style-type: none"> Pingzhen Factory, Zhongli Factory, and Longtan Branch received the AED workplace certification from the Taoyuan City Department of Health in 2022 Received Gold Pandemic Prevention Award from Taiwan Immunization Vision and Strategy in 2022 Cultivated 1 person with potential talent in each division and achieved success rates exceeding 80% on this KPI indicator in 2022 Maintained a 50:50 gender ratio in 2022 Completed training of potential talent and section managers over 3 sessions via our "Ethics Salon" course, which was held in the third quarter of 2022 	<ol style="list-style-type: none"> Received "I Sports Enterprise" certification from the Ministry of Education's Sports Administration in 2017 Received OHSAS 18001 Occupational Health and Safety and TOSHMS Taiwan Occupational Safety and Health Management System certification in 2017 Listed in Cheers Magazine's "Top Companies for the Young Generation" in 2018 Received Silver TTQS (Talent Quality-Management System) certificate from the Ministry of Labor's Workforce Development Agency in 2019 Founded GKB Learning College (GKBLC) to facilitate departmental planning, structuring, and implementation of departmental training programs for enhancing employee capabilities in 2019 Received Outstanding and Gender Equality awards at the Taoyuan Excellent Enterprise awards 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 Maintained six consecutive years (2014-2020) without major disasters Longtan Branch received I Sports Enterprise certification from the Ministry of Education's Sports Administration in 2020 Pingzhen Factory, Zhongli Factory, and Longtan Branch received the Healthy Workplace Promotion certification from the Ministry of Health and Welfare's Health Promotion Administration in 2020 Promoted salon lectures on ethics activities in 2021 to help our colleagues gain a basic understanding of moral and ethical concepts Established the Management Academy in 2021 to better understand employee duties and tasks through job analyses Hosted the "Accountability Slogan Competition" in 2021 to encourage accountability in our colleagues Received consecutive Silver TTQS certificate from the Ministry of Labor's Workforce Development Agency in 2021
<ol style="list-style-type: none"> Donated a total of NT\$1.31 million to 10 schools in 2022 following a survey relating to the needs of disadvantaged children on campus; implementations were completed according to plan Our Food for the Disadvantaged Program made donations to 3 institutes in 2022, benefiting a total of 16,275 people "Increased industry-associated social participation plans" and worked with 3 associations in 2022 on industry-associated social participation projects 	<ol style="list-style-type: none"> Joined the Taiwan Immunization Vision and Strategy (TIVS) Influenza Prevention Alliance in 2017 and received the "Pandemic Prevention Award" Began hosting the "Christmas Wish List Project" in 2017 Upgraded multimedia interactive equipment at the Grape King Health and Vitality Power Center and continued to provide free tours in 2019 A total of 979 volunteers and 815 service hours were invested in community investment projects in 2020 Participated in the charity sweep event hosted by the communities of Jhenshing Village, Lungshing Village, and Beishing Village Invested 12 support units, 260 person-hours, and NT\$500,000 of funds in the Wufeng Mushroom Support Program in 2021 Donated a total of NT\$1.2 million to 10 schools in 2021 following a survey relating to the needs of disadvantaged children on campus Our Food for the Disadvantaged Program made donations to 3 institutes in 2021, benefiting a total of 12,395 people

Community Investments

Environmental

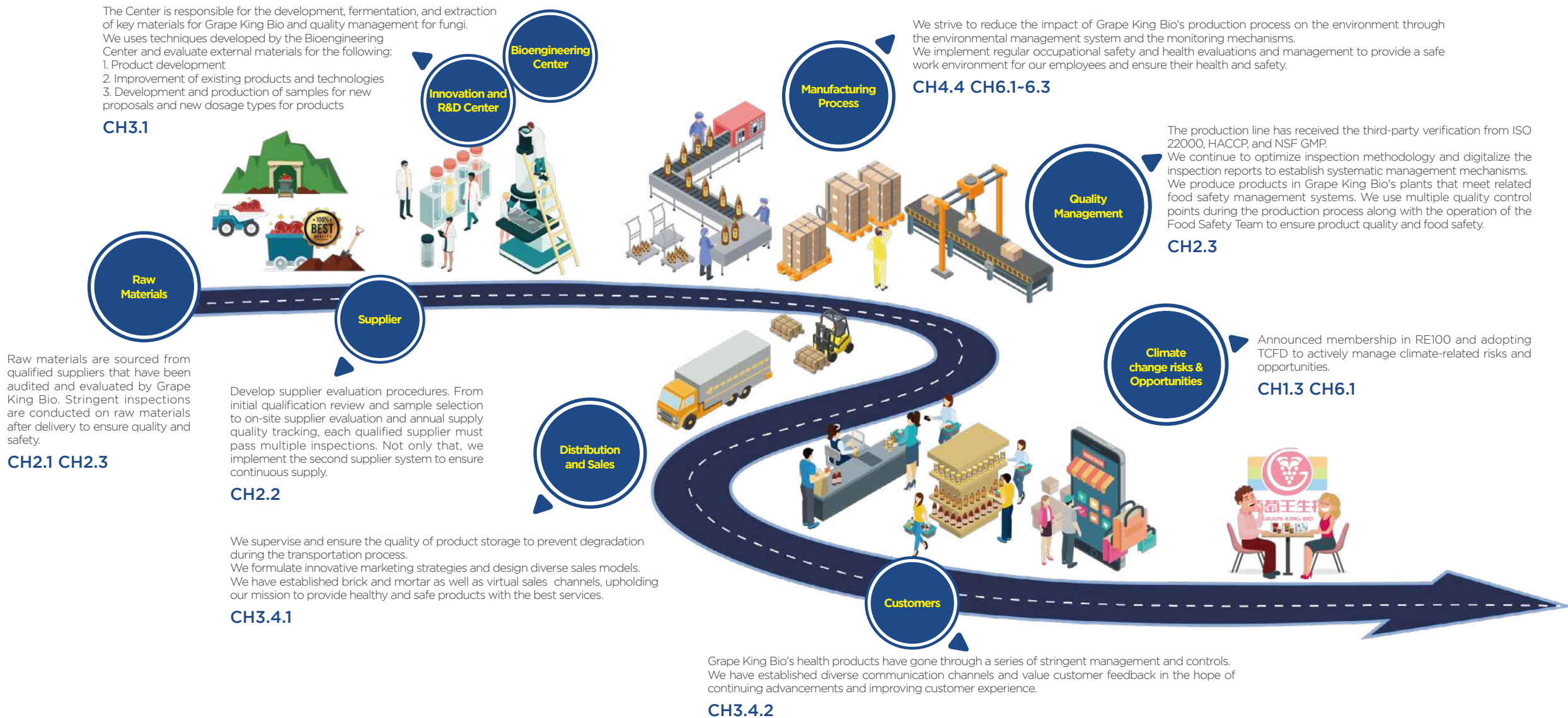
Climate Commitments and Environmental Initiatives

2022	Highlights for 2017-2021
<ol style="list-style-type: none"> All (100%) wastewater was discharged according to legal regulations and exceeded average Chemical Oxygen Demand (COD) limits for discharged water by 30% in 2022 Composite wastewater discharge volumes were reduced by more than 3% Obtained verification of ISO14001 Management System in November 2022 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) Organized the "Bottles of Love" charity event in 2022; the Environmental Protection Administration collected 400 kgs of recycled bottles which are scheduled to be decomposed into reusable plastic pellets in July 2023 for recycling and reuse 	<ol style="list-style-type: none"> Introduced and obtained certification for ISO14000 Environmental Management System in 2017 Installed solar panels at the Grape King Bio Tourist Factory in 2018, reducing approximately 3,691 kg of carbon emissions 100% green paper pulp materials made from FSCTM certified wood materials were used to make all aluminum foil product packaging in 2019 Began adopting the TCFD framework in 2020 to identify and respond to climate change risks and opportunities for Grape King Bio 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 Ceased usage of heavy crude oil for boilers at all three factories in 2020 to reduce emission of particulate pollutants Reduced 318 kg CO2e of carbon emissions in 2020 Biotech Research Institute began using food sludge as organic fertilizer in 2020 to raise waste recycling rates Recycled a total of 3,681 empty plastic product bottles as of 2020 Became the first healthcare enterprise in Taiwan to officially sign on as a TCFD Supporter in 2021 Continued to develop solar power capacity and purchase renewable energy under the RE100 initiative Organized the "Bottles of Love" charity event in 2021; the Environmental Protection Administration sent 200 kgs of recycled bottles for decomposition into reusable plastic pellets in March.
<ol style="list-style-type: none"> In 2022, our three factories reduced electricity usage by 396,339 kWh, reduced carbon emissions by 201,737 kgs, and achieved an electricity-saving rate of 1.44% Completed solar photovoltaic system at Longtan Factory in November 2022; the system is expected to generate 183,960 kWh of electricity and reduce 92,347 kgs of carbon emissions over the first year of operations Accumulated 300,000 kWh of green electricity purchased and transferred to Pingzhen Factory in November 2022, achieving our first-stage target (1% renewable energy usage) In 2022, our three factories recovered 34,071 tons of RO discharge water and reduced carbon emissions by 5,110 kgs 	<ol style="list-style-type: none"> Introduced and obtained certification for ISO50001 system in 2019 Set a 1% energy-saving target for all three factories in 2020 Longtan Branch implemented RO wastewater recycling program in 2020 Achieved 3% of energy savings across all three factories in 2021 All (100%) wastewater was discharged according to legal regulations and exceeded average Chemical Oxygen Demand (COD) limits for discharged water by 30% in 2021 Composite wastewater discharge volumes were reduced by more than 3% in 2021 Obtained continued certification of our ISO14001 Management System in 2021 Recycled RO concentrate water for reuse in cooling towers at all three factories in 2021, recycling a total of 13,950 tons of water

Energy and Water Management

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:

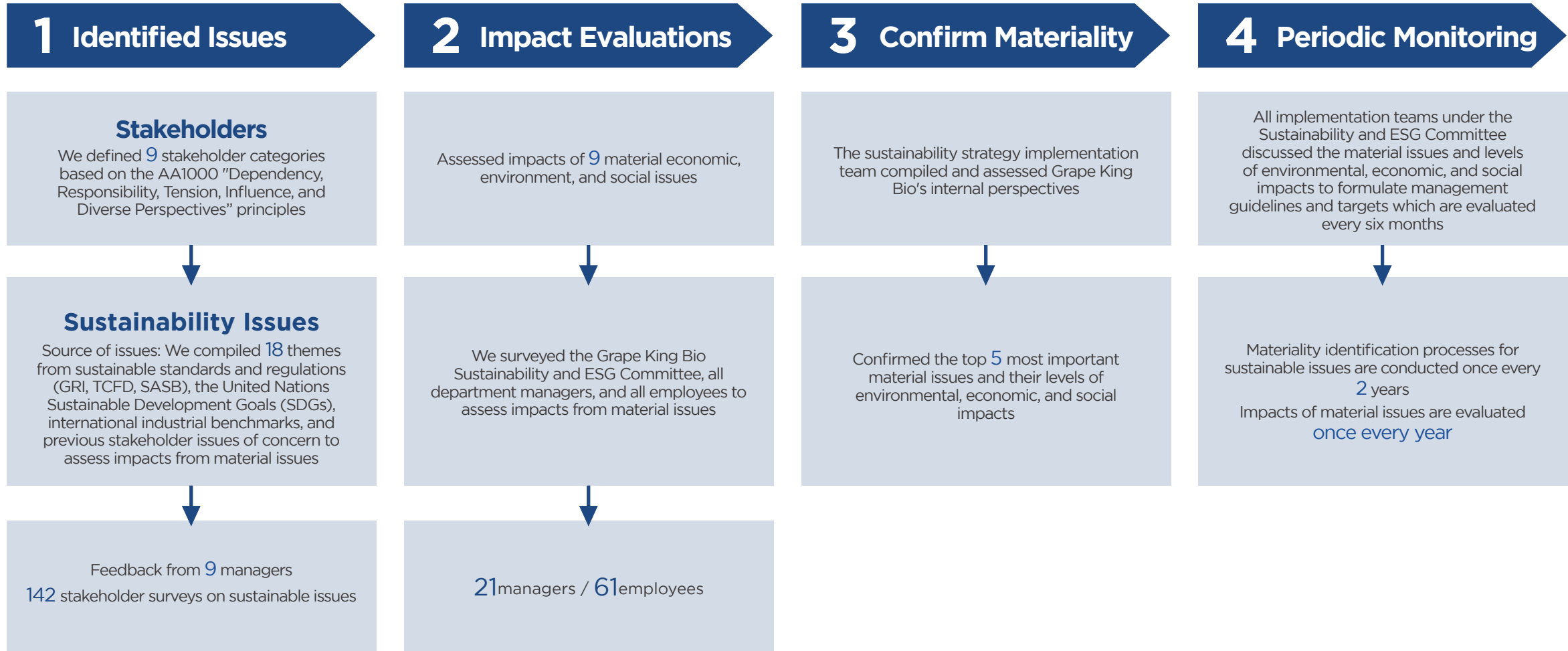


Stakeholder Communication and Analysis of Material Themes

Stakeholder Communication and Analysis of Material Themes

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.

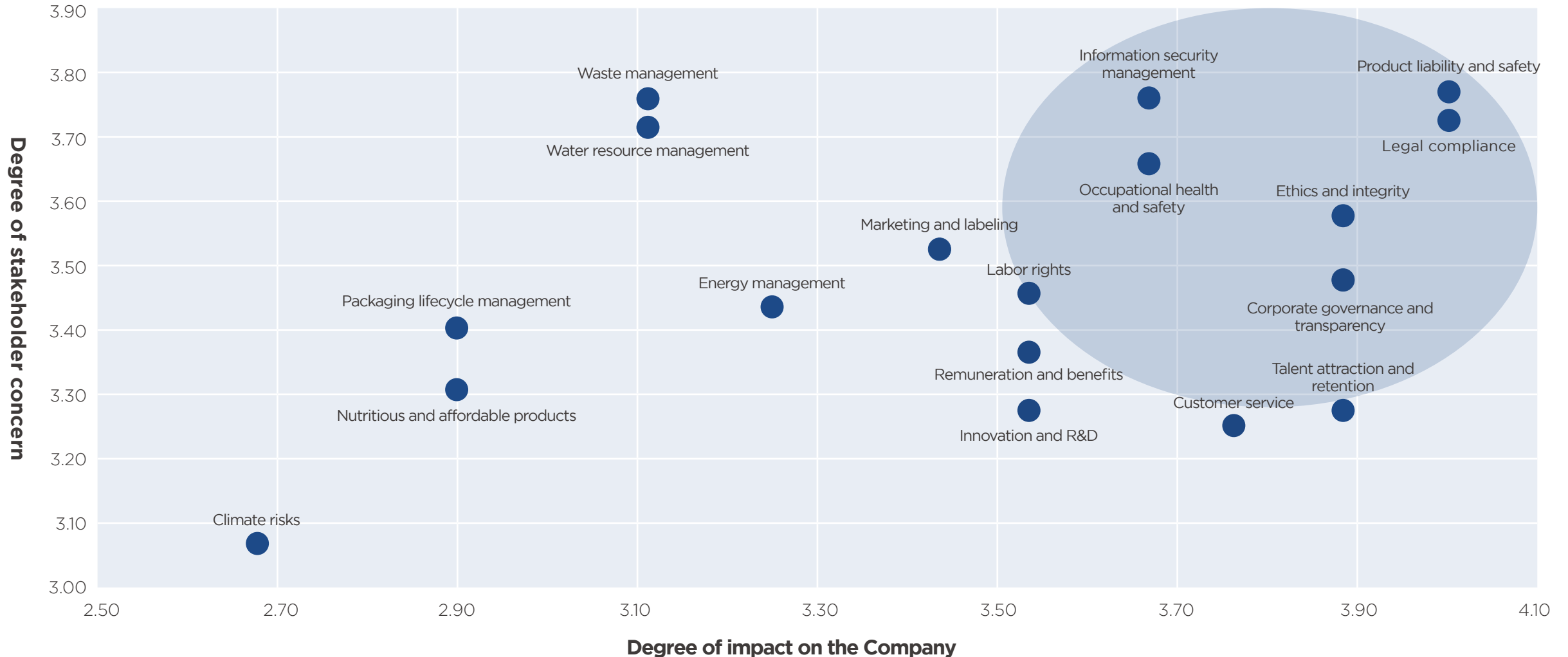
Each unit integrates these key issues into annual plans and routine business management along with the previously identified issues of concern, and periodically evaluates implementation performance to facilitate continuous improvement.



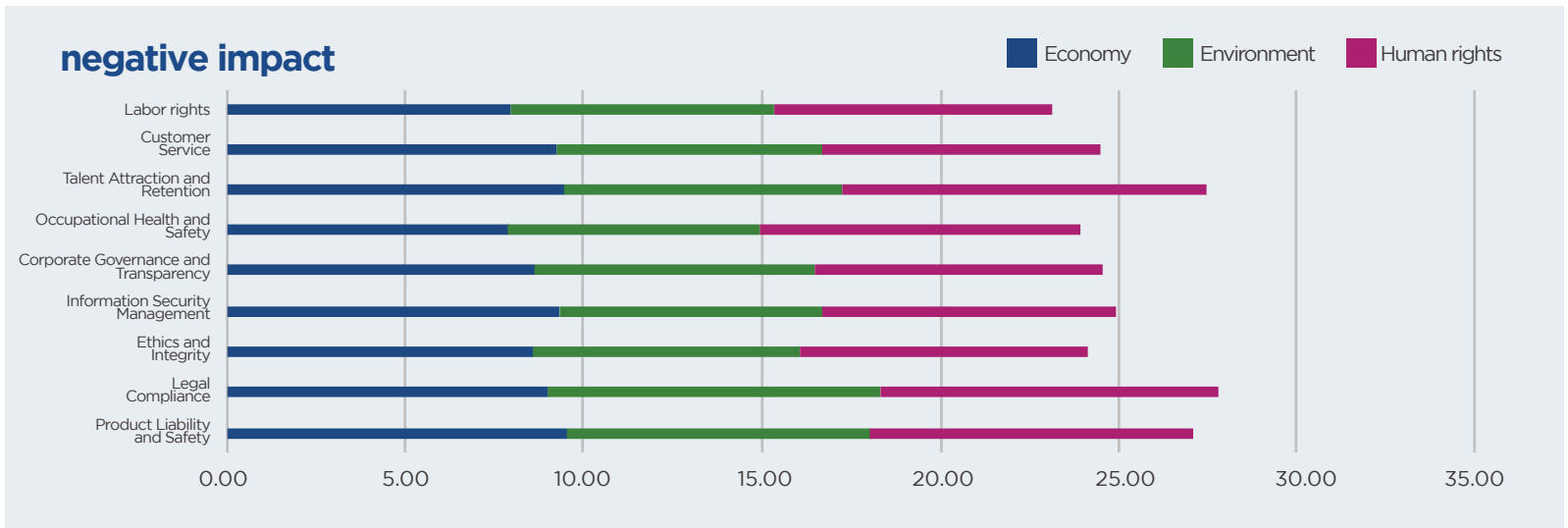
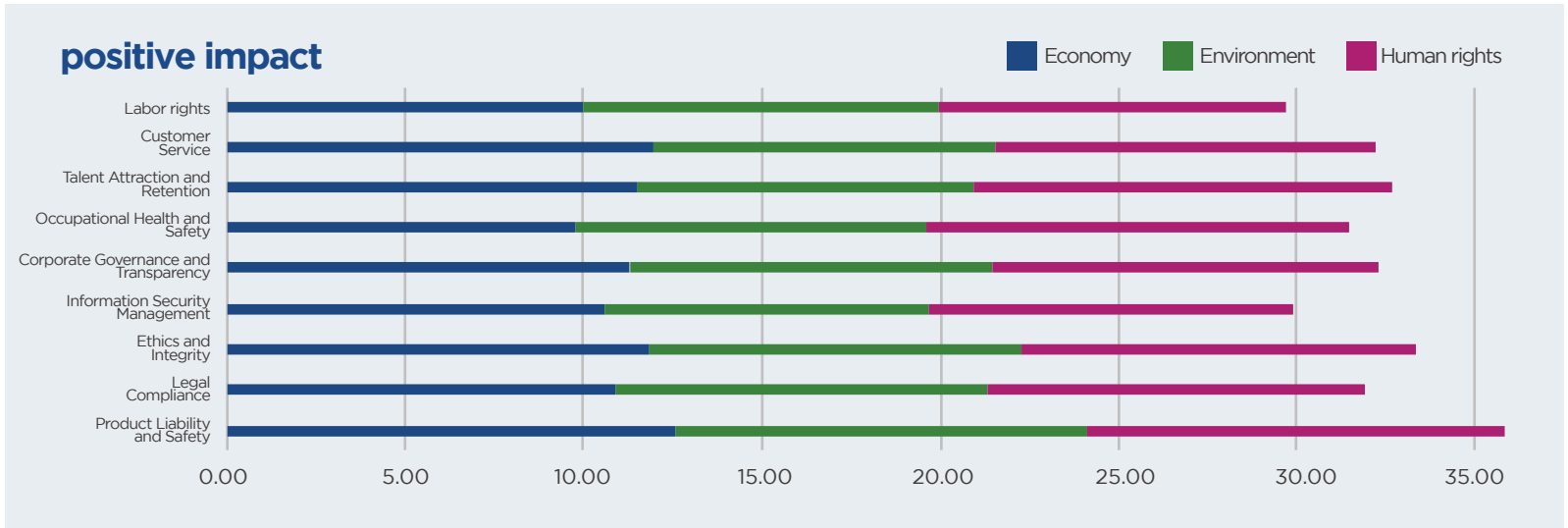
Impact Assessments of Material Themes

In 2022, the Sustainable Strategy Work Team distributed surveys on 18 sustainable issues of concern to 8 managers and 142 stakeholders; the surveys were based on our 2021 Sustainability Report. A materiality matrix was constructed using the levels of concern and levels of impact for various sustainability issues. We further assessed the 9 material issues identified in the previous year as well as their actual and potential positive and negative impacts on the economy, environment, and humans, then conducted comprehensive analyses of each topic to determine the level and probability of positive and negative impacts on the economy, environment, and humans, as well as the positive and negative impacts of each individual topic.

Materiality Matrix



Our results showed that, of all the issues, Grape King Bio exerted the highest level of positive impact on “Product Liability and Safety,” followed by “Business Ethics and Integrity.” The highest level of negative impact was exerted on “Legal Compliance,” followed by “Talent Attraction and Retention.” Finally, we judged the most significant impacts based on the level and probability of positive and negative impacts of various issues, and comprehensively identified the priorities for material topics.



1. Product Liability and Safety
2. Talent Attraction and Retention
3. Legal Compliance
4. Ethics and Integrity
5. Corporate Governance and Transparency
6. Customer Service
7. Occupational Health and Safety
8. Information Security Management
9. Labor rights

Impacts of Material Themes and Corporate Responses

Significant Topics	Topic Boundaries			Description of Impacts	Grape King Bio Policies and Commitments	Specific Actions	Effective Indicators	Corresponding Sections
	Upstream	Grape King Bio	Downstream					
Product Liability and Safety	●	●	●	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"> Food safety policies 	<ul style="list-style-type: none"> Continue to optimize testing methods Maintain laboratory accreditation systems Continue to maintain quality system certifications Continue to promote activities associated with food safety culture 	<ul style="list-style-type: none"> Quality targets for all product lines Number of product recalls caused by concerns over food sanitation and safety Proportion of food safety management costs to net revenues 	2.3 Food Safety
Talent Attraction and Retention		●		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"> Committed to implementation of appropriate talent placement in accordance with the "Human Capital Strategic Thinking 3.5" framework Grape King Bio Human Rights Policy 	<ul style="list-style-type: none"> Implemented GKB Learning College (GKBLC) framework Formed handling team for workplace violence to demonstrate our zero tolerance for violence in the workplace 	<ul style="list-style-type: none"> Success rates for potential talent cultivation Employee satisfaction surveys EAP satisfaction 	4.2 Talent Cultivation and Performance Appraisals 4.3 Employee Compensation, Benefits, and Health
Legal Compliance		●	●	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. In 2022, we incurred 2 violations of the Health Food Control Act and 1 violation of the Waste Disposal Act. Improvement measures were implemented immediately.	<ul style="list-style-type: none"> Code of Ethical Conduct Copy review process Standard operating procedures for waste management 	<ul style="list-style-type: none"> Established handling process for legal cases Established copy review procedures Updated violations information list for advertisement copy Hosted training sessions for advertisement copy Established standard operating procedures for waste management 	<ul style="list-style-type: none"> Annual legal compliance status 	1.5 Legal Compliance
Ethics and Integrity	●	●	●	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 2022.	<ul style="list-style-type: none"> Code of Ethical Conduct Ethical Corporate Management Best Practice Principles Procedures for Ethical Management and Guidelines for Conduct The programs to forestall unethical conduct Procedures of Whistle-blowing and Complaints 	<ul style="list-style-type: none"> Established internal/external reporting and grievance hotline 	<ul style="list-style-type: none"> Number of handled reports 	1.2 Corporate Integrity and Business Ethics
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"> Code of Ethical Conduct Ethical Corporate Management Best Practice Principles Procedures for Ethical Management and Guidelines for Conduct The programs to forestall unethical conduct Procedures of Whistle-blowing and Complaints 	<ul style="list-style-type: none"> Established the Corporate Governance Team to serve as our dedicated corporate governance and ethical management unit Corporate Governance Evaluations 	<ul style="list-style-type: none"> Corporate Governance Evaluations Evaluations of Board performance 	1.1 Corporate Governance and Transparency

Impacts of Material Themes and Corporate Responses

Significant Topics	Topic Boundaries			Description of Impacts	Grape King Bio Policies and Commitments	Specific Actions	Effective Indicators	Corresponding Sections
	Upstream	Grape King Bio	Downstream					
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"> Conduct customer interviews and telephone satisfaction surveys. Provide ongoing training for staff. Establish a comprehensive database of customer inquiries and questions. Implement a speech management system. 	<ul style="list-style-type: none"> Customer satisfaction survey results 	3.4 Customer service
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"> ISO 45001 Occupational Health and Safety Management System TOSHMS Occupational Health and Safety Management System 	<ul style="list-style-type: none"> Regularly hold occupational safety committee meetings every quarter. Conduct annual risk and opportunity assessments for environmental health and safety and develop countermeasures accordingly. Provide occupational safety education and training. 	<ul style="list-style-type: none"> Number of occupational accidents Record of hazard-free work hours 	4.4 Occupational safety
Information security management		●		Grape King Bio follows the relevant specifications of the international standard ISO 27001 and considers business requirements to establish an information security management strategy that strengthens information security management. Grape King Bio constructs an information security policy that conforms to the company's information security management and ensures the confidentiality, integrity, and availability of the company's information assets, in compliance with relevant regulations, to prevent deliberate or accidental internal and external threats.	<ul style="list-style-type: none"> Information Security Risk Policy ISO 27001 Information Security Management System 	<ul style="list-style-type: none"> Convene the Information Security and Personal Data Protection Management Committee regularly on an annual basis 	<ul style="list-style-type: none"> Number of information security incidents 	3.4.3 Protection of customer privacy and safeguarding of their rights and interests.
Labor rights		●		Respecting human rights is a fundamental value of Grape King Bio. We respect human rights and create a dignified work environment, and uphold and promote human rights in our relationships with employees, suppliers, and business partners.	<ul style="list-style-type: none"> Grape King Bio's Human Rights Policy Procedure for Dealing with Workplace Wrongdoings 	<ul style="list-style-type: none"> Establish workplace violence response team Implement human rights due diligence process Friendly workplace seminars 	<ul style="list-style-type: none"> Annual number of human rights incidents Number of workplace harassment incidents 	4.3.3 Friendly Employee Care



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 2022
Shareholders/ investors	<ul style="list-style-type: none"> Corporate Governance and Transparency Legal Compliance Waste Management Water Resource Management Marketing and Labeling 	1.4 Financial Performance 2.3 Food Safety 3.1 Innovation Management and Patents	<ul style="list-style-type: none"> Convened shareholders general meeting Investor conferences Participated in conferences and face-to-face communication meetings hosted by investment institutes Responded to investor and analyst questions via phone, email, and our mailbox for external communication; we also periodically collected suggestions and feedback Annual release of financial statements, annual reports, and sustainability reports Released important information disclosures on MOPS and published all corporate news on official website 	<ul style="list-style-type: none"> Once each year Irregular Irregular Irregular Once each year Irregular 	<ul style="list-style-type: none"> Convened 1 regular shareholders meeting Invited to participate in 6 investor conferences Published quarterly financial reports for 2022 and annual report for 2021 Released 58 Chinese and English material information disclosures Released 12 sets of unaudited consolidated revenue data (one for each month)
Clients	<ul style="list-style-type: none"> Information Security Management Product Liability and Safety Waste Management Water Resource Management 	1.2 Corporate Integrity and Business Ethics 1.5 Legal Compliance 3.4 Customer Service 6.1 Management of Energy Resources and Greenhouse Gases	<ul style="list-style-type: none"> Service hotline for product queries Service hotline for outsourcing queries Official website and mailbox for external communications Customer satisfaction surveys Official online shop Telephone interviews Dedicated service hotline and point of contact 	<ul style="list-style-type: none"> Daily Daily Daily Once each year Daily Daily Daily 	<ul style="list-style-type: none"> Dedicated customer service hotline received 25,058 product and order queries Official website and mailbox for external communications responded to 2,912 customers Online messaging system responded to approximately 11,825 customers Conducted 1,053 telephone interviews
Suppliers	<ul style="list-style-type: none"> Product Liability and Safety Ethics and Integrity Legal Compliance 	1.2 Corporate Integrity and Business Ethics 2.2 Supply Chain Management 2.3 Food Safety	<ul style="list-style-type: none"> Procurement unit hotline Official website and mailbox for external communications Public bidding and opinion exchange and interview meetings On-site supplier audits and guidance Questionnaires, phone, fax, and email 	<ul style="list-style-type: none"> Daily 1-2 times per month Daily 2-3 times per month Daily 	Conducted on-site audits on 56 suppliers
Employees	<ul style="list-style-type: none"> Legal Compliance Product Liability and Safety Information Security Management 	1.2 Corporate Integrity and Business Ethics 4.1 Talent Recruitment and Structure 4.2 Talent Cultivation and Performance Appraisals 4.3 Employee Compensation, Benefits, and Health	<ul style="list-style-type: none"> Periodic labor-management meetings Company announcements Internal website Human resource unit Employee suggestion box; reports and grievance mailbox Publication of relevant regulations on internal company website Periodic hosting of labor-management meetings 	<ul style="list-style-type: none"> Once per quarter Irregular Irregular Irregular Irregular Updated non-periodically Once per quarter 	<ul style="list-style-type: none"> Hosted a total of 4 labor-management meetings Our mailbox for grievances received 1 complaint Ratio of employees undergoing annual performance audits reached 100% Total number of training hours for the year was 8,384 hours Total number of personnel who underwent training during the year was 2,799 people

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 2022
Government	<ul style="list-style-type: none"> Information Security Management Product Liability and Safety Legal Compliance Ethics and Integrity Energy Management Waste Management Water Resource Management Occupational Health and Safety 	1.2 Corporate Integrity and Business Ethics 2.3 Food Safety 4.1 Talent Recruitment and Structure 4.2 Talent Cultivation and Performance Appraisals 4.3 Employee Compensation, Benefits, and Health 4.4 Occupational Safety	<ul style="list-style-type: none"> Exchange of official correspondences Meetings (for example seminars or public hearings) 	<ul style="list-style-type: none"> At irregular intervals At irregular intervals 	<ul style="list-style-type: none"> Received and sent 1,787 official correspondences
Neighboring communities	<ul style="list-style-type: none"> Water Resource Management Information Security Management Energy Management Labor Rights 	2.3 Food Safety 3.3 Sustainable Products and Services 3.4 Customer Service 6.1 Management of Energy Resources and Greenhouse Gases 6.2 Management of Water Resources 6.3 Waste Management	<ul style="list-style-type: none"> Community activities Point of contact with heads of boroughs and neighborhoods 	<ul style="list-style-type: none"> At irregular intervals At irregular intervals 	<ul style="list-style-type: none"> Hosted 3 community exchange activities
Media	<ul style="list-style-type: none"> Product Liability and Safety Legal Compliance Waste Management 	1.4 Financial Performance 2.3 Food Safety 3.1 Innovation Management and Patents	<ul style="list-style-type: none"> Press conferences Themed interviews Press releases Public relations companies 	<ul style="list-style-type: none"> At irregular intervals At irregular intervals At irregular intervals At irregular intervals 	<ul style="list-style-type: none"> Published 17 press releases
Academia	<ul style="list-style-type: none"> Ethics and Integrity Information Security Management Waste Management Water Resource Management 	1.2 Corporate Integrity and Business Ethics 2.3 Food Safety	<ul style="list-style-type: none"> Industry-academia cooperation activities and meetings Intern training and exchanges Keynote lectures and conferences 	<ul style="list-style-type: none"> At irregular intervals Summer and winter vacations and during semesters At irregular intervals 	<ul style="list-style-type: none"> Collaborated with 43 domestic colleges A total of 92 students participated in industry-academia cooperation projects
Non-profit organizations	<ul style="list-style-type: none"> Corporate Governance and Transparency Labor Rights 	CH5 Social Prosperity (Entire chapter) 1.2 Corporate Integrity and Business Ethics 1.5 Legal Compliance	<ul style="list-style-type: none"> Volunteer activities Official website Official fan page Dedicated service unit 	<ul style="list-style-type: none"> At irregular intervals At irregular intervals At irregular intervals At irregular intervals 	<ul style="list-style-type: none"> Involved 992 people in social participation

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

Grape King Bio Pandemic Response Measures

Grape King Bio Pandemic Response Measures

The COVID-19 pandemic continued to spread in 2022. In order to reduce risks related to pandemic impacts, Grape King Bio has implemented actions related to employee health, corporate continuous operations plans, supply chain management, sales of health foods, and care for those affected by the pandemic, committing to health maintenance both internally and externally.



Complete Deployments for Internal Epidemic Prevention

The COVID-19 pandemic continues to spread around the world. All units within Grape King Bio implemented active responses during the early stages of the pandemic and proposed four levels of contingency measures related to pandemic changes. In 2022, all operating sites adhered to corporate epidemic prevention measures to protect the health of all employees.

Effective anti-epidemic strategies and immediate responses to changes

1. A response team composed of senior managers periodically compiles reports of pandemic information to formulate real-time strategies
2. Follow control measures imposed by local government to ensure that protective measures adhere to laws and regulations
3. Track employee health through daily reports made via the “health check-in system”
4. Personnel are required to wear masks when entering offices and during work

5. Separate employee work locations or allow employees to work from home
6. Separation of direct units and implement incoming and outgoing diversions to strengthen production resilience
7. Strengthen inventory management mechanisms to ensure stable product supply
8. Restrict domestic and overseas business trips
9. Unnecessary external personnel are prohibited from entering office buildings and factory areas
10. All incoming and outgoing internal and external personnel are required to take body temperature measurements and undergo alcohol disinfection procedures

Social Participation and Public Protection

Donations of epidemic materials

Taoyuan City Chensenmei Social Welfare Foundation	Chen Jen Institute for the Disabled
Purchased cleaning materials, medical consumables, and other urgent necessities to reduce infection risks.	Purchased cleaning materials, medical consumables, and other urgent necessities to reduce infection risks.
Epidemic prevention materials required included rapid tests, N95 masks, and isolation gowns	Epidemic prevention materials required included dishwashing liquid, paper towels, protective clothing, latex gloves, and PVC gloves
Assisted four institutes and 200 people with mental disabilities	Assisted 247 people with mental disabilities



CH1

Ethical Governance

Target Formulation

Corporate Governance and Transparency

Targets for 2023-2024

- 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 2025-2026

- Aligning with international trends, increasing external ESG evaluations data collection, and enhancing ESG performance.

Targets for 2027 and beyond

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

Corresponding SDGs



Ethics and Integrity

- Implement and promote various Grape King Bio codes of conduct

- Implement internal control and internal audit systems, and improve our annual audit plans year by year.

- Ensure appropriateness and effectiveness of internal controls to become an enterprise with business ethics and integrity.



1.1 Corporate Governance and Transparency

Chief Financial 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"> We adhere to the “Corporate Governance 3.0 Sustainable Development Roadmap” issued by the Financial Supervisory Commission in enhancing sustainable corporate developments and strengthening market competitiveness. We refer to domestic and overseas ESG evaluations to enhance information transparency.
	Mid-term	<ul style="list-style-type: none"> We continue to integrate ethical management and sustainability concepts into our corporate culture to create positive social influence.
	Long-term	<ul style="list-style-type: none"> We build sound corporate governance frameworks and implement ethical management to promote sustainable operations.
Responsibilities	Corporate Governance Team	
Resources	<ol style="list-style-type: none"> Hired lecturers to speak to all directors on topics relating to corporate governance, taxes, and the Regulations Governing Establishment of Internal Control Systems by Public Companies. Directors also underwent training related to individual needs, including on the following topics: Thinking outside organizational frameworks-key considerations for corporate transformation strategies, industrial changes in Taiwan following reorganization of global supply chains, factors affecting international order and corporate governance responses, corporate social responsibility-discussion of corporate governance related to human rights policies. Our 12 directors received 75 hours of training, and our corporate governance officer received 12 hours of training. Promotion of internal awareness for all employees through our internal website, employee mailbox, bulletin boards, training, and exams (for section managers and above and sales personnel). Formulated annual audit plans and revised Procedures for Handling Material Inside Information Supplier promotions through warnings on purchase orders and supplier policy promotion surveys 	

Management Approach	Key issue-Corporate governance and transparency
Specific performance	<ul style="list-style-type: none"> 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, organizing board and shareholder meetings according to law, compiling minutes for board and shareholder meetings, and regularly assessing CPA independence and competence. Began conducting assessments of CPA appropriateness using the Audit Quality Indicators (AQIs) starting in 2022 Performance evaluation results for the Board, individual directors, and functional committees for 2022 were all “Excellent” Invited to participate in 6 (domestic and overseas) investor conferences Completed periodic audits in accordance with our annual audit plan for 2022 and proposed specific areas for improvement. Enhanced information transparency: <ol style="list-style-type: none"> 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 2022 within 60 days after the end of the year, and also placed these reports on our corporate website (Investors: Financial Reports). Important resolutions of board and shareholders meetings are released on our corporate website in a timely manner. We prepare both Chinese and English versions of our material information, annual reports, shareholders meeting handbooks, and minutes of shareholders meetings.
Grievance 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> <p>(1) Mailboxes for complaints and grievances: Mailbox for reporting complaints: companyopinion@grapeking.com.tw Mailbox for reporting grievances: employeeopinion@grapeking.com.tw The points of contact for all grievances and complaints are the managers of relevant departments.</p> <p>(2) Hotline for internal/external complaints and grievances: Hotline for reporting complaints: +886-4572121#1999 Hotline for reporting grievances: +886-4572121#1995</p> <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>

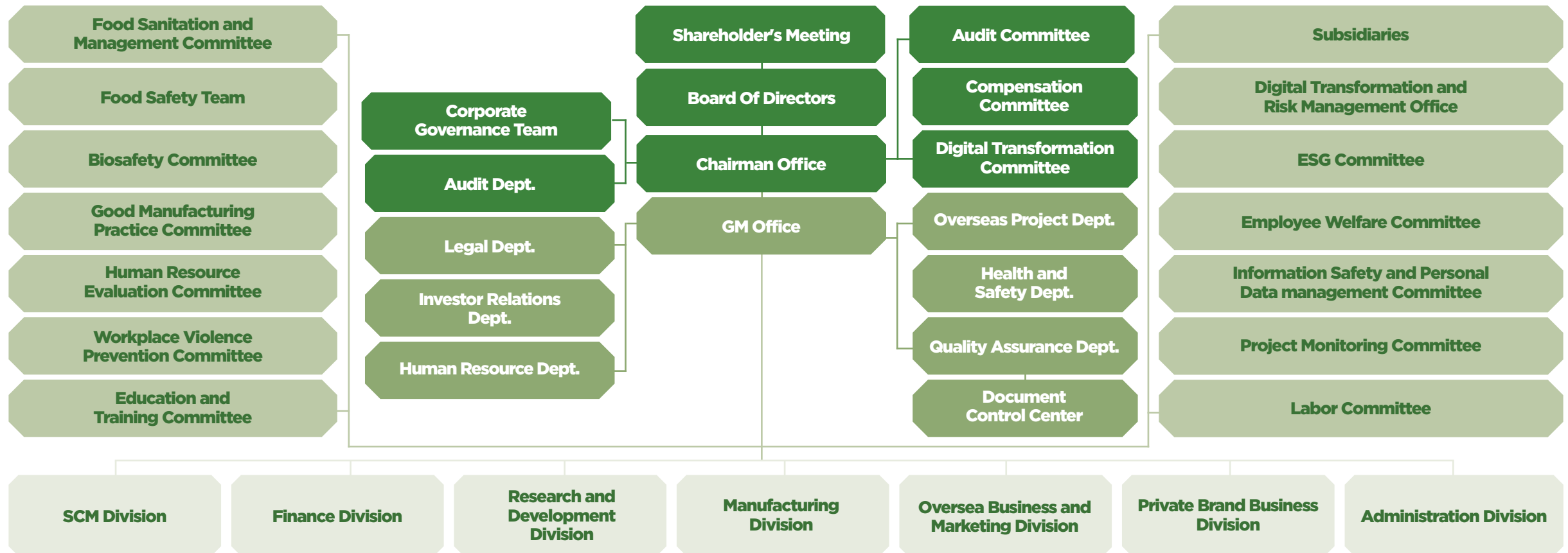
Corporate Governance Units and Operations

The Board of Directors is the highest governance unit of the company. We have established 12 directors (including 4 independent directors and 5 female 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

Nomination and selection of all board directors adheres 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) 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 based on the number of votes (and voting rights) received. 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 after the election.

The 20th Board will serve from July 15, 2021 to July 14, 2024. The Board is composed of 12 directors with rich industrial expertise, 4 of them are independent directors. Three functional committees, the Audit Committee, Remuneration Committee, and Digital Transformation Committee have been established under the Board. The members of the Audit Committee and Remuneration Committee are all independent directors. Independent directors make up more than half of Digital Transformation Committee members. The 4 independent directors possess expertise in finance and accounting, business management, law, and social studies, as well as the knowledge, capabilities, and competencies required to perform their duties. Grape King Bio Chairman Shenglin Andrew Tseng possesses business management capabilities and rich experience in operational judgment, and is thus able to lead the company and maximize shareholder interests.

The Board 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 they 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 Board passed the “Corporate Governance Best Practice Principles” on November 10, 2015, and a diversification policy was established in Article 20 (Overall Required Competencies of the Board of Directors). The composition of the board members should be diversified. The number of directors who serve as part-time managers should not exceed one-third of board seats, and it is necessary to draft appropriate diversification guidelines according to company operations, business models, and developmental needs, ideally including but not limited to two main aspects: Basic standards and values (gender, age, nationality, and culture), and professional knowledge and capabilities (such as professional law, accounting, industry, finance, marketing, or technology capabilities as well as industrial expertise). We have established the following diversity targets:

- Gender diversity: The number of seats for each gender should exceed 33%, and we aim to achieve our target of 4 female directors.
- Domain diversity: Encompasses the four core domains of business management, leadership and decision-making, industrial knowledge, and law.

Grape King Bio 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 8%, the five female directors account for 42%, and the 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 57.3 years. Four directors are aged between 61 to 70 years, six are aged between 51 to 60 years, and two are aged between 41 to 50 years; encompassing a wide age range. 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 2022, with an average attendance rate of 99%. Independent directors attended all Board meetings in person (please refer to our 2021 and 2022 Annual Report for further information).

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 risk of major damage 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 appropriateness 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 (at least once a quarter) 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 and Committee Structure

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

Grape King Bio established the Audit Committee on July 15, 2021. Committee members encompass all independent directors, one of whom is an expert in finance. 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 appropriateness, and internal controls. The Committee convenes at least once every quarter, and a total of 5 meetings were convened in 2022, with attendance rates of 100%. (For more information on relevant proposals, please refer to our corporate website: <https://www.grapeking.com.tw/investor/6258d7e9f0f6d/auditcommittee>)

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 a year, and a total of 3 meetings were convened in 2022, with attendance rates of 100%. (For more information on relevant proposals, please refer to our corporate website: <https://www.grapeking.com.tw/investor/6258d7e9f0f6d/6258d97648f63>)

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:

1. Reviewing the strategies, plans, and implementation results of the digital transformation implementation team, and submitting suggestions to the Board or implementation teams;
2. 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 year, and a total of 2 meetings were convened in 2022 to elect the convener and chairman of the first Digital Transformation Committee, and to report on the progress of digital transformation (ERP) projects.



(For more information on relevant proposals, please refer to our corporate website: <https://www.grapeking.com.tw/investor/6258d7e9f0f6d/6268e10416eb8>)



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 in 2019. We established the Audit Committee in July 15, 2021, and renamed the regulations to "Rules for Performance Evaluation of Board of Directors and Functional Committees."

Overall performance evaluations for the Board encompasses the following five aspects and include a total of 47 evaluation items:

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. For more information on our "Rules for Performance Evaluation of Board of Directors and Functional Committees," please refer to the "Major Policies" section of the Grape King Bio website: <https://www.grapeking.com.tw/investor/governance/major-policies>

Results of Board performance evaluations for 2022 were as follows:

Overall Board performance received an average score of 4.60 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 2022. Performance evaluation results for the Board, individual directors, and functional committees for 2022 were all "Excellent." Evaluation content and results were reported to the Board on January 6, 2023.

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 10% 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. We prohibit insiders 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. We allow our shareholders to fully exercise their duties to enhance our corporate governance performance.

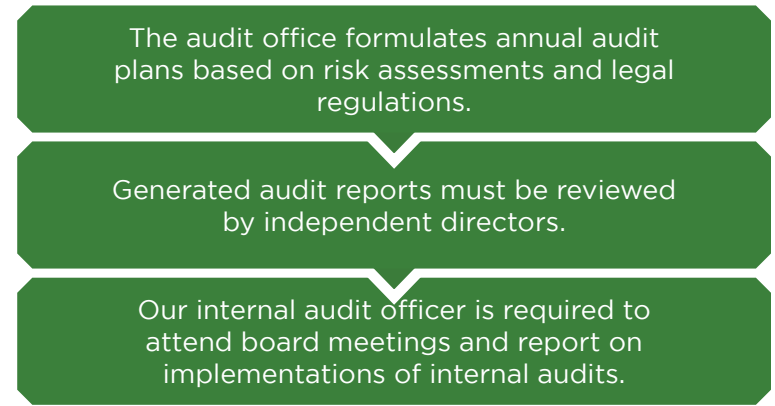
This year, we were invited to participate in 6 (domestic and overseas) investor conferences which spanned a period of more than 3 months (the first investor conference took place in February and the last in December). We did not voluntarily initiate any investor conferences this year.

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 controls, and designing and executing internal controls 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 internal control deficiencies, 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. In July 2021, we established an Audit Committee, which is composed of all independent directors and aims to assist the Board in enhancing corporate governance performance. 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 behaviors in combination with procurement and payment cycles as well as sales and collection cycles to ensure that all responsible 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. No incidents related to corruption or fraud occurred in 2022.



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/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/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.

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 are 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 for our general manager is linked to assessments of corporate targets, production indicators, EPS performance, and strategic project targets.

In 2022, the ratio of the annual total remuneration of the general manager to the median annual total compensation of all other employees is 10.21 times and the ratio of the percentage increase in annual total compensation is 1.085 times.

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	Formulated ethical policies approved by the Board to 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 behaviors. Our corporate governance team serves as our dedicated ethical management unit, 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 bylaws.	
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
Resources	<ol style="list-style-type: none"> Promotion of internal awareness for all employees through internal website, employee mailbox, bulletin boards, training, and exams (for section managers and above). Drafts of annual audit plans and revised Procedures of Whistle-blowing and Complaints Supplier promotions through warnings on purchase orders and supplier policy promotion surveys
Specific performance	<ul style="list-style-type: none"> ✓ Apart from directors, we also targeted all employees when promoting topics relating to ethical management, prevention of insider trading, and material internal information. ✓ Administered tests related to ethical management, prevention of insider trading, and material internal information to section managers and above. A total of 120 people took the tests and 100% received a passing grade (80 points and above). ✓ The Board approved the “Procedures for Handling Material Inside Information” to enhance transparency of corporate information. ✓ Our directors participated in courses on ethical corporate management (including courses on corporate governance and sustainable management). The total number of participants was 27 and the total training hours were 75 hours. ✓ Our directors attended ethical management courses (including corporate governance seminars, training courses on corporate governance and compliance with intellectual property laws, as well as courses on internal auditor legal compliance and fraud prevention associated with information security and personal privacy, case studies on corporate M&As and corporate governance, introduction to the Personal Data Protection Act and management of private information, detection of corporate fraud and liabilities, forensics and big data analysis), making for a total of 1,311 person-hours and 3,761 hours. ✓ 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 97 participants took the tests in 2022. ✓ We did not receive any reports relating to ethical management in 2022.

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. We have established a corporate governance team to serve as the dedicated corporate governance unit, which is responsible for proposing corporate governance suggestions to the board or general manager, assisting the board and shareholders meeting with related matters, and reporting ethical management implementation to the board each year to protect shareholder interests and to strengthen board functions.

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.

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.

Externally, we require our suppliers to strictly abide by the “Supplier Code of Conduct” and make non-periodic public announcements through our supplier intelligent management platform. We have strengthened our trade secrets and anti-corruption policies; prohibit commercial bribery, intimidation, kickbacks, acceptance or acquiescence of illegal means or inappropriate competition measures to obtain business; and require our suppliers to abide by our ethical rules to prevent unethical business behaviors and to protect the interests of both parties. 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	2020	2021	2022
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. 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. Suppliers are required to comply with the “Grape King Bio Supplier Code of Conduct”

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 Conduct” and “Supplier Code of Conduct” 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.

Code of Ethical Conduct

All business practices should adhere to our “Ethical Code of 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 labor, 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 2022 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. We established internal regulations for accepting and sending gratuity gifts, formulated our “Code of Ethical Conduct,” and set up reporting and complaint management procedures. 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.

Grape Kin Bio has established comprehensive internal controls and operational regulations, and provides training for all employees based on their scope of work to facilitate effective division of labor and prevent internal conflicts of interest. We have also set up publicly accessible reporting channels, fair and appropriate investigation mechanisms, and reporting systems for relevant parties to reduce conflicts of interest from happening and mitigate related impacts.

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.”

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

1. Employees

(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) Our Procedures of Whistle-blowing and Complaints stipulate that employees are protected from undue retaliation during the reporting and investigation process.

(5) We incurred zero complaints and reports (including anonymous reports) related to ethical management and no anti-corruption incident happened in 2022.

(6) 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.

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.

(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 2022.

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 The programs to forestall unethical conduct.

(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 2022 and 2021, political donations will be about NTD 770,000 and NTD 0, respectively, accounting for about 0.007% and 0% of revenue.

(3) Our evaluations for 2022 determined our risk levels to be low; evaluation results were submitted to internal audit units to serve as a reference for formulating audit plans.

4. Board supervisions:

(1) Our corporate governance team regularly reports on anti-corruption and ethical management implementations to the board. Implementations and promotions for 2022 were reported to the board on January 6, 2023 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 2022, we established the "Procedures for Handling Material Inside Information" and revised the "Corporate Governance Best Practice Principles" and "Procedures of Whistle-blowing and Complaints."

(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 assists the Audit Committee and the Board in confirming implementations of matters 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.

5. Anti-corruption and ethical management training

(1) We delivered a dissemination letter ("Ethical management, prevention of insider trading, and handling of material information") to all employees and managers which explained the importance of ethical management, scope and components of insider trading, legal liabilities for violations, regulations related to internal material information, and specific examples.

(2) Administered tests related to ethical management, prevention of insider trading, and material internal information to section managers and above. A total of 120 people took the tests and 100% received a passing grade (80 points and above).

Handling of Improper gifts

(1) All employees are prohibited from accepting gifts which are obviously too expensive or more frequent than market or business practices.

(2) All received gifts should be reported to responsible supervisors, regardless of value.

(3) Employees faced with direct or indirect offers or promises to provide improper benefits should return or refuse said benefits and report the same to their direct supervisors or responsible units. Benefits that cannot be returned should be transferred to the dedicated unit for handling on the day of receipt.

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 key suppliers. We distributed a total of 80 policy dissemination surveys to our key suppliers in 2022. All 80 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

Mailbox for reporting grievances: 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 Information Security Management (ISO 27001), Environmental Management (ISO 14001), Occupational Health and Safety Management (ISO 45001), Energy Management (ISO 50001), and Talent Quality-management System (TTQS) certifications.

Risk Item	Response Measures
Financial risks	<ol style="list-style-type: none"> Interest rate risks: Interest rate risks stem mainly from changes in interest rates on bank loans. In 2022, our interest payments on bank loans accounted for 0.09% of net profits before tax. Interest rate changes in 2022 had no significant impacts. 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. Credit risk: 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	<p>I. Customer interests risks</p> <ol style="list-style-type: none"> 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 validity of our ISO/IEC 27001:2013 certification. We have established comprehensive handling 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 for abnormal events. <p>II. Food safety risks</p> <p>(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 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: 1. Hygiene regulations and training; 2. Product tracking and management; 3. Product quality and inspections.</p> <p>III. Procurement risks</p> <p>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</p> <ol style="list-style-type: none"> Raw materials must be legally registered in the government food manufacturer registry system. Raw materials must be approved by our R&D and relevant departments. Raw materials must provide comprehensive product information for analysis and comparison, and packaging and labels cannot be altered or replaced. Raw materials imported from foreign countries must be equipped with licenses and imported in their original packaging. Raw materials must be stored in accordance with regulations and relevant licenses must be procured. Evaluation procedures must be reimplemented upon the revision of relevant electronic information for raw materials. <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. 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. Trade secrets, patent rights, and trademarks</p> <p>We have established an Ethical Code of Conduct and formulated the "Procedures for Investigation of Grievance Reports" to regulate and appropriately handle grievance reports. Implemented actions include the following:</p> <ol style="list-style-type: none"> Formulated Code of Ethical Conduct and Procedures of Whistle-blowing and Complaints Periodically collect stakeholder feedback and provide an anti-corruption hotline and complaint mailbox New employees are required to take anti-corruption courses and tests to verify their awareness of anti-corruption matters 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, with no leniency. <p>VI. Talent recruitment and training risks</p> <p>In order to promote 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, giving our employees cross-cultural and cross-domain learning opportunities, encouraging them to realize their potential, learn new knowledge and skills, develop a broader outlook, and build connections. Apart from deployments due to organizational needs, employees can also apply for transfers in accordance with our recruitment and selection procedures. Following full communication and confirmation of employee willingness, transfers take effect after approval by responsible supervisors. During their first three months, new employees have exclusive mentors who help them adapt to corporate environments and duties.</p>

<p>Strategic risks</p>	<p>I.Legal compliance risks We have established a Legal Office and Audit Office to ensure 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 at 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"> Internal: Product designs face risks of discrepancy or failure during on-site batch production trial runs. We used the following methods to reduce risks stemming from this problem: (1) Purchased testing equipment (for example texture analyzers) and established a product parameter database to confirm product parameters. (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. External (sales related): 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: (1) Our sales units conduct comprehensive market surveys prior to product development to better understand market trends and consumer habits. (2) Our sales units track market conditions after product launches to understand changes in product trends and develop strategies for future product development. <p>III.Marketing and market risks: Assess risk levels → Convene related units → Formulate Q&As → Draft unified responses → Continue monitoring 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.Advertisements: Review of advertising copy: Our Legal Office collaborated with our Information Office to set up the “EIP Inquiry System for Advertising Violations” and the “T9 Copy Review Procedure Request Form.” The “EIP Inquiry System for Advertising Violations” compiles and updates all advertising infractions and penalties issued by administrative authorities into 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. The “T9 Copy Review Procedure Request Form” solves problems relating to the current procedures which use email to conduct reviews of advertising copy and speeds the review process of all units. The system displays feedback from all reviewing units to avoid large discrepancies in appropriate phrasing proposed by each unit.</p>
<p>Hazard risks</p>	<p>I.Employee safety risks Environment and safety assessments Grape King Bio hopes to achieve control of related risks through execution of multiple projects and improvement plans. We began conducting assessment and identification processes for occupational safety risks in 2017, and we will design corresponding response measures for identified high-risk occupational safety items. We set management goals for high-risk environmental and occupational health and safety factors identified from risk assessments. Grape King Bio continues to implement the ISO/CNS 45001 Occupational Health and Safety Management System to reduce possible EHS risks year over year. We also 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. Grape King Bio established the “Grape King Bio Health and Safety Family” in 2022 under the guidance of the Taoyuan City Government Department of Labor. In future, we will regard contractors, suppliers, and other partners as part of our community; lead SMEs in enhancing health and safety; and provide information and consulting services related to implementation and management of health and safety laws.</p> <p>II.Employee health risks In response to the coronavirus pandemic, our general manager formed an emergency response and epidemic prevention team which is responsible for preventing, consulting on, and announcing epidemic matters, as well as convening response meetings in accordance with pandemic conditions. We distribute questionnaires to all company employees at the end of each year to survey their lifestyles, health needs, and demands for health promotion activities to identify their health problems and health needs. We formulate appropriate health check programs (including checks for special procedures) each year based on employee gender, age, and characteristics of operational environments for early detection of potential and existing health problems. We implement various measures in accordance with our labor health management plans each year and actively encourage all colleagues to participate in our program.</p>
<p>Climate change risks</p>	<p>(Please refer to the TCFD section for more information)</p>

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

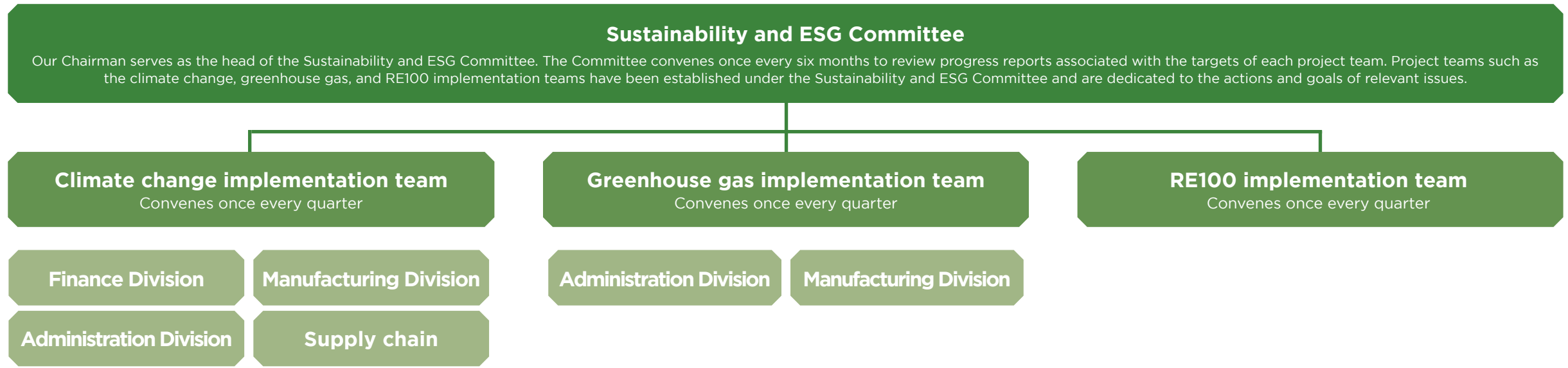
The Global Risks Report 2023 issued by the World Economic Forum in 2023 stated that, of the top ten risks for the next ten years, six are environmental risks, namely, “Failure to mitigate climate change,” “Failure of climate-change adaptation,” “Natural disasters and extreme weather events,” “Biodiversity loss and ecosystem collapse,” “Natural resource crises,” and “Large-scale environmental damage incidents.” 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 2022, we will begin to formulate Science Based Targets initiative (SBTi) 1.5°C commitments and goals. In 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 of 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.

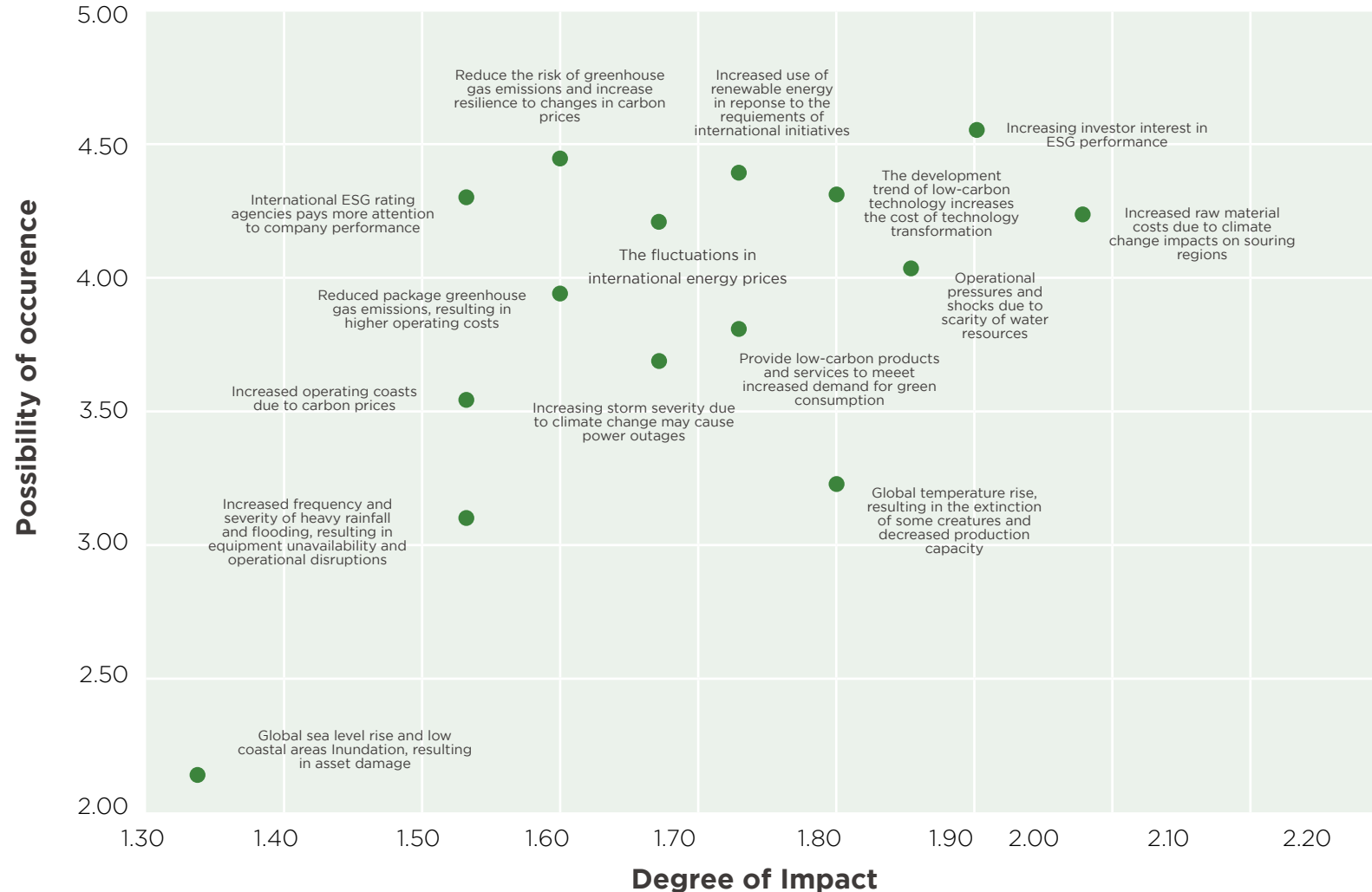
Additionally, we actively participate in industry initiatives associated with sustainability and climate change. We joined related associations, and our chairman serves as a director of the Taiwan Center for Corporate Sustainability and attends quarterly director meetings. We also work with other enterprises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



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 15 responses and used these to build a TCFD climate change risks and opportunities matrix which identified our climate risks and opportunities as shown below:

Climate Risk and Opportunity Matrix



Additionally, as there are no internationally accepted definitions 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	Within 1 year
Short to medium term	1-3 years
Mid-term	3-5 years
Medium to long term	5-10 years
Long-term	More than 10 years

Level of financial impacts

Material	5% of net profits before tax
High	3.75%-5% of net profits before tax
Medium	0.25%-3.75% of net profits before tax
Low	0.25% of net profits before tax

Analysis of Climate Risks and Opportunities

Physical Climate Risks	Acute Risk		Chronic Risk	
	Description	Increasing frequency of natural disasters due to climate change, which may cause power outages: According to the "Statistics on power outages caused by natural disasters" compiled by Taiwan Power Company, Taiwan has experienced many regional power outages over the years which were caused by heavy rains or typhoons. The Updated Report for Evaluation and Analysis of Climate Change in Taiwan released by the Academia Sinica Research Center for Environmental Changes Anthropogenic Climate Change Center also suggested that the number of typhoons that would affect Taiwan in the middle of the 21st century and the late 21st century will be reduced by 15% and 55%, respectively, but the proportion of severe typhoons would be increased by 100% and 50% in those same two time periods. The increased number of severe typhoons could result in more frequent power outages.	Operational pressures and shocks due to scarcity of water resources: The National Science and Technology Center for Disaster Reduction has suggested that climate change will lead to more extreme rainfall discrepancies during the wet and dry seasons, estimating that spring rainfall will decrease by 13.2% and the number of consecutive days without rain in the spring will increase by 55.7% from 2046-2065. Taiwan suffered a large-scale drought during the first half of 2021. The first half of 2023 also brought the most severe drought on record in the south of Taiwan for 30 years. Taoyuan City and many other regions saw a reduction in water pressure, restrictions on water supply, and suspended irrigation. Continued changes in future rainfall characteristics may impact reservoir water volumes and in turn affect corporate water usage.	
	Timeline	Short to medium term	Short-term	
	Level of financial impacts	Medium	Medium	
	Financial impacts	Operational costs and capital expenditures	Operational costs and capital expenditures	
	Response Measures	Grape King Bio factories use power transmitted via underground power cables to prevent disruption of power transmission and distribution through aerial cables from natural disasters. We have also installed emergency generators and UPS backup systems for our firefighting systems and important equipment to reduce losses from unexpected power outages.	Grape King Bio developed a process water recirculation system by making simple adjustments to existing equipment and systems to recycle concentrated process water originally discharged to wastewater plants for reuse in our factories, thereby reducing wasted water resources and wastewater volumes. In 2022, all RO concentrate water at our three factories (Pingzhen Factory, Zhongli Factory, and Longtan Branch) was recycled for reuse in cooling towers, and the total amount of water recycled was 34,071 tons.	

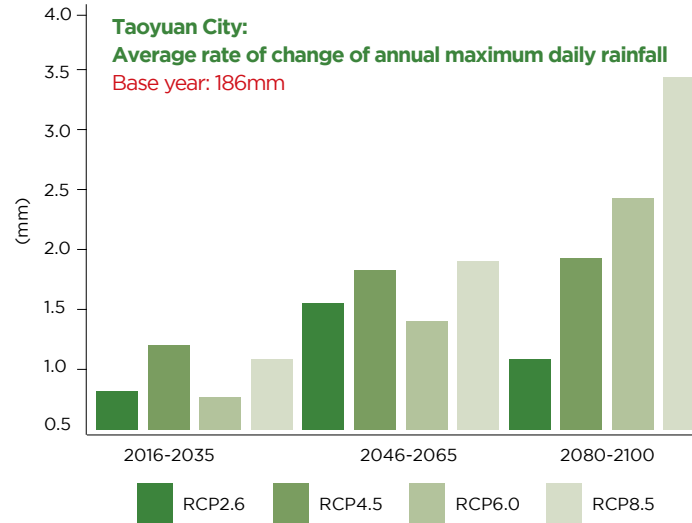
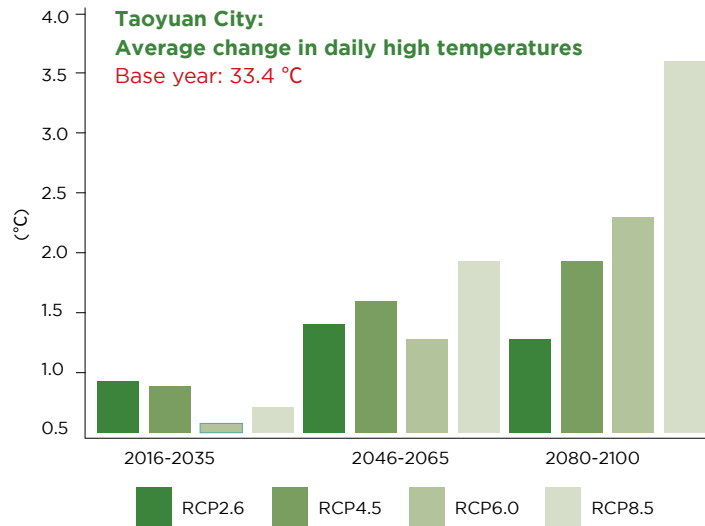
Transition Climate Risks	Policies and Regulations		Market		Market		Corporate Reputation	
	Description	Increased use of renewable energy in response to the requirements of international initiatives: A report issued by the International Energy Agency (IEA) stated that, in order to achieve global sustainability, use of renewable energy should be increased from 25% in 2019 to 50% in 2030.	Development trends of low-carbon technologies and increased costs from technological transformations: The World Economic Outlook Report stated that innovative R&D technologies are important measures that can improve product designs, reduce overall greenhouse gas emissions over product life cycles, and enhance product efficiency. At present, many countries have incorporated circular economy concepts into policy planning, and actively promote use of alternative materials (such as recycled aluminum and plastics) in corporate production to reduce environmental impacts from products.	Increased raw material costs due to the impacts of climate change on sourcing regions: A report from the Food and Agriculture Organization of the United Nations (FAO) indicates that continual changes in weather and rainfall patterns are causing agricultural losses of US\$220 billion each year from just plant diseases and pests alone, thus raising the costs of agricultural raw materials.	Impacts on energy expenditures due to fluctuations in international energy prices: Use of coal and petroleum rebounded sharply in 2021 compared with 2020, leading to an increase in crude oil prices for that year. In 2022, the Russia-Ukraine war caused oil and natural gas prices to rise, highlighting the volatility of international energy prices.	Increasing investor interest in ESG performance: At present, investors of multinational enterprises are paying increasing attention to the Environmental (E), Social (S), and Governance (G) performance of these corporations. There is therefore a need for these companies to continually enhance their sustainability actions and performance to attract investors.		
	Timeline	Short to medium term	Short to medium term	Short to medium term	Short to medium term	Short to medium term		
	Level of financial impacts	Medium	Medium	Medium	Medium	Low		
	Financial impacts	Capital expenditures	Capital expenditures	Operating costs	Capital expenditures	Investments, capital funding, and financing		
	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 usage by 2030 and achieve full use of renewable energies by 2035. We achieved a 1.44% of energy savings across all three factories in 2022. Additionally, we completed installation of our solar photovoltaic system at Longtan Factory, which is expected to generate 183,960 kWh of electricity over its first year of operations. We also purchased a cumulative 300,000 kWh of green electricity.	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, recovery rates of sustainability self-assessment surveys from key suppliers, and SIMP promotion rates. For more information, please refer to 2.1.1 Procurement Strategy.	Grape King Bio has established energy management policies in response to the impacts of fluctuations on international energy prices. Our Pingzhen Headquarters has not only obtained ISO14001 Environmental Management System certification, but also began implementing the ISO50001 Energy Management System in 2019. Additionally, our participation in RE100 is a commitment to achieve 100% renewable energy usage by 2025 and implement our goals for reduction of carbon emissions.	Grape King Bio actively responds to the ESG performance requirements of international investors. We continue to implement sustainability actions in all aspects and publicly disclose these in our Sustainability Report (ESG Report). Apart from our Sustainability Report, we also continued to be ranked in the top 5% of domestic companies by the TWSE Corporate Governance Evaluations. Internationally, our Sustainability and FTSE Russell Ratings for 2022 continue to surpass many of our international peers.		

	Market	Energy Efficiency	Products and Services
Climate Opportunities	Description of opportunity Expand ESG disclosures to attract investor interest: Corporate ESG disclosures are a key factor in the achievement of sustainable development goals. Major investment firms around the world have even formed climate change networks and launched the Climate Action 100+ initiative which prioritizes negotiations with companies which have already committed to net zero emissions and implementation of clean energy transformations.	Reduce risks from greenhouse gas emissions and increase resilience to carbon levy changes: The World Economic Outlook (WEO) Report points out that one important measure to reduce overall greenhouse gas emissions and improve product efficiency is through innovative research and development technologies and product design improvements. Currently, many countries have incorporated the concept of a circular economy into their policy planning and actively promote the use of alternative materials (such as recycled aluminum, recycled plastic, etc.) in corporate production to reduce the environmental impact of products.	Provide low-carbon products and services to meet increased demand for green consumption: In order to reduce greenhouse gas emissions, governments worldwide have begun to enact Carbon tax on enterprises; enterprises are moving towards low-carbon practices to reduce the risks and costs of carbon emissions.
	Timeline Short-term	Short to medium term	Short to medium term
	Level of financial impacts Medium	Low	Low
	Financial impacts Operating costs	Capital expenditures	Revenues
	Response Measures Faced with the impacts of climate change, Grape King Bio has committed to join the RE100 initiative, signed on as a TCFD Supporter, and prepared disclosures based on the TCFD framework in response to global climate targets and to strengthen our own emphasis on climate change risks.	Grape King Bio continues to implement sustainable actions. The FSCTM certified materials used in our aluminum foil products and our "Bottles of Love" initiative help to mitigate our environmental and climate impacts while enhancing consumer health.	To better integrate sustainability concepts into product development, we 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. Additionally, we have established energy management policies, our Pingzhen Headquarters has obtained ISO14001 Environmental Management System certification and began implementing the ISO50001 Energy Management System in 2019, and our participation in RE100 is a commitment to achieve 100% renewable energy usage by 2035 and implement our goals for reduction of carbon emissions.



Scenario Analysis

Grape King Bio and Pro-Partner’s main production bases are Pingzhen Factory, Zhongli Factory, and Longtan Branch located in Taoyuan City. We adopted the RCP2.6, RCP4.5, RCP6.0, and RCP8.5 proposed by IPCC AR5 and used publicly available data taken from the Taiwan Climate Change Projection Information and Adoption Knowledge Platform (TCCIP) to run analyses in Taoyuan City (where our main production bases are located) for the short-term (-2035), medium term (2046-2065), and up to the end of the current century (2080-2100) to understand the average changes in daily maximum temperatures (Note 1) and average rate of change in daily maximum rainfall volume for the year (Note 2) for the different scenarios. Compared with the base period (1986-2005), Taoyuan City is expected to see an average rise in temperature of 1.9°C and reach maximum temperatures of 35.3°C this century under the worst-case scenario (RCP8.5). 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, maximum daily rainfall volumes will increase by 35.34 mm, reaching 221.34mm, 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 at risk of flood, and people outdoors may be at risk of emergencies.



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"> 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 plans for improvement based around these issues. We facilitate regular health checks for our employees. Our chairman signed a workplace health promotion declaration in 2021, 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.
Increased likelihood of short-duration intense rainfall	<ul style="list-style-type: none"> We continue to evaluate flood prevention measures at our factories and strengthen our responses to acute flooding disasters. We monitor water conditions using real-time information provided by the Water Resources Agency and formulate corresponding countermeasures.

Note:
1.Average changes in maximum daily temperatures: The maximum temperature for each day in degrees Celsius.
2.Average change rate in maximum daily rainfall volumes for the year: Rainfall volumes on day in the year with maximum rainfall in mm.

3.Risk Management

Apart from project implementation teams that have been established under our “Sustainability and ESG Committee,” 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.



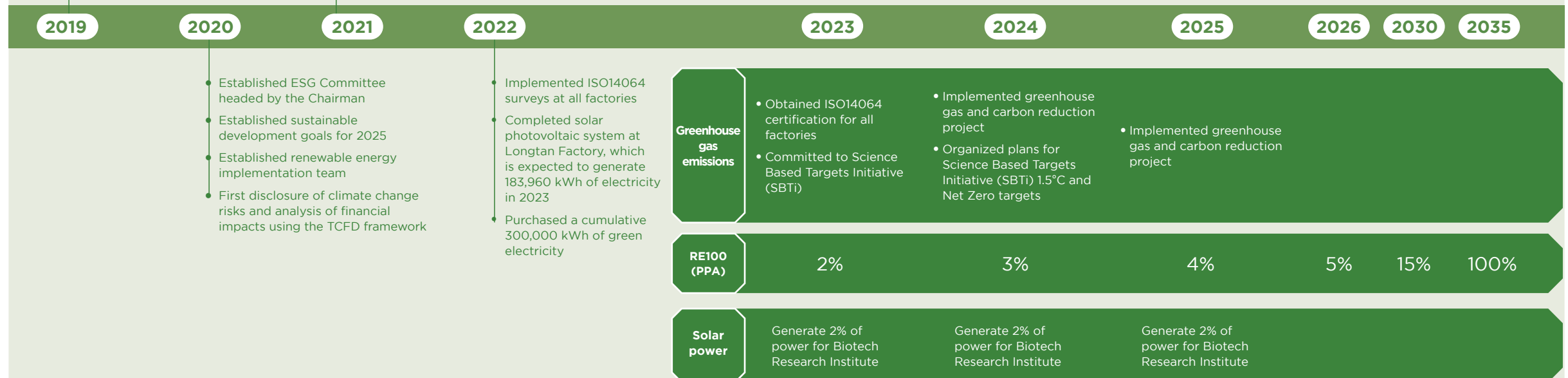
4. Metrics and Targets

Grape King Bio is a company with many food manufacturing factories. Therefore, energy usage, greenhouse gas emissions, water usage, and waste management are all indicators that have direct impacts on operations (please refer to CH6 for historical data). 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

"As a leader in Taiwan's biotech healthcare industry, Grape King Bio has a responsibility to fulfill environmental commitments. In future, we will continue to work towards the Science Based Targets Initiative (SBTi) 1.5°C and Net Zero targets."

- Biotech Research Institute obtained Taiwan Green Building label
- Became the fourth enterprise in Taiwan to join the RE100 initiative
- First health care enterprise in Taiwan to become TCFD Supporter
- Signed first renewable energy PPA
- Established greenhouse gas implementation team



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 2022 were NT\$10,391,231,000. Grape King Bio continues to uphold shareholder interests by maintaining after-tax profits of NT\$9.84 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 2022 Unit: Thousand NTD

Item	Basic Elements	2020	2021	2022
Direct Economic Value Generated	Basic Elements*	2020	2021	2022
Distributed Economic Value	Operating costs*	1,631,457	1,942,319	1,909,186
	Employee salaries and benefits* (Note 1)	1,066,503	1,135,765	1,215,309
	Payment made to investors* (Dividends of the current year)	1,450,672	1,508,468	1,486,415
	Payments made to the government* (Note 2)	39,106	262,288	423,456
		14,514	13,817	18,822
Retained Economic Value (Generated-Distributed)* (Note 4)		1,895,095	1,947,989	2,169,687

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.

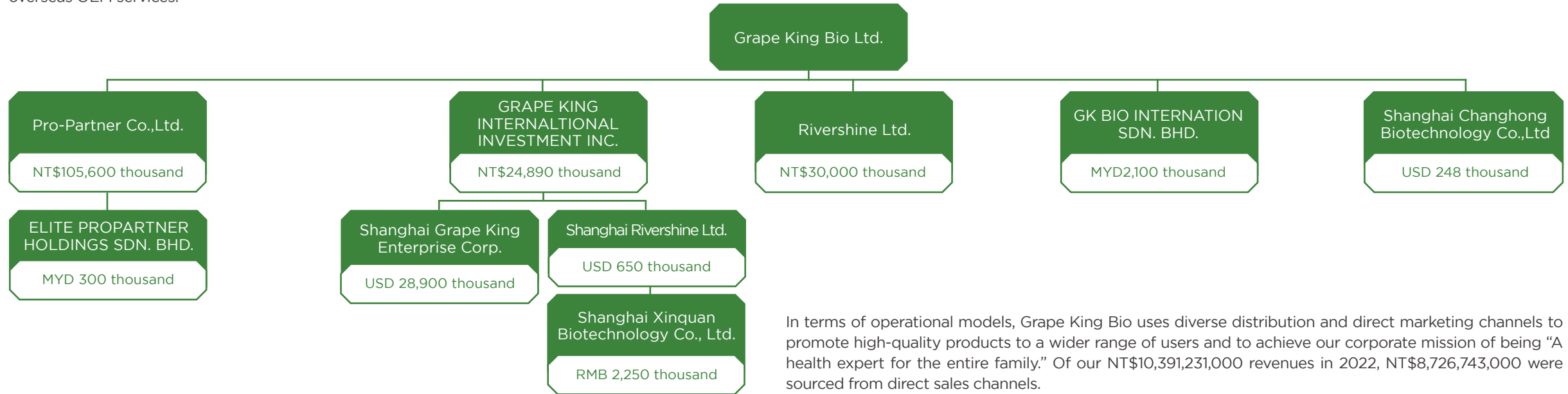
Note 4: Profits after tax for the current year.

*Values for 2020-2022 were audited by Deloitte.

Item	2020	2021	2022
Net profit after tax (thousand NTD)	1,895,095	1,947,989	2,169,687
Consolidated net profit margins	20.67%	19.88%	20.88%
R&D investment (thousand NTD)	252,857	292,228	289,884
Return on shareholder equity	24.53%	21.16%	20.12%
Distribution ratio for cash dividends	68.52%	69.24%	70.12%
Earnings per share	9.34	8.81	9.84

Joint ventures and 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 mycelium); 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\$10,391,231,000 revenues in 2022, NT\$8,726,743,000 were sourced from direct sales channels.

1. Grape King Bio reinvested in Shanghai Grape King Bio Enterprise Corporation through the subsidiary GRAPE KING INTERNATIONAL INVESTMENT INC. in the British Virgin Islands. In July 2022, Shanghai Grape King Bio Enterprise Corporation used its earnings to increase its capital to US\$1,000,000.
2. Grape King Bio invested an additional MYR 1,200,000 in GK BIO INTERNATIONAL SDN. BHD. in September 2022, increasing our stock holding ratio to 35% from 30%.
3. PRO-PARTNER LTD., a subsidiary of Grape King Bio, reinvested and established ELITE PROPARTNER HOLDINGS SDN.BHD, with a 100% shareholding ratio
4. Grape King Bio invested Shanghai Changhong Biotechnology Co., Ltd. directly, and it has been in the process of liquidation since November 2022.

Governmental subsidies

Item	Subsidy Item	Amounts
1	SME on-site health subsidies	NT\$92,000
2	Taoyuan City Government-Subsidy to redesign jobs for middle-aged and aged people in 2022	NT\$141,000
3	Ministry of Economic Affairs Industrial Development Bureau iPAS corporate digital talent cultivation program	NT\$3,000,000
4	Ministry of Economic Affairs Industrial Development Bureau Industry Innovation Platform project-Subsidy for fungal meat project	NT\$6,500,000

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-Corporate integrity and ethics	
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. Invited TSMC’s deputy chief legal officer to discuss registration of trade secrets with our legal office 2. Preparatory procedures for establishing trade secrets registration system	
Specific performance	1. Worked with the information office to plan establishment of a “trade secrets registration system” that is scheduled to launch in 2023. 2. Completed inventory of evidence of use for trademarks registered in Taiwan and built an evidence of use specimens list. 3. Organized education and training related to intellectual property rights and food advertising laws	

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 inspections, and execute other action plans. We actively implement our Code of Ethical Conduct. The employment contract signed by company employees when joining Grape King Bio has clear stipulations on ethical behaviors and prevention of anti-corruption behaviors which prohibit behaviors that are disadvantageous to the company. These stipulations are repeated on employee termination forms. Apart from employment contracts, all of our employees are also required to sign a trade secrets contract for repeated dissemination and to ensure that our employees understand their obligations. Additionally, our colleagues in the legal department continue to attend legal compliance courses. We organized two training sessions (“Introduction to intellectual property rights and corporate intellectual property regulations”) for new employees; our marketing department organized a course on “Cases with similar trademarks”; our marketing, overseas outsourcing, and marketing planning departments hosted a course on “Trademark identification and identity”; and our food advertising review department and advertising department organized a training session related to “Introduction to food advertisement laws and case analyses.”

In 2022, 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 approved and released by our document control center on October 4, 2022, 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 2022, our legal office submitted a total of 12 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 meet the stipulations 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 terms of intellectual property rights, the 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 meetings for the Trade Secrets 2.0 Project. All departments actively conduct reasonable investigations of confidentiality measures. Externally, we request our sales and marketing personnel to provide image sources when submitting copy for review to prevent violations of copyrights and portrait rights.

For protection of personal information and privacy rights, we formulated and released the “Personal Information Protection Policy,” and used the EIP system to publicize these policies to all employees. We also regularly update our corporate website, Health and Vitality Power Center, and the privacy rights policies on our Grape King online store. 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.

Notices issued by health authorities are first evaluated by our legal department to determine whether it is necessary to submit an appeal 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 year-end 2022, we incurred two violations of the Act Governing Food Safety and Sanitation, and one violation of the Waste Disposal Act, with a total of 3 regulatory violations, but incurred no major penalties from administrative authorities exceeding NT\$1 million.

Handling process for legal cases:



Legal Compliance Status in 2022

Legal Violations Incidents in 2022				
Violation Incidents in 2022	Legal Basis	Category	Amount of Fine(NT\$)	Subsequent Improvements
Health mark number-Sliim Probiotics King Judgment passed on November 30, 2022	In violation of Paragraph 1, Article 14 of the Health Food Control Act	Fine	100,000	<ol style="list-style-type: none"> 1.We immediately notified our marketing department after receiving this violation notice. 2.We submitted relevant research reports to the Department of Health 3.Relevant units were requested to adjust advertising copy.
Health mark number-Antrodia King Judgment passed on December 9, 2022	In violation of Paragraph 1, Article 14 of the Health Food Control Act	Fine	100,000	<ol style="list-style-type: none"> 1.We immediately notified our marketing department after receiving this violation notice. 2.We submitted relevant research reports to the Department of Health 3.Relevant units were requested to adjust advertising copy. 4.The legal office inventoried all advertisements for Antrodia King on the Grape King online store and requested comprehensive revisions by our business units to prevent further fines for different ad combinations.
Longtan Factory Judgment passed on September 13, 2022	In violation of Paragraph 2, Article 28 of the Waste Disposal Act	Penalty	6,000	<ol style="list-style-type: none"> 1.Our Longtan Factory generates a maximum of 197 tons of sludge each month, which is more than 100 tons, and therefore Article 28 of Waste Disposal Act requires us to employ at least one treatment technician with Class B qualification or higher. 2.Hired a new Class B waste disposal technician
Commercial Disputes in 2022				
Credit card disputes	<p>In April 2022, the legal office was notified by the sales department that an online store member had purchased products using a credit card, but the cardholder had filed a dispute after the products had been delivered. Said products had been delivered to Hong Kong through a third-party logistics company, and payment could not be obtained. All products were recovered on December 13, 2022.</p>			
Copyright of "Round Folk M" font	<p>On September 30, 2022, we received a letter from Morisawa Taiwan Inc. which stated that the boxes, packaging, and bottles of our "Snow Brightening Essential Drink" used the "Round Folk M" font created by said company and infringed upon their copyright. We commissioned Exp Branding Consultant Group, a third-party company, to design this product. Exp Branding Consultant Group has yet to respond to Morisawa Taiwan or Grape King Bio regarding subsequent handling of this matter. Grape King Bio is currently in talks with a representative from Morisawa Taiwan and is actively following up on this matter.</p>			

CH2

Product Liability

Target Formulation

Food Safety

Targets for 2023-2024

- Continue to strengthen source management, monitor the effectiveness of traceability information in the SAP system, and complete traceability management for all products
- Yungfeng new factory has obtained the second tier quality control, ISO22000, and HACCP verification
- Preparation for TGA GMP verification of soft capsule production line in Pingzhen Plant

Targets for 2025-2026

- Integrate external inspections to optimize inspection procedures and improve inspection efficiency
- Establish a food safety history tracking system

Targets for 2027 and beyond

- Continue to improve and refine food safety quality verification systems and inspection center in line with international standards and the latest verification standards

Corresponding SDGs



Sustainable Supply Chain Management

- Sustainability risk assessment: Make the recovery rate of key supplier sustainability self-assessment questionnaires reaches 80%.
- Strengthen Zero supply shortages keeping stocked target of the supply chain: It is expected to complete 50 multi-source solutions of materials (35 items of raw materials + 15 items of materials).
- Implement a comprehensive supplier evaluation system: 100% of suppliers conduct annual regular evaluation.
- Establish and promote an intelligent multi-communication platform for suppliers, and make the online rate of suppliers reach 60%.

- Sustainability risk assessment: Make the recovery rate of key supplier sustainability self-assessment questionnaires reaches 90%.
- Strengthen Zero supply shortages of the supply chain: It is expected to complete 150 multi-source solutions of materials(based on the year 109).
- Implement a comprehensive supplier evaluation system: Maintain 100% of suppliers conduct annual regular evaluation.
- Establish and promote an intelligent multi-communication platform for suppliers, and make the online rate of suppliers reach 80%.

- Sustainability risk assessment: Make the recovery rate of key supplier sustainability self-assessment questionnaires reaches 95%.
- Strengthen Zero supply shortages of the supply chain: It is expected to complete 250 multi-source solutions of materials(based on the year 109).
- Implement a comprehensive supplier evaluation system: Maintain 100% of suppliers conduct annual regular evaluation.
- Establish and promote an intelligent multi-communication platform for suppliers, and make the online rate of suppliers reach 95%.



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	1. Continue to strengthen source management and complete traceability management for all products 2. Continuously promote food safety culture activities in accordance with international FSSC22000 specifications 3. Establish cGMP system at Zhongli Factory 4. Ensure that the software at Pingzhen Factory adhere to the requirements of the Australian TGA GMP system
	Mid-term	1. Integrate external inspections to optimize inspection procedures and improve inspection efficiency 2. Establish a food safety history tracking system 3. Ensure that the hardware at Pingzhen Factory adhere to the requirements of the Australian TGA GMP system 4. Establish an intelligent exception handling system and digital exception/customer complaint database to improve quality and processing efficiency
	Long-term	1. Continue to improve and refine food safety, quality verification system, and inspection center in line with international standards and the latest verification standards 2. Continuously stabilize product quality, provide consumers with higher quality and healthier products, and improve Grape King Bio’s brand image
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	Human resources: Added 1 microbiologist inspector Systems: Extended laboratory ISO22000:2018 certification to include fungi product line in additional to existing lactic acid product line Equipment: Purchased phase contrast microscopes, laminar flow benches, refractive index detectors, and diluters for lactic acid bacteria	
Specific performance	✓ Passed 12 microbiological and chemical capability tests ✓ Laboratory personnel optimized and established 9 inspection methods (4 microbiological tests and 5 chemical tests)	

Food safety has always been an important issue of public concern. In recent years, there has been an increased emphasis on food safety, and it is not only consumers who are requiring significant enhancements in quality. Grape King Bio also continues to rigorously inspect and refine food sources through the following axes.

(1)Regulatory compliance:

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 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.

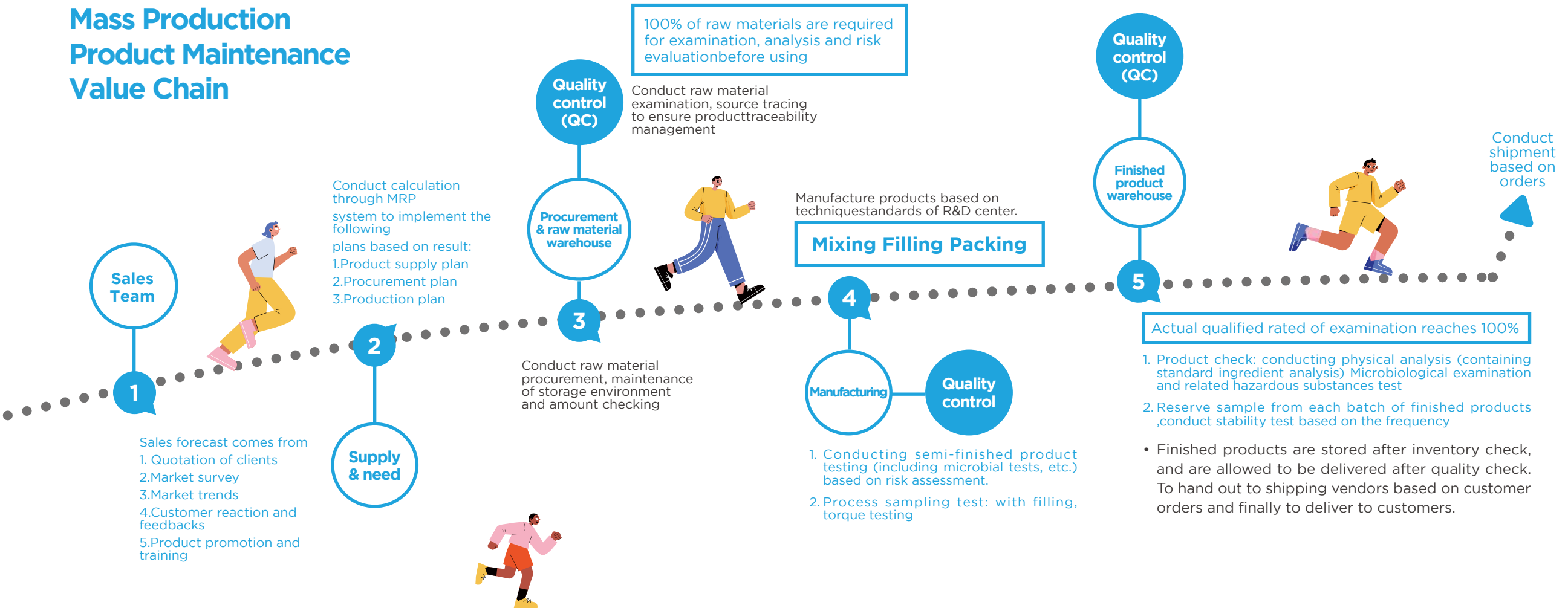
(3)Enhance internal management:

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:

1. Hygiene regulations and training; 2. Product tracking and management; 3. Product quality and inspections.

Mass Production Product Maintenance Value Chain



Production lines are certified with ISO 22000 · HACCP · NSF, GMP and FSSC 22000 standard through third-party verification.

In 2022, Grape King Bio invested NT\$16,647,510 in food safety management fees.

Quality Assurance (QA)

The control unit is in charge of the food safety management system in Grape King Bio:

Based on ISO22000 manufacturing process, raw material exception analysis and customer complaint management, risk evaluation and analysis of production line and supply chain, to ensure suppliers and raw materials are in compliant with both legal and Grape King Bio's requirements for safety of ingredients.

2.1 Management of Procurement and Raw Materials

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.

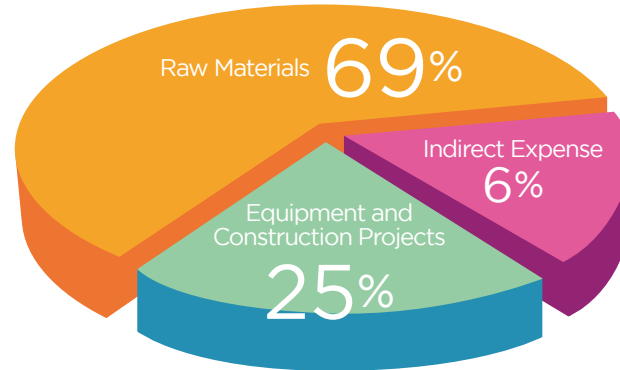
Local and Sustainable Procurement

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 2022 is shown below:

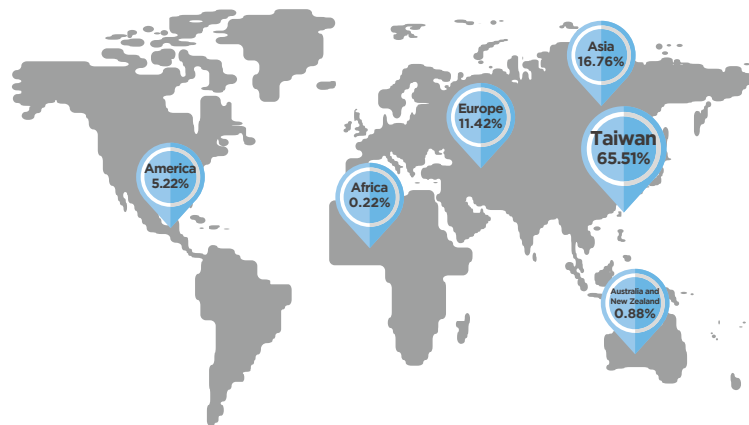
We have enjoyed mutual growth alongside our supplier partners and are working together to expand the social responsibility benefits in our supply chain and operate our businesses responsibly. Our suppliers provide us with high-quality raw materials and help us jointly establish the Grape King Bio value and supply chain. Our map of raw material procurement sources for 2022 is shown below (local procurement ratio was 65.51%):

2022 Allocation of Purchase Amount



Note: The equipment and construction projects category does not include bids for advertisements and civil engineering projects.

Geographic distribution of raw material sources



Besides, the materials used by Grape King Bio for 2022 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	4,350.67

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 2022. Targets for 2022:

- (1) Target client order completion rate of 99%; actual achievement: 99%
- (2) Zero supply shortages at Pro-Partner; actual achievement: no supply shortages.
- (3) Maintain 50 raw material reserve items; actual achievement: 59 items.
- (4) Target recovery rate of 85% for sustainability self-assessment surveys from key suppliers; actual achievement: 88.76%.
- (5) Target SIMP system launch progress rate: 70%; actual achievement: 72.09%.

2.2 Supply Chain Management



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		

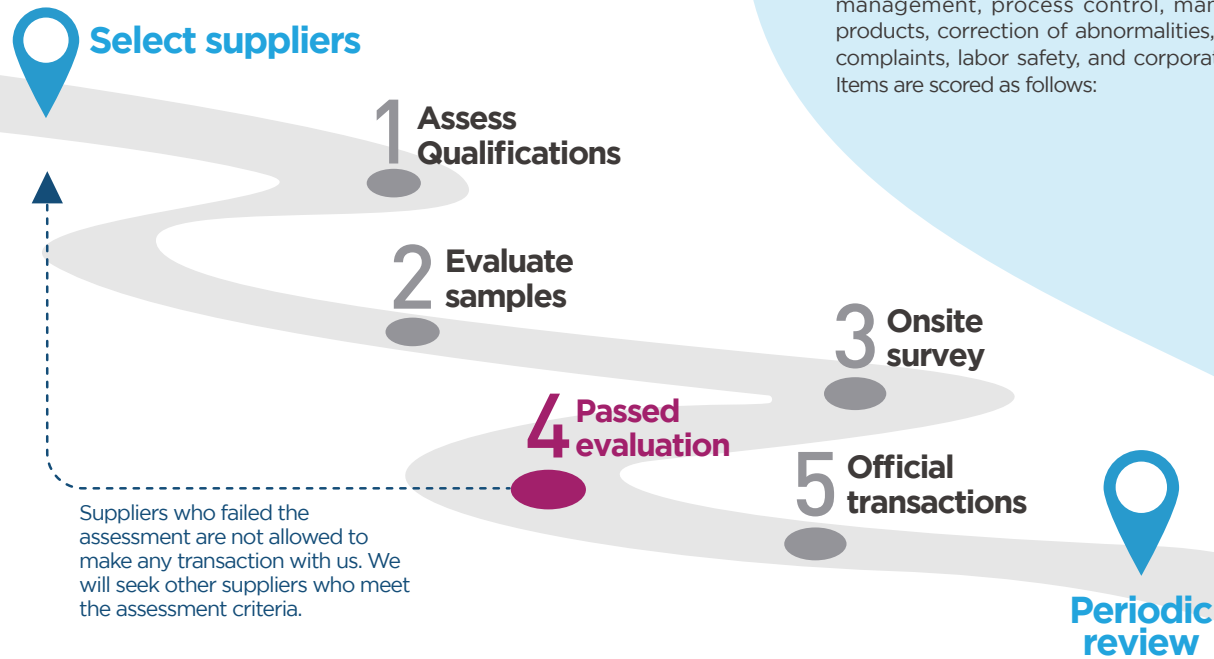


2.2.1 Audits of New Suppliers

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. Tracking improvements for audited items

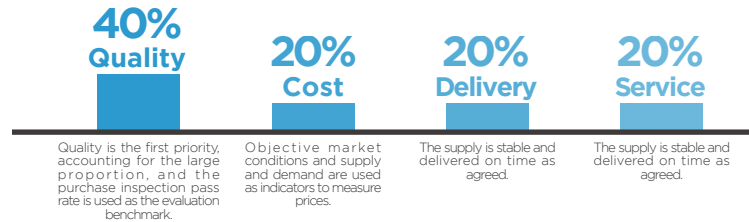
After conducting on-site evaluations, we ask suppliers to respond to and discuss our suggested improvements before conducting a second review of overall evaluation results and responses. We halt collaborations with suppliers who have major deficiencies or incompetencies until improvements are implemented. In 2022, we evaluated 56 suppliers (including 34 new suppliers). Due to severe pandemic conditions and in consideration of supplier epidemic prevention measures, evaluations for 3 new suppliers were conducted via videoconferencing, and we achieved similar results as our on-site evaluations. Two new material suppliers failed to pass our on-site evaluations. As these supplied items were not unique or exclusive, we ceased transactions with unqualified suppliers in accordance with corporate regulations. Results of supplier evaluations for the year are shown in the following table:

2022 On-Site-Evaluations		Evaluation Categorization		ESG Level		Total Number of Evaluated Suppliers
Raw Materials	New Suppliers	A	8	A	8	On-site evaluations: 27
		B	6	B	6	
		C	0	C	0	
	Existing Suppliers	A	11	A	9	Self-evaluations: 0
		B	2	B	4	
		C	0	C	0	
Other Materials	New Suppliers	A	5	A	4	On-site evaluations: 16
		B	2	B	3	
		C	2	C	2	
	Existing Suppliers	A	6	A	5	Self-evaluations: 0
		B	1	B	1	
		C	0	C	1	
Outsourcing	New Suppliers	A	9	A	Temporarily excluded from evaluations	On-site evaluations: 11 (Including 3 evaluations conducted via videoconferencing)
		B	2	B		
		C	0	C		
	Existing Suppliers	A	2	A	Self-evaluations: 2	
		B	0	B		
			0	C		

2.2.2 Evaluation of Existing Suppliers

1. Annual Evaluations

Evaluation criteria for food raw material suppliers and outsourced factories



Evaluation standards for suppliers of pharmaceutical raw materials



Grape King Bio conducts regular annual evaluations of raw material suppliers and outsourcing vendors. Evaluations and scoring are based on four main aspects: Q (Quality), C (Cost), D (Delivery), and S (Service/Cooperation), and 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 key suppliers of raw materials. Of our 144 evaluation items, 21 are ESG-related evaluation items. In 2022, we distributed ESG self-evaluation questionnaires to 80 of our key suppliers. All suppliers achieved a qualification rate of 100% on the 21 ESG evaluation items. In future, we will continue to track supplier ESG performance.

In 2022, we audited 284 raw material suppliers and achieved an audit ratio of 100%. The results of our rigorous evaluations revealed that 243 suppliers were Class A suppliers, 41 suppliers were Class B suppliers, and 0 suppliers were Class C suppliers. A total of 284 high-quality suppliers qualified to continue working with Grape King Bio. Results of supplier audits for the past three years at Grape King Bio are shown in the following table:

Year	2020	2021	2022
Total number of suppliers	212	217	284
Audited suppliers	212	217	284
Audit ratio	100%	100%	100%
Class A	185	169	243
Class B	26	48	41
Class C	1	0	0
Audit pass rate	99.5%	100%	100%

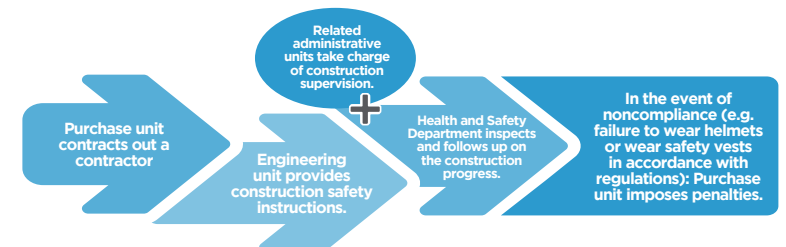
*Categorization: Suppliers with a score of more than 81 are classified as Class A (excellent) suppliers; suppliers scoring from 65 to 80 are classified as Class B (qualified) suppliers; and suppliers with a score of less than 65 are classified as Class C (unqualified) suppliers; no transactions are permitted with unqualified suppliers.
Notes on figures for 2022: Note 1: If a vendor simultaneously supplied raw materials, other materials, and outsourced services, they were evaluated separately due to the differences in vendor attributes.

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.

2.2.3 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.



2.3 Food Safety

Vice Division 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

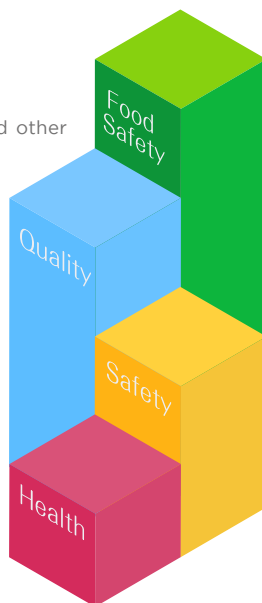
Protection of public health is a foundation of Grape King Bio operations. We consider product liability as one of the most important operational and production components, which is why we have set rigorous quality and sanitation standards for all stages of production. We have formulated four major food 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.

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 2022 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 2022, Grape King Bio invested NT\$16,647,510 (0.16% of net revenues in 2022) 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	7,783,096	47%
Equipment	4,034,952	24%
Consumables	3,016,868	18%
External inspections and verifications	1,636,402	10%
Miscellaneous	176,192	1%
Total	16,647,510	



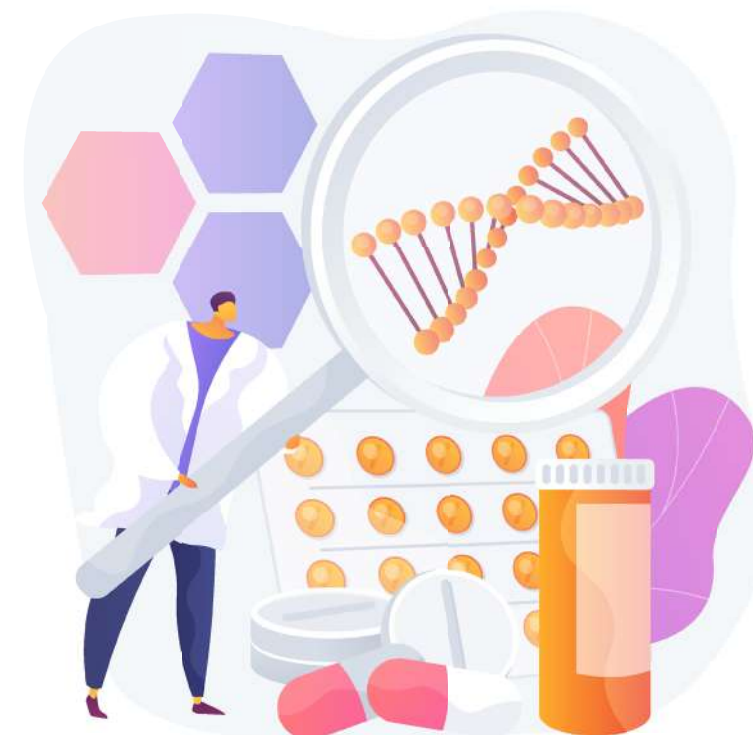
Food Safety
Act Governing Food Safety and Sanitation and other laws and regulations
ISO22000, FSSC22000, NSF GMP, TQF, and ISO/IEC17025 TAF certified laboratories



Safety
Safety Management
Hazard Analysis and Critical Control Points (HACCP)



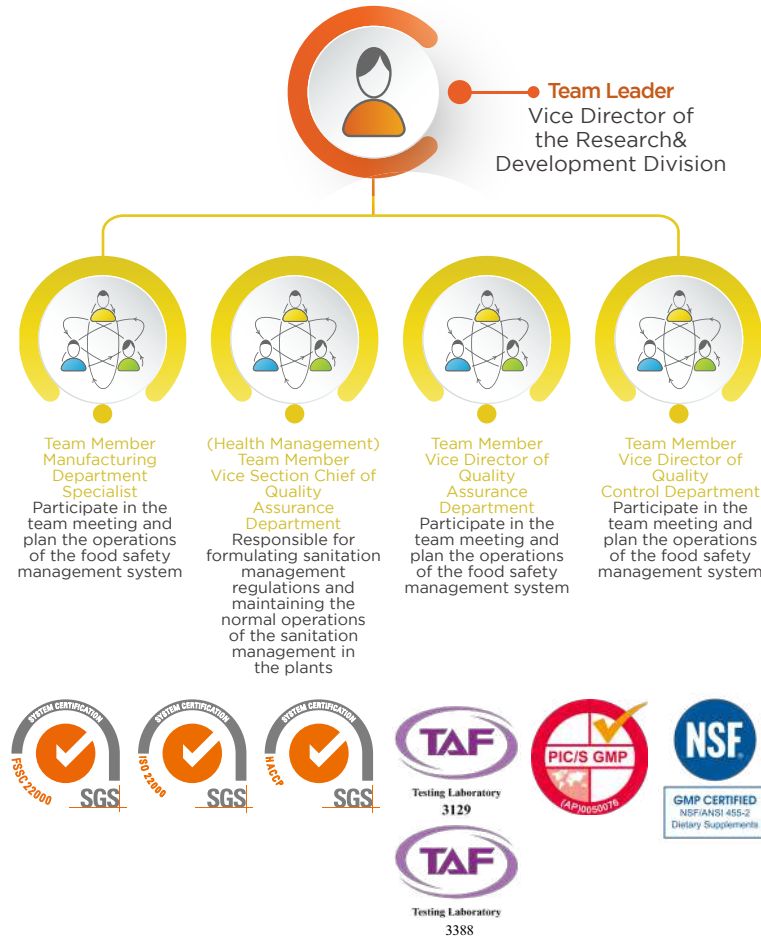
Health
Health Management Good Hygiene Practice (GHP)



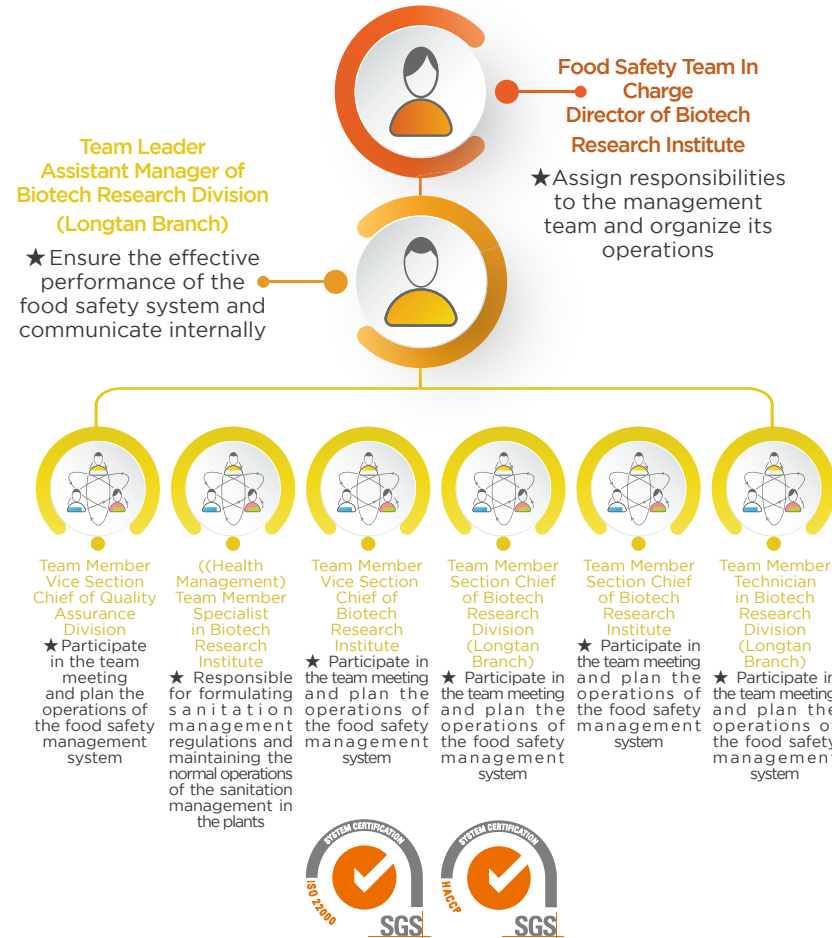
2.3.1 Systemic Food Safety Protections

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:

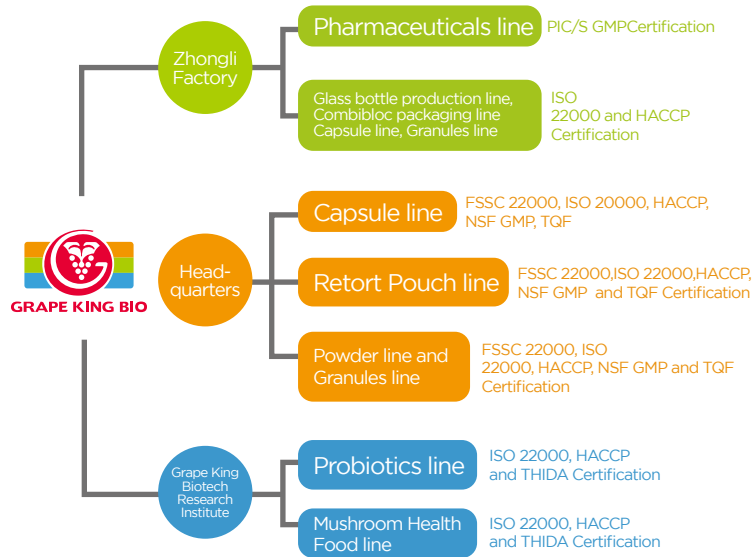


Our food safety management system requires relevant units to conduct timely reviews of target achievement rates every year. We convene one management review meeting each year. In 2022, we discussed a number of issues relating to achievement of production line quality targets, product recall simulations, 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 internal audits to inspect regulatory compliance of food safety management systems and PIC/S GMP compliance of pharmaceuticals.



2. System Implementations and Certifications

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 2022, 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. Add Warnings on Food Products to Protect Vulnerable Groups

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.

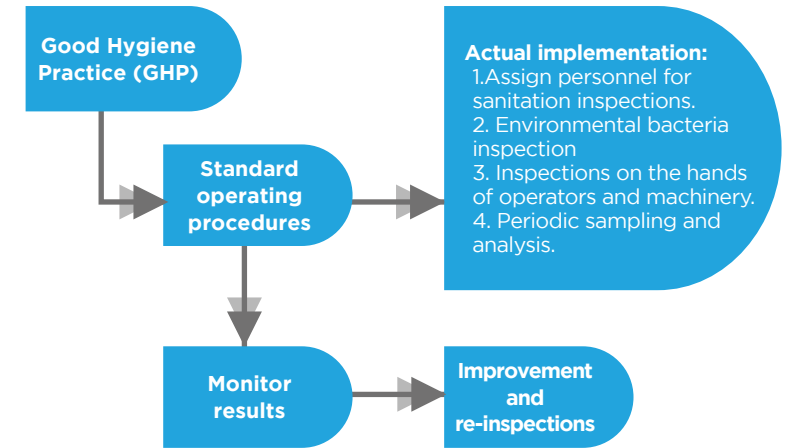
- (1) Usage of raw materials: If public government websites carry a warning for a raw material, we will include the same on product labels. For example, our factories use *Androdia cinnamomea*, and legal regulations require products which use this ingredient to carry the following warning: “Infants, 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.

2.3.2 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. Grape King Bio completed 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.



(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 2022. 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 2022. 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 2022.



(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 2022.

(3) Organizational Food Safety Training

All members of the food safety control management team have currently completed their required 12 hours of training for every three years. 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.

2.3.3 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.

Grape King Bio hopes to achieve the target of “zero recalls due to quality or sanitation concerns” through cross-departmental collaborations with our quality management units to maintain overall effectiveness of corporate quality systems.



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 380 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 2022, including:

1. Methoxsalen
2. 380 pesticide residual analyses
3. Optimization of deoxynivalenol recovery rates
4. 5 microbiological USP tests

Inspections of foods sold at our Tourist Factory

(1) Product inspection frequencies:

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

(2) Equipment test frequencies:

1. Coffee machines: Quarterly inspections.
2. Ice makers: Biweekly inspections.
3. Soft serve ice cream machines: Biweekly inspections from July to October, and monthly inspections for the rest of the year.

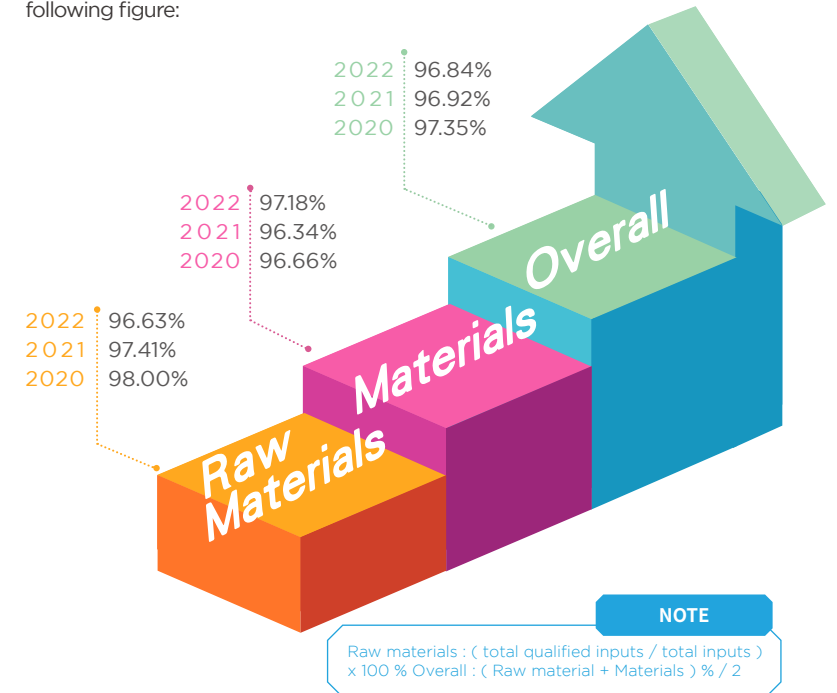
Inspection items for raw materials and products at Grape King Bio include the following categories:

Microbiological hazard inspections	Bacterial count, <i>Escherichia coli</i> , coliform levels, Enterobacteriaceae, <i>Staphylococcus aureus</i> , <i>Salmonella</i> , mold, yeast, and <i>Candida albicans</i>
Chemical hazard inspections	Plasticizers, heavy metals, mycotoxins (aflatoxin, ochratoxin, patulin), food processing aids, pesticide residuals
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.

Our inspection results for raw materials for the past 4 years are shown in the following figure:



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 our achievements for 2022. Targets achieved in 2022 include:

Factory	Item	Targets	Achievement Status
Zhongli Factory	Defective label rate for large/small glass bottles	Below 0.7% for large glass bottles; below 1.2% for small glass bottles	Below 0.35% for large glass bottles; below 0.30% for small glass bottles
	Defective seal rate for combibloc packaging	Below 0.0025%	0.00097%
	Defective fill rate for capsules	Below 0.28%	0.074%
	Defective packaging rate for granule formulations	Below 2.0%	0.87%
Pingzhen Factory	Defective fill rate for capsules	Below 0.4%	0.074%
	Defective packaging rate for granule formulations	Below 2.1%	1.44%
	Defective packaging rate for powder formulations	Below 2.1%	1.23%
Longtan Branch	Annual tank failure rate	Below 4.9%	0.03%
	Defective packaging fill rate	Below 0.9%	0%

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 2022 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	2,910	1,010	327	4,638	2,195
Number of qualified pieces	2,610	939	325	4,625	2,118
Number of unqualified pieces	300	71	2	13	77

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, FSS22000, 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). Product recalls incurred from 2016 to 2022 included: 4 recalls of capsule products, 1 recall of granule products, and 1 recall of glass bottle products; all were Class 3 product recalls and did not cause any health hazards to consumers.

One factory product recall was requested by the Department of Health in 2022.

Description:

Sampling tests of empty capsules conducted by the Department of Health revealed trace amounts of hazardous substances which did not adhere to sanitation standards. We therefore recalled affected products in accordance with the instructions provided by the Department of Health. This was a Class 3 product recall, and no hazardous substances were discovered in related products during inspections conducted by independent third-party units. This incident had no impacts on consumer health and carried extremely low safety risks.

Factory implementations:

After receiving a letter from the Department of Health on November 2, 2022 our quality assurance unit immediately ceased using said batch of raw materials and executed relevant recall procedures in accordance with the “Product Recovery and Disposal Procedures.” Affected items and product batches involved in the recall included: Cxxx capsules (Batch no. 20250813 C9)

and Grape King Bio Gxxx capsules (Batch no. 20250831 S7); 2026 bottles and 7282 bottles were recalled for each product, weighing a total of 908 kilograms. This incident involved non-compliance of raw materials. Our suppliers have submitted an appeal to the Food and Drug Administration, and recalled products will be disposed of in accordance with the results of said appeal.

Future preventive measures:

1. Strengthen management of raw material sources, work with suppliers to adjust manufacturing processes, and provide inspection reports for hazardous raw materials at fixed frequencies.
2. Strengthen factory management through inspection and monitoring of raw materials and pollutants to ensure product quality.

2.3.4 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 May and November of 2022 for 6-10 participants.

Systemic internal traceability management

Grape King Bio has established an internal ERP 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 May and November of 2022, 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

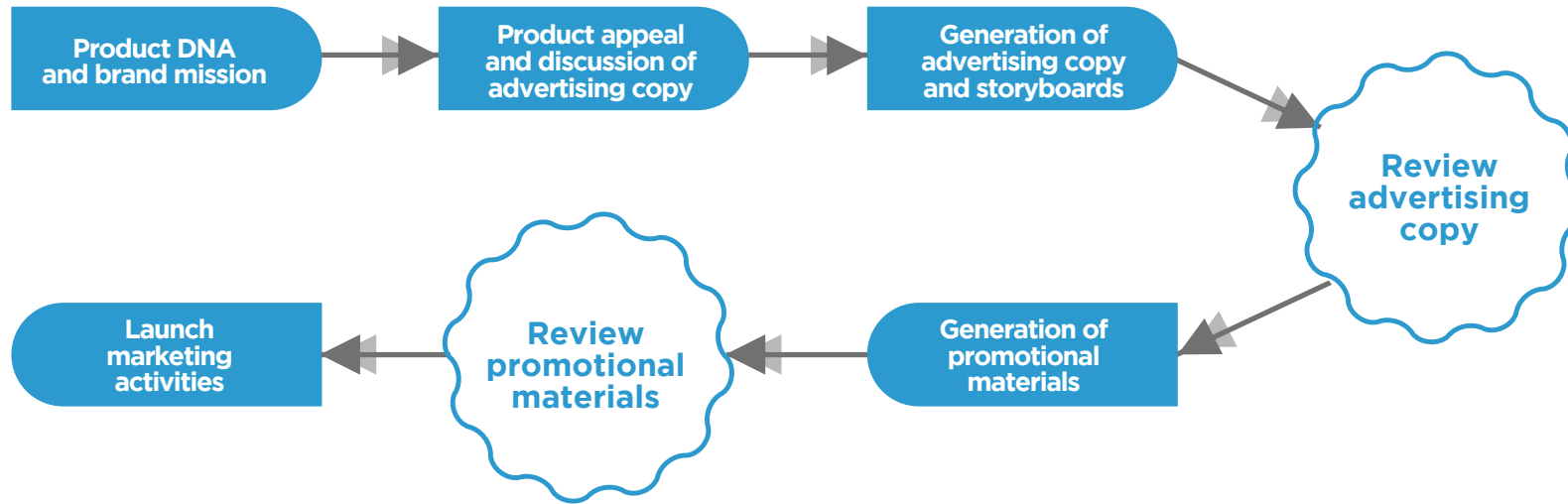
Grape King Bio’s product packaging labels adhere to regulatory requirements, and we continue to review and update our regulations as needed. Our regulations encompass complete labeling of general raw materials and food additives, nutritional labeling on food packaging, allergen labeling, genetically 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 Source of allergy labeling
- 6 Warning messages and consumption precautions



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 ERP system. The innovation and R&D center, quality management department, product planning section, and Biotech Research Institute jointly review the regulatory 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 209 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\$293,511,000.

Promotion of Food Safety Culture

COLUMN

Background:

An awareness of food safety culture has gradually sprung up in international food safety systems, and even international standards recognized by the Global Food Safety Initiative (GFSI) have begun to promote a culture of food safety. As a “health expert for the entire family” that strives to provide healthy and high-quality products to consumers, Grape King Bio actively participates in this initiative and aims to enhance food safety culture within the Company so that we can take pride in producing excellent products.

Aim:

Everyone has different understandings and definitions of food safety and quality, and some may even hold erroneous or inappropriate views. The goal of food safety culture promotions is to cultivate accurate food safety and quality concepts in our colleagues to gradually build awareness of quality that translates into actions and quality verifications for daily tasks.

Event name: Grape King Bio Food Safety Day on June 7, 2022

Participants: All Company personnel

Event format: Online food safety survey, and promotion via photos, check-ins, and social media uploads

Event description:







(1) Personnel who received full marks (100 points) on our online survey during the event period (May 30 to noon of June 2, 2022) will obtain a Food Safety Day gift.

(2) Check-in posters have been installed in all factories. We invited all colleagues to take photos, check in, and upload content to social media during the Food Safety Day event period to share this event with their friends and families.

CH3

Innovation and R&D

Target Formulation

	Targets for 2023-2024	Targets for 2025-2026	Targets for 2027 and beyond	Corresponding SDGs
Customer Satisfaction	<ul style="list-style-type: none"> Ensure service quality through customer interviews and satisfaction surveys following phone support, and include these items in evaluation systems to smooth service processes Conduct product refresher training courses led by professional nutritionists to enhance product knowledge Compile frequently asked customer questions and establish a database to ensure consistency and accuracy of service quality Implement a comprehensive customer call management service solution to improve service quality and response efficiency of phone support 	<ul style="list-style-type: none"> 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 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 	<ul style="list-style-type: none"> Establish a complete customer service and nutritionist team to respond to customer service queries and provide comprehensive health, diet, and lifestyle recommendations 	
Brand Marketing	<ul style="list-style-type: none"> 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. We continue to strengthen awareness of health food and energy drinks for younger groups. We strengthen the project of Healthy Dream and Manufacturing Organization (HDMO) and ODM/OEM marketing materials. 	<ul style="list-style-type: none"> 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. Establish a consumer data center, make good use of one party's data, and improve advertising efficiency. 	<ul style="list-style-type: none"> Form alliances with overseas and local brands, or further strengthen our corporate advantages through acquisitions as we work to become an international brand 	 
Product Liability	<ul style="list-style-type: none"> Grape King Bio’s mission is to maintain public health, and we are in the process of developing 2-4 products for prevention and mitigation of various health problems faced by the public To enable the public to enjoy their lives without worry, we plan to develop 2-4 functional snack foods To better integrate sustainability concepts into product development, we 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 We work to maintain pet health and have developed 1-3 pet food products Recyclable plastic materials will become one of our main packaging products, and we will continue to establish recycling sites Continuously collect data, evaluate or replace current materials or processes with more environmentally friendly materials or processes, such as: flexographic printing replaces gravure printing, uses a process that can reduce plastic by one-third for product development, digital aluminum foil, and replaces feasibility of using plastic straws for PKL products, packaging materials with recyclable single raw materials and other environmentally friendly materials 	<ul style="list-style-type: none"> Sustainability risk assessment: Make the recovery rate of key supplier sustainability self-assessment questionnaires reaches 90%. Strengthen Zero supply shortages of the supply chain: It is expected to complete 150 multi-source solutions of materials(based on the year 109). Implement a comprehensive supplier evaluation system: Maintain 100% of suppliers conduct annual regular evaluation. Establish and promote an intelligent multi-communication platform for suppliers, and make the online rate of suppliers reach 80%. 	<ul style="list-style-type: none"> 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 Continue to develop products aimed at current health needs of local consumers 	  

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



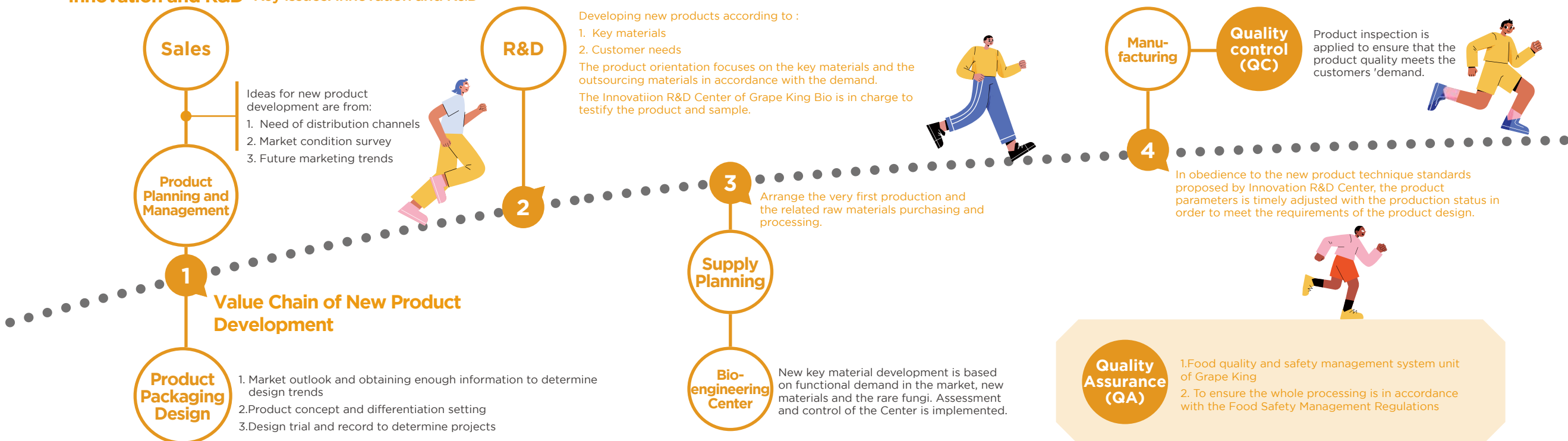
“ *Grape King Bio's fungal fermentation technology serves as an industrial benchmark. We will continue to develop new technologies to meet the future needs of society.* ”

Deputy Director of Innovation R&D Center
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	<p>Short-term</p> <ul style="list-style-type: none"> In response to our aging society and the ongoing coronavirus pandemic, we screened and researched functional materials for relevant issues such as sarcopenia, kidney damage, prevention of body fat formulation, preventive mechanisms for neurodegenerative disorders, anti-viral properties, and infertility. We plan to file more than 20 functional material patent applications in 2023 and submit innovation patents in accordance with product development strategies. We continue to develop health foods and cosmetic materials with novel functions, and have built a new fermentation plant to double our production capacity. We have completed long-term safety tests for Antrodia cinnamomea for our newly developed herbal drugs.
	<p>Mid-term</p> <ul style="list-style-type: none"> Complete commercial production on 3 novel biotechnology materials for improving depression, PMS, ADHD, hearing impairments, Parkinson's disease, sleep, and kidney health. Establish specifications and commence pre-clinical animal trials for new plant-based medicines, gradually strengthening our ability to become a sophisticated API manufacturer. Analyze current major health trends and form cross-industry alliances where necessary to design products for specific groups and health needs Develop formulations and products that adhere to environmental protection and sustainability concepts. Conduct clinical trials to verify novel efficacies of our health foods and cosmetic materials to ensure the effectiveness of our self-produced raw materials and to enhance consumer trust. We are planning to conduct phase II human clinical trials of our Antrodia cinnamomea herbal drugs on nonalcoholic fatty liver.
	<p>Long-term</p> <ul style="list-style-type: none"> Complete commercial production for 6 biotechnology cosmetic ingredients with anti-aging, anti-allergy, skin care, and hair care properties Complete commercial production on 6 novel biotechnology materials for improving depression, PMS, ADHD, hearing impairments, Parkinson's disease, sleep, and kidney health 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. Conduct clinical trials to verify novel efficacies of all health foods and cosmetic materials, and publish scientific papers to increase international competitiveness while doubling the production capacity of our probiotics production lines in accordance with market needs. We are planning to conduct phase III human clinical trials of our Antrodia cinnamomea herbal drugs on nonalcoholic fatty liver.
Responsibilities	External responsible unit: Food and Drug Administration of the Ministry of Health and Welfare, Department of Health of Taoyuan City Government
Resources	In 2022, our Innovation and Research Center newly hired 1 employee with a graduate degree and 1 employee with a Ph.D.
Specific performance	<ul style="list-style-type: none"> ✓ Received 29 gold medals, 2 silver medals, 2 bronze medals, and 9 special awards at the International Invention Awards ✓ Received Annual Industry Innovation Award at the Taiwan Bio Industry Organization Awards ✓ Received Hsinchu Science Park Outstanding Companies Innovative Products Award and a NT\$400,000 prize ✓ Received SNQ (Symbol of National Quality) certification for 3 products ✓ Our Slim Probiotic King capsules obtained a Distinguished Honor Award for Innovative Products from the Taiwan Association for Lactic Acid Bacteria ✓ Our Xin Run Beauty Drink obtained an Outstanding Award for Innovative Products from the Taiwan Association for Lactic Acid Bacteria ✓ Continued to extend the efficacy of key materials such as lactobacillus bacteria, Cordyceps cicadae, Hericium erinaceus, and others

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\$289,884,000 in innovation and R&D in 2022.

Major Milestones for 2022

- 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
- Received NT\$11.2 million grant from the Ministry of Economic Affairs for “High-Fiber and High Protein Fungal Meat Substitute Research” project
- Received NT\$3 million grant from the Ministry of Economic Affairs Industrial Development Bureau iPAS corporate digital talent cultivation pro



R&D award highlights for 2022 were as follows:

Invention awards received in 2022			
Item	Event	Patents	Award
1	2022 Russian Archimedes International Invention Exhibition	A composition for modulation of testosterone and its use	Gold medal
2		Use of Lactobacillus reuteri GKRI for preparing composition of reducing uric acid	Gold medal
3	2022 Malaysia Technology Expo (MTE)	Use of Lignosus rhinocerus mycelia active substance for manufacturing an antiviral composition	Silver medal
4		A Lactobacillus rhamnosus GKLC1, a composition and its use for improving alcoholic injury in liver, stomach and/or intestine	Gold medal
5	2022 International Invention & Innovation Exhibition (ITEX) Malaysia	Use of Cordyceps cicadae mycelium active substance for producing compositions for preventing, delaying, or treating change in anterior/posterior chamber volume, change in vitreous humor, and/or retinal detachment	Bronze medal
6		An active substance of Lactobacillus paracasei GKS6, a composition comprising thereof and its use for promoting longevity	Bronze medal
7	2022 European Exhibition of Creativity and Innovation (EuroInvent) Romania	An active substance of Morchella, its use and a composition thereof for improving the reproductive function	Gold medal/special award
8		Lactobacillus plantarum strain, composition comprising the same, method of producing the same and its use for inhibiting or reducing oral pathogens	Gold medal
9	2022 World Genius Convention Japan	Lactobacillus fermentum GKF3, composition containing the same and its use for improving psychataxia	Gold medal
10		Use of preparing a pharmaceutical composition for improving myelination of central nervous system by Hericium erinaceus mycelia extract	Gold medal
11	2022 America's Science & Invention Expo	Method and composition for preventing, treating or relieving bone diseases	Gold medal/special award
12		An active substance of Morchella, its use and a composition thereof for improving the reproductive function	Gold medal/special award
13	2022 Online Korea World Invention Contest	Active substances of Cordyceps cicadae and its uses in preventing, delaying or treating cataract	Gold medal
14		Lactobacillus brevis GKJOY, composition containing the same and its use for improving psychataxia and promoting nerve function	Gold medal
15	2022 All American DAVINCI International Innovation and Invention Expo	Lactobacillus fermentum GKF3, composition containing the same and its use for improving psychataxia	Gold medal
16		An active substance for preventing hearing loss, method for preparing thereof and pharmaceutical composition	Gold medal

17	2022 International Invention Innovation Competition in Canada (iCAN)	Use of lactic acid bacteria for manufacturing and antiviral composition	Gold medal/special award
18		Use of Phellinus linteus for preparing composition of improving sarcopenia	Gold medal/special award
19	2022 International Invention and Trade Expo London	A Lactobacillus rhamnosus GKLC1, a composition and its use for improving alcoholic injury in liver, stomach and/or intestine	Gold medal/special award
20		Multilayer antioxidant coating lactic acid bacteria (Maoc-Lab) microencapsule	Gold medal/special award
21	2022 Innovation Week in Africa (IWA)	Lactobacillus brevis GKJOY, composition containing the same and its use for improving psychataxia and promoting nerve function	Gold medal
22		Use of lactic acid bacteria for manufacturing and antiviral composition	Gold medal
23	2022 13th IIC International Invention Exhibition	Use of Phellinus linteus for preparing composition of improving sarcopenia	Silver medal
24		Use of preparing a pharmaceutical composition for improving myelination of central nervous system by Hericium erinaceus mycelia extract	Gold medal
25		Use of lactic acid bacteria in improving resistance to enterovirus type 71	Gold medal
26	2022 Hong Kong International Invention and Design Competition	Lactobacillus fermentum GKF3, composition containing the same and its use for improving psychataxia	Gold medal
27		Active substances for the treatment of dementia, preparation methods, pharmaceutical combination, and the preparation methods of the pharmaceutical combination	Gold medal
28	2022 18th Ukraine Innovation Awards	Lactobacillus fermentum GKF3, composition containing the same and its use for improving psychataxia	Gold medal
29		Active substances of Cordyceps cicadae and its uses in preventing, delaying or treating cataract	Gold medal
30	2022 14th International Warsaw Invention Show (IWIS)	An active substance of Lactobacillus paracasei GKS6, a composition comprising thereof and its use for promoting longevity	Gold medal
31		Method and composition for preventing, treating or relieving bone diseases	Gold medal
32	2022 International Invention Show INOVA Croatia	Use of Cordyceps cicadae mycelium active substance for producing compositions for preventing, delaying, or treating change in anterior/posterior chamber volume, change in vitreous humor, and/or retinal detachment	Gold medal/special award
33		Use of lactic acid bacteria in improving resistance to enterovirus type 71	Gold medal/special award

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 2022 include:

- Around 40 industry-academia collaboration projects with the Ministry of Science and Technology, the Council of Agriculture, the Ministry of Education, and colleges and universities
- We currently hold 158 patents; we applied for 27 patents in 2022 and received approval for 34.

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 eight 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 2022, our Longtan Factory produced 49 product items and total production weight reached 94,575 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 Ginseng-Clam Plus B, Snow Brightening Essential Drink, and Tian Qi Maca King, 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, Proteck Stomaker, 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. Our probiotics products were supported by thousands of netizens in the YAHOO! Brand Awards from 2016 to 2022.

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
- ✓ Analyze effects of Phellinus linteus in enhancing sports performance and improving sarcopenia

In 2022, 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
- Gels
- Super mixer granulation (SMG)
- 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 158 patents; we applied for 34 patents in 2022 and received approval for 27.

Patents obtained by Grape King Bio in 2022			
	Patent Title	Country	Patent Number
1	Use of lignosus rhinocerus mycelia active substance for manufacturing an antiviral composition	Taiwan	I754929
2	Bioactive components of phellinus linteus mycelia, method of producing the same and use in preparation antiviral composition including the same	Taiwan	I755725
3	Lactobacillus fermentum GKF3, composition containing the same and its use for improving psychotaxia	USA	US 11,253,556 B2
4	Use of Lactobacillus reuteri GKR1 for preparing composition of reducing uric acid	Japan	7004774
5	Chocolate products containing probiotics	Vietnam	No. 2820
6	Use of lactic acid bacteria for manufacturing and antiviral composition	Taiwan	I757735
7	Method and composition for preventing, treating or relieving bone diseases	Singapore	10201903639T
8	Multilayer antioxidant coating lactic acid bacteria (Maoc-Lab) microencapsule	China	ZL 2020 2 3046313.0
9	Use of cordyceps cicadae mycelium active substances for manufacturing a composition for preventing, postponing or treating changes in the anterior/posterior chamber volume, vitreous humour, and/or retinal detachment	Malaysia	MY-190815-A
10	Lactobacillus fermentum GKF3, composition containing the same and its use for improving psychotaxia	China	ZL 2019 1 1059860.1
11	An active substance of Lactobacillus plantarum GKM3, a composition comprising thereof and its use for promoting longevity	Taiwan	I760548
12	Method for manufacturing and the use of Lignosus rhinocerus mycelia active substance for preventing and/or ameliorating lung injury	Singapore	10201912777U
13	Method of manufacturing and the use of Cordyceps cicadae mycelia active substance for preventing and/or improving acute lung injury	China	ZL 2019 1 0211121.3

14	A lactobacillus plantarum, composition, culturing method and use of decrease uric acid, improvement of allergy and/or decrease blood sugar	China	ZL 2017 1 1372565.2
15	Lactobacillus germ and its exclusion body fat reduce hepatomegaly and anti-inflammatory purposes	China	ZL 2017 1 1372954.5
16	Lactobacillus germ and its reducing blood lipid, liver function index, uric acid and anti-inflammatory purposes	China	ZL 2017 1 1372555.9
17	An active substance of Bifidobacterium lactis GKK2, a composition comprising thereof and its use for promoting longevity	Japan	7060555
18	Use of Phellinus linteus for preparing composition of improving sarcopenia	Taiwan	I766394
19	Edible solution delivery device	Taiwan	M625687
20	Use of preparing a pharmaceutical composition for improving myelination of central nervous system by Hericium erinaceus mycelia extract	Taiwan	I771561
21	Use of morchella active substance (sarcopenia)	Taiwan	I722922
22	Method for manufacturing and the use of Lignosus rhinocerus mycelia active substance for preventing and/or ameliorating lung injury	Taiwan	I774903
23	Method of manufacturing and the use of Cordyceps cicadae mycelia active substance for preventing and/or improving acute lung injury	Canada	Pending
24	An active substance of Bifidobacterium lactis GKK2, a composition comprising thereof and its use for promoting longevity	Malaysia	Pending
25	A use of manufacturing a composition of Lactobacillus paracasei GKS6 for preventing and treating the renal function impairment	Taiwan	I780460
26	A Bifidobacterium lactis GKK2, a composition comprising thereof and its use for improving allergic asthma	Malaysia	MY-192498-A
27	An active substance of Lactobacillus paracasei GKS6, a composition comprising thereof and its use for promoting longevity	Singapore	10201907552T
28	Probiotic composition for stabilizing bladder pressure and reducing frequent urination	Taiwan	Pending
29	Use of Pediococcus pentosaceus GKP4 for preparing oral composition of improving sarcopenia	Taiwan	I783780
30	An active substance of Lactobacillus paracasei GKS6, a composition comprising thereof and its use for promoting longevity	Japan	Pending

31	Use of morchella active substance to improve sarcopenia	Japan	Pending
32	A composition for angiogenesis inhibition and its use	Taiwan	I782862
33	Method for manufacturing and the use of Lignosus rhinocerus mycelia active substance for preventing and/or ameliorating lung injury	Malaysia	Pending
34	Use of Cordyceps cicadae mycelia active substance for preventing or curing macular degeneration	Taiwan	Pending

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

<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 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
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Note: For more information on our patents, please refer to our company website: <https://www.grapeking.com.tw/tw/rd/patent-paper/patent>

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 290 products in 2022.

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 consumers	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"> San Zhi Capsules Coriolus versicolor capsules Ginseng King Essential Drink Clam Essence Antrodia capsules Grape King Bio Double Effect Antrodia King Grape King Bio Double Effect Ganoderma King 	<ul style="list-style-type: none"> Grape King Bio krill oil Three Hypers Capsules Grape King Bio Marigold Lutein Extract Jelly Six Probiotic Capsule Nanto Monascus King Key Maintenance Capsules 	<ul style="list-style-type: none"> Collagen Probiotic High-Fiber Drink Q10 Cranberry Capsules Crystal Gel Pomegranate Collagen Drink Whitening & Sleep Drink Collagen Skin Brightening Powder Pack 	<ul style="list-style-type: none"> Probiotic gummy candies for kids Royal jelly gummy candies for kids Mixed fruit gummy candies for kids Bone growth gummy candies 	<ul style="list-style-type: none"> Grape King Bio Kombucha Double Fiber Drink Sparkling Water with Lactic Acid Lutein Eye Protection Drink Collagen Drink Sleep-Inducing Drink Hair Nourishment Drink 	<ul style="list-style-type: none"> Berry Capsules Sleep-Inducing Capsules Feminine Maintenance Powder Pack Phytosterols Weight Loss Packs Lozenges Water and Cellulite Reduction 		<ul style="list-style-type: none"> Pet Digestion Probiotics Fish Oil Powder for Cats Probiotics Granules for Cats Dog (Oral Health Powder) Dog (Bone and Joint Powder) Cat (Mood Health Powder) 	<ul style="list-style-type: none"> Hyaluronic Acid Moisturizing Essence Placenta Revitalizing Essence Ginkgo Gromwell Essential Oil Placenta Revitalizing & Tightening Essence Blue Copper Peptide Eye Cream Moisturizing and Soothing Essence Cream
New products developed in 2022	13	64	33	9	56	91	0	17	7

In 2022, 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

Due to fluctuating epidemic conditions, we decided not to host an on-site conference for our new products in 2022, instead providing gift bags to all senior executives so they could experience the products and fill out questionnaires. 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

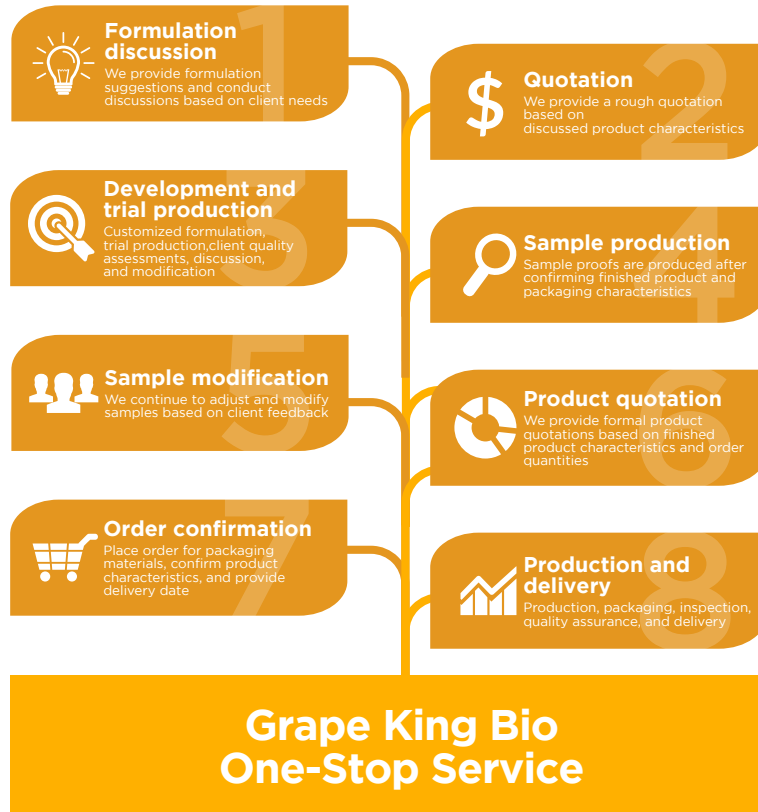
Our direct sales online platform provided contact-free shopping opportunities online during the pandemic. In future, we plan to provide comprehensive and professional health suggestions, gradually strengthen our relationship with our members, and work to become an all-round health care expert.

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).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 290 products in 2022.

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.

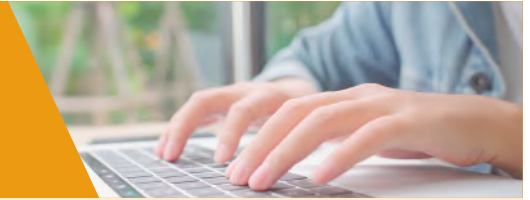


Professional Consulting Services

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.

COLUMN

Grape King Bio Fungi Technologies Targeting Opportunities in the Plant-Based Meat Market



Vegetarianism has become a global trend, and the current vegetarian population in Taiwan has exceeded 3 million people, accounting for 13% of the total population, the second highest in the world. Emerging dietary patterns have triggered a rise in the plant-based meat/meat substitutes market, not only becoming a trend in vegetarian circles, but also attracting many curious carnivores. Consumption volumes are gradually rising at a rate of 15% per year and have attracted entry by many domestic and foreign companies. Grape King Bio has accumulated 30 years of experience in the production of Ganoderma, Cordyceps sinensis, Antrodia cinnamomea, Hericium erinaceus, and other fungal mycelium. We have the largest cutting-edge fermentation production capacity in Taiwan and are targeting market opportunities in plant-based meats.

Taiwan has the second highest vegetarian population in the world. In the past, many vegetarian meats were made using soybean protein. However, Westerners dislike the taste of soybeans, and therefore made meats using peas and wheat protein. During the production process, plant proteins have to be purified, then crushed to create a fiber-like texture. Large amounts of seasonings are used to cover up plant tastes, violating global clean label trends. In recent years, various nations have replaced animal protein with fungal protein to create more healthy and environmentally friendly foods. Previous studies have shown that fungal protein is more beneficial for muscle growth compared to whey protein, and also does not contain cholesterol or trans fats. Steaks made from fungal protein contain one-tenth the amount of fat in a steak made from ground meat, but twice the protein of raw peas and 50% more protein than tofu.

Currently, development of fungal protein requires aseptic culturing in large-scale (50-ton) fermentation tanks. Fungal protein has simple nutritional requirements and can be generated in two days using only inorganic salt and sucrose. Furthermore, mycelium take on the texture of shredded meat without the need for crushing at high temperatures. This not only aligns better with the original aim of plant-based meats (reduce animal feeding, reduce greenhouse effects, and provide alternative proteins for increased populations), but also prevents losses and crop competitions from planting and purifying plant proteins. The American company Meati Foods will launch new plant-based beef and chicken products made from fungal mycelium this summer. Each helping of these fungal meat products contain 50% protein and 50% dietary fiber, as well as half of the recommended daily zinc content required by humans, aiming to provide consumers with a refreshing meat-eating experience.

Grape King Bio uses advanced fermentation technologies and has mastered the same technologies used in the UK to generate *Fusarium venenatum* mycelium. These technologies adhere to domestic regulations, and we expect to commence commercial production at a scale of 50 tons, using special centrifugal technology to obtain mycelium paste which can be directly used to produce artificial meat, reducing the costs required by drying and water soaking processes, making it more competitive. We look forward to working with domestic plant-based meat companies and directly providing them with mycelium needed to make differentiated products, and also do not rule out the possibility of producing vegetarian steaks and meat cubes for sale under private label brands.



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 67 visits for 2,464 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.

Completed safety tests for the following products: Beauty Drink, Bone and Joint King

Completed efficacy tests for the following products: Beauty Drink, Bai Ke Sz capsule, Bone and Joint King (2018)

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.

In 2022, we were invited by the Industrial Technology Research Institute to apply for and execute the Ministry of Economic Affairs Industrial Development Bureau iPAS corporate digital talent cultivation subsidy program, for which we received a subsidy of NT\$3 million to cultivate industrial and corporate transformation food safety personnel, guide students interested in developing careers related to quality assurance in the food industry, enhance our capabilities and pass quality assurance tests for food engineers, and accelerate our progress toward an Industry 4.0 factory. Professional talent from our quality assurance, quality management, R&D, and production units provided one-on-one consultations. We recruited a total of 30 interns from 12 schools, and our student courses all exceeded 380 hours. The average score for student satisfaction surveys exceeded 4.2. Out of these interns, 14 presented their internship achievements as academic posters at the Agricultural Chemical Society of Taiwan and Biotechnology and Biochemical Engineering Society of Taiwan. We awarded 32 Curiosity Awards, 10 interns joined the Taiwan Association for Lactic Acid Bacteria, and 3 interns received letters of recommendation from General Manager Jin-Chu Chen.

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 2022, we published 37 journal papers, 6 conference papers, and 28 conference posters. In 2022, 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 Sustainable Products and Services

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.



3.3.1 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	Ginseng-Clam Plus B	Move Ezii Powder Granules	Imperial Collagen Essence	Tian Qi Maca Essential Drink	Tian Qi Ling Zhi Essential Drink
Product Image							
Target Customers	Blue-collar workers, white-collar workers	Students, white-collar workers	Customers lacking B vitamins and customers wishing to enhance energy metabolism efficiency	Customers lacking calcium	Customers looking to enhance feminine beauty	Customers who wish to enhance physical endurance	Customers who wish to enhance their vitality and physical strength
Nutrients	Inositol, taurine, caffeine, B vitamins, amino acids, minerals	Taurine, caffeine, inositol, Vitamin C, B vitamins	B vitamins, Corbicula fluminea extract, ginseng powder	Undenatured collagen type II, Vitamin D3, calcium, Vitamin K2, soy isoflavones, rooster comb extract (including hyaluronic acid), mogroside extract	Collagen, Vitamin C, pearl powder, yeast extract	Maca extract (6X concentrated), Cnidium monnieri extract, zinc gluconate, L-arginine, guarana extract, tian qi flower and leaf extract, ginseng extract, nicotinamide	Liquid fermented Ganoderma lucidum mycelium, Ganoderma lucidum sporocarp extract
Effects	Boosts energy (only Gold Comebest drinks), nutrient supplementation	Boosts energy, nutrient supplementation	Rapidly boosts physical strength and provides foundational enhancement of vitality	Helps teeth and bone development and maintains agility	Beauty benefits	Boosts physical endurance	Enhance vitality and provides nourishment

Due to customer health considerations, Grape King Bio has reduced sugar usage in some products starting at the product design stages. For example, we use erythritol in Gold Combest Energy Drink to reduce sugar content, and Bone and Joint King uses mogroside extract as a natural sweetener. Additionally, some of our ODM products are made from organic materials with no artificial chemicals, and we are striving to bring more natural and healthy products to our consumers.

Adding functional ingredients to snack foods is currently a popular trend in foreign markets, so we have designed a variety of snacks, beverages, and instant drinks which include functional ingredients to enhance the health of the public, such as the Super Probiotics Milk Cookie, which provides calcium supplements and helps to maintain digestive function; the Marigold Lutein QQ for Kids helps to maintain visual function through gummy candies.

3.3.2 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. Lightweight glass bottles: Our Comebest drinks are packaged in beautiful lightweight bottles of uniform thickness. The thickness of our lightweight bottles is only one-half that of traditional glass bottles, and they are also lighter in weight. The material provides better uniformity while maintaining original safety levels. These bottles have significantly reduced not only our glass usage but also the amount of energy needed for transportation. Aluminum cans: Grape King Bio PowerBOMB Energy Drinks are packaged in aluminum cans as aluminum is a 100% recyclable resource that can be recycled and reused multiple times. We will continue to use lightweight materials to make main product containers and reduce the environmental impact of resource mining.
2. Use of environmentally friendly materials: Currently, all of our products with aluminum foil packaging (which account for 30.98% 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. Starting in 2019, many Grape King Bio products began using recyclable plastic bottles which could be recovered from consumers and sent to local recycling plants for processing and decomposition into plastic pellets supplied to certified contractors for reuse. We require our contractors to provide tracking information on these plastic pellets to ensure that they can be reused by consumers in other forms. In future, Grape King Bio plans to expand the use of recyclable packaging to other products so as to reduce the environmental impact of product packaging.



3.3.3 Innovative Marketing Strategies

In 2022, Taiwan entered the post-pandemic era. Increased public emphasis on immunity, paired with aging societies, lifestyles, and increasing prevalence of chronic diseases, exercise, fitness, self-care, and awareness of other preventive health measures have gained traction, and public lifestyles and consumption habits are gradually changing. Grape King Bio has taken on the role of a health expert. Our professional R&D team developed diverse health products to provide comprehensive care for the public. The current era and growing public awareness of health have resulted in 10% growth for our private label brands.

1. A new take on an enduring classic

Grape King Bio is an industry leader in Taiwan's health food market and has launched many classic bestsellers over the years. In 2022, we enhanced and relaunched our popular classic products. We launched a seasonal and limited edition of our PowerBOMB energy drink in a lychee and sea salt flavor. The trendy packaging featured contrasting pink and blue colors. At the end of the year, we invited SHOU from the popular boyband WOLF(S) to act as our brand ambassador to garner the interest of the younger generation. Our Kombucha Double Fiber Drink received much acclaim in 2021, so we launched a grapefruit and honey flavor this year, which featured a low-sugar, low-calorie formulation

to fulfill consumer health needs. This product was selected as the top functional tea by netizens on the DailyView website, and revenues exceeded NT\$100 million. For those looking to slim down, our Sliim Probiotics King capsules were relaunched with better specifications and obtained a health mark; revenues exceeded NT\$1 million shortly after the product was released, a truly impressive achievement.

2. Co-branding to enhance brand value

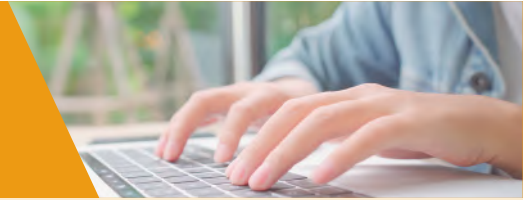
In recent years, Grape King Bio has actively diversified and created the new HDMO (Healthy Dream and Manufacturing Organization) business model in 2022 so that artists, nutritionists, and fitness trainers looking to work in the health foods industry can work with us to develop products. GKLIFESHINE is a new brand Grape King Bio established for the HDMO business model, which focuses on "participation" and "co-creation" as well as innovative and diverse businesses, demonstrating our commitment to press forward in line with environmental trends. In 2022, we worked with Peien Chien, Angus Hsieh, and Lia Kung to develop several products, bringing health food experts together with leaders from different fields to create synergy, expanding our diversifications through the innovative HDMO business model.

3. Social media work-of-mouth and precision marketing (YouTubers, key opinion leaders, and influencers)

In an era where social and digital media are mainstays, precision marketing and word-of-mouth marketing have become even more important. Grape King Bio targeted this marketing model in 2022, using big data analysis to identify potential audiences for delivering brand information, more effective conversion, and identification of appropriate products. Our advertising efficiency increased by 5 times. Due to the rise of social platforms, our consumers are spending more time on social media. We targeted social media leaders, working on promotions with a large amount of artists and KOLs, and even found popular YouTubers to promote PowerBOMB and Kombucha on videos that garnered millions of views and impressions, as well as created positive reviews for our brand.

COLUMN

Bottles of Love



We organized the “Bottles of Love” charity event in 2022. The Environmental Protection Administration sent 200 kilograms of recycled bottles for decomposition into reusable plastic pellets in March. This event featured a recycling campaign which utilized and reused empty bottles, helping consumers meet their daily health needs while encouraging them to take environmental actions in their daily lives. The Grape King Bio private label brand “Bottles of Love” event was organized by the “Grape King Bio Health and Vitality Power Center” and the “Virtual Channel Department” as part of our contribution to environmental health.

For this event, consumers voluntarily mailed empty plastic bottles for Grape King Bio products to the “Virtual Channel Department at our Pingzhen Factory” or personally delivered the bottles to the “Grape King Health and Vitality Power Center.” For every three bottles they recycled, consumers received a NT\$100 coupon for use on orders of NT\$1000 on the Grape King online store and Grape King Health and Vitality Power Center. The Grape King Health and Vitality Power Center also provided 20% discounts on handmade snacks to encourage consumer participation. As of 2022, we have collected a total of 11,404 bottles, and will continue to support consumers in recycling, properly utilizing, and reusing these bottles as part of a green and environmental lifestyle.

Bottles of Love



3.4 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.
”

Vice Division Director of Business Division
Chia-Lun Lin



“
Grape King Bio emphasizes customer trust and utilizes optimized customer service processes in hopes of bringing the best consumer experience to our customers.
”

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"> Ensure service quality through customer interviews and satisfaction surveys following phone support, and include these items in evaluation system to smooth service processes Conduct product refresher training courses led by professional nutritionists to enhance product knowledge Compile frequently asked customer questions and establish a database to ensure consistency and accuracy of service quality Implement a comprehensive customer call management service solution to improve service quality and response efficiency of phone support
	Mid-term	<ul style="list-style-type: none"> 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 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. Establish standard operating procedures and categorization systems for customer complaints to enhance efficiency of crisis management. 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.
	Long-term	<ul style="list-style-type: none"> Establish a complete customer service and nutritionist team to respond to customer service queries and provide comprehensive health, diet, and lifestyle recommendations
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"> ✓ Conducted post-purchase and post-support satisfaction surveys. In 2022, we optimized our system so we could listen to recordings of calls from dissatisfied customers and correct processing methods in future ✓ 2 customer service personnel obtained professional customer service certifications in 2022 ✓ Continued to update our database of frequently asked questions to include professional responses to customer complaints related to quality management ✓ Completed product refresher training courses every 2 months to enhance the professionalism of customer service personnel 	



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.

Investment highlights for 2022:

We now have more than 140,000 members and continue to enhance customer satisfaction over four aspects, including by hiring professional nurses and nutritionists. We hired 1 new nurse and 1 new nutritionist in 2022 and continue to organize monthly product training hosted by nutritionists to enhance our professionalism and quality. We also established standard procedures for responding to customers, which made it possible for us to effectively categorize and manage customer complaints related to color discrepancies and precipitation of black tea powder in our popular Kombucha products. No customer complaints evolved into serious problems. Categorized management made it possible for us to ensure that customer complaints were being simultaneously reported to related units so preparations could be made in advance, preventing customer complaints from becoming more serious. Our satisfaction surveys found that more than 90% of customers were satisfied with our services. The few dissatisfied customers mainly had complaints relating to product quality, such as slippery bottle caps and color discrepancies in products. We provided explanations to our customers, but product optimizations require longer amounts of time, and our customers were disappointed that we were unable to provide fuller explanations on future adjustments. In future, we will continue to establish customer complaint records in accordance with our standard procedures so that our quality management units can understand these issues and ponder improvement methods, as well as provide fuller explanations even for products that cannot be fully adjusted. We have established a comprehensive Q&A database so that full explanations can be provided to similar questions asked in the future.



Results of Customer Satisfaction Surveys

Category	2020 ^{NOTE1}	2021 ^{NOTE2}	2022
Very Satisfied	15%	41%	60%
Satisfied	75%	51%	34%
Acceptable	5%	7%	5%
Not Satisfied	5%	1%	1%
Very Dissatisfied	0%	0%	0%

Note 1: Satisfaction figures calculated from interviews conducted with 40 customer members on satisfaction items.
 Note 2: We collected 1,380 post-purchase responses from our online customers.



3.4.1 Customer Service Processes and Innovations in Marketing Strategies

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	1 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
Conclude cases	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	



Customer complaints in 2022 mainly included questions on gift usage and product functions, and the remainder of questions were mostly related to privacy issues. We have improved the selection and quality of our gifts in response to customer complaints. 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. Our complex systems made it difficult for us to completely remove personal information immediately after our customers requested cessation of information usage. However, we have added a function to immediately cease usage of personal information on our CTI system so we can instantly stop using customer information after receiving relevant requests. 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. 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 preventing repeated customer complaints.

Additionally, a customer to our physical channel complained about purchasing products with shorter validity periods. The products could not be returned as the customer had already opened and used them. The customer was dissatisfied with our service quality and inconsistencies between rules for physical channels and promotional activities. As physical channels carry many items, it is difficult to change rules for product returns. Therefore, customers seeking assistance from physical channels may believe that we are unwilling to handle their complaints. We have therefore made some adjustments to our handling processes: we continue to adhere to channel rules, but will take over complaints from customers dissatisfied by responses from their original purchase channels.

3.4.2 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.

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.

To this end, we established a new customer data platform (CDP) database in 2022 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.



3.4.3 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 2022, 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.

Management Approach	Key issue-Information security management	
Policies	Enhance information security understanding and awareness of all employees	
Commitments	Continue to maintain our ISO27001 Information Security Management System to strengthen corporate information security.	
Targets	Short-term	<ul style="list-style-type: none"> Implement information security inspections as well as technical inspections and repairs Conduct drills of continued corporate operation plans Organize information security training and promotion to strengthen employee awareness
	Mid-term	<ul style="list-style-type: none"> Integrate information security resources to provide corporate trade secrets and assets Enhance system event log visibility to speed responses
	Long-term	<ul style="list-style-type: none"> Establish situation room platform Continue to improve and refine sustainable governance in accordance with the three elements of CIA information security processes
Responsibilities	Total	
Resources	<ul style="list-style-type: none"> Manpower: 3 (Information and Communication Security Department) Remote cloud backups: 156,000 Replacement and maintenance of firewalls: 3.2 million Endpoint management system: 750,000 Server procurement: 800,000 Consultant fees: 166,000 	<ul style="list-style-type: none"> External verification fees: 85,000 Backup authorizations: 285,000 Virus protection system: 218,000 A total of 5.66 million. Systems: Virus protection, endpoint management system Equipment: Servers
Specific performance	<ul style="list-style-type: none"> ✓ Certification, authorization expenses, and equipment investments came to NT\$5.66 million ✓ Periodic internal and external information security audits ✓ Non-periodic information security disseminations and 3 email social engineering drills to strengthen employee responses and awareness of information security risks ✓ One cloud remote backup and recovery test ✓ Convened 1 Information and Personal Information Security Committee meeting 	




No complaints concerning breaches of customer privacy and losses of customer data occurred in 2022. 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.

CH4

Happy Workplace

Target Formulation

	Targets for 2023-2024	Targets for 2025-2026	Targets for 2027 and beyond	Corresponding SDGs
Development of Human Capital	<ul style="list-style-type: none"> 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 Maintain TTQS Silver Award Cultivate 1 person with potential talent in each division and achieve success rates exceeding 80% on this KPI indicator Promotion and implementation of Learning Passports 	<ul style="list-style-type: none"> Establish GKB Learning College (GKBLC) framework Achieve TTQS Gold Award qualification Obtain key talent through cultivation of potential talent and reach achievement rates of 85% or more 	<ul style="list-style-type: none"> Establish GKB Learning College (GKBLC) framework Achieve TTQS Gold Award qualifications Obtain key talent through cultivation of potential talent and reach achievement rates of 85% or more 	
Employee Care, Remuneration, and Benefits	<ul style="list-style-type: none"> Raise employee satisfaction rates to more than 80% Raise EAP satisfaction rates to more than 80% Host 2 EAP lectures a year and achieve satisfaction rates of more than 85% 	<ul style="list-style-type: none"> Raise employee satisfaction rates to more than 85% Maintain EAP satisfaction rates of more than 80% Host 3 EAP lectures a year and achieve satisfaction rates of more than 90% Achieve satisfaction rates of 70-75% for remuneration relative to work 	<ul style="list-style-type: none"> Maintain employee satisfaction rates of more than 85% Raise EAP satisfaction rates to more than 85% Host at least 1 EAP lecture per quarter and achieve satisfaction rates of more than 90% Achieve satisfaction rates of 80% for remuneration relative to work 	
Industrial Safety Management	<ul style="list-style-type: none"> Obtain verification of occupational health and safety management system Establish Grape King Bio occupational health and safety family Establish an elder-friendly workplace environment in response to our aging society, and establish a maternity-friendly workplace environment in response to decreasing birth rates Continue to optimize our occupational health and safety management system 	<ul style="list-style-type: none"> Lower disabling injury frequency rate (Frequency Rate, FR) to 50% than that of our peers Promote and participate in the selection of excellent occupational safety and health units Promote and participate in healthy workplace awards 	<ul style="list-style-type: none"> Set an example of a happy enterprise and become a benchmark of healthy workplaces for SMEs in Taiwan Advance and participate in the Occupational Safety Five-Star Awards: Company Benchmark Award and Occupational Health Special Award Create a work-life-balanced workplace which allows employees to balance family life, physical health, and mental health Achieve no work-related injuries throughout the year (0 occupational hazards) 	

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 Talent Recruitment and Structure

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-Labor 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 talent management policy 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"> • 100% completion of training for prevention of occupational hazards • 100% pass rate for new employees on Code of Ethical Conduct orientation and examinations • We disseminate concepts from our Code of Ethical Conduct to all employees once every year • We maintain a 50:50 gender ratio. • Note: The passing grade for examinations was 100.
	Mid-term <ul style="list-style-type: none"> • Maintain 100% completion rate of training for prevention of occupational hazards • Maintain 100% pass rate for new employees on Code of Ethical Conduct orientation and examinations • Achieve 100% completion and pass rate for annual Code of Ethical Conduct examinations (for section chiefs and higher) • Maintain a gender ratio of 50:50. • Note: The passing grade for examinations was 100.
	Long-term <ul style="list-style-type: none"> • Maintain 100% completion rate of training for prevention of occupational hazards • Maintain 100% pass rate for new employees on Code of Ethical Conduct orientation and examinations • Achieve 100% completion and pass rate for annual Code of Ethical Conduct examinations (for all employees) • Maintain a gender ratio of 50:50. • Note: The passing grade for examinations was 100.
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	Monthly/quarterly human resource reports and human resource improvement program
Specific performance	✓ Continue to promote salon lectures on ethics, use case studies and board games to teach Lawrence Kohlberg’ s stages of moral development, and use systemic ethical philosophies and roleplay scenarios to help our colleagues better understand the concepts and scope of ethics and integrity. In future, we will compile corporate case studies that can be used for teaching materials.

Grape King Bio Human Rights Policy

Respect for human rights is a fundamental value we uphold at Grape King Bio. We formulated our human rights policy following the UN Guiding Principles on Business and Human Rights, and by referencing the Universal Declaration of Human Rights, the United Nations Global Compact, and relevant Taiwanese and Chinese human rights and labor laws. We expect our employees, suppliers, and business partners to abide by these principles. We annually conduct internal audits as well as supplier audits in order to identify and prevent human rights risks to people in our business and supply chains. Our Chairman, General Manager, and Board of Directors are responsible for overseeing our human rights policy and ensuring that it is enforced. (For more information, please refer to our [\[Human Resources Policy\]](#))



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. 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, Declaration of Fundamental Principles and Rights at Work, United Nations Guiding Principles on Business and Human Rights (UNGPs), United Nations Global Compact (UNGC), and other international regulations/standards; as well as local regulations.

We do not employ child labor and pledge to never hire Child Labor under the age of 16. To protect labor and management 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.

Grape King Bio formulates corporate operational 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 2022.

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. 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. We openly promote internal rotations for our employees and adopt rigorous procedures to ensure mutual protection for employees and the Company.

3. Internal referrals

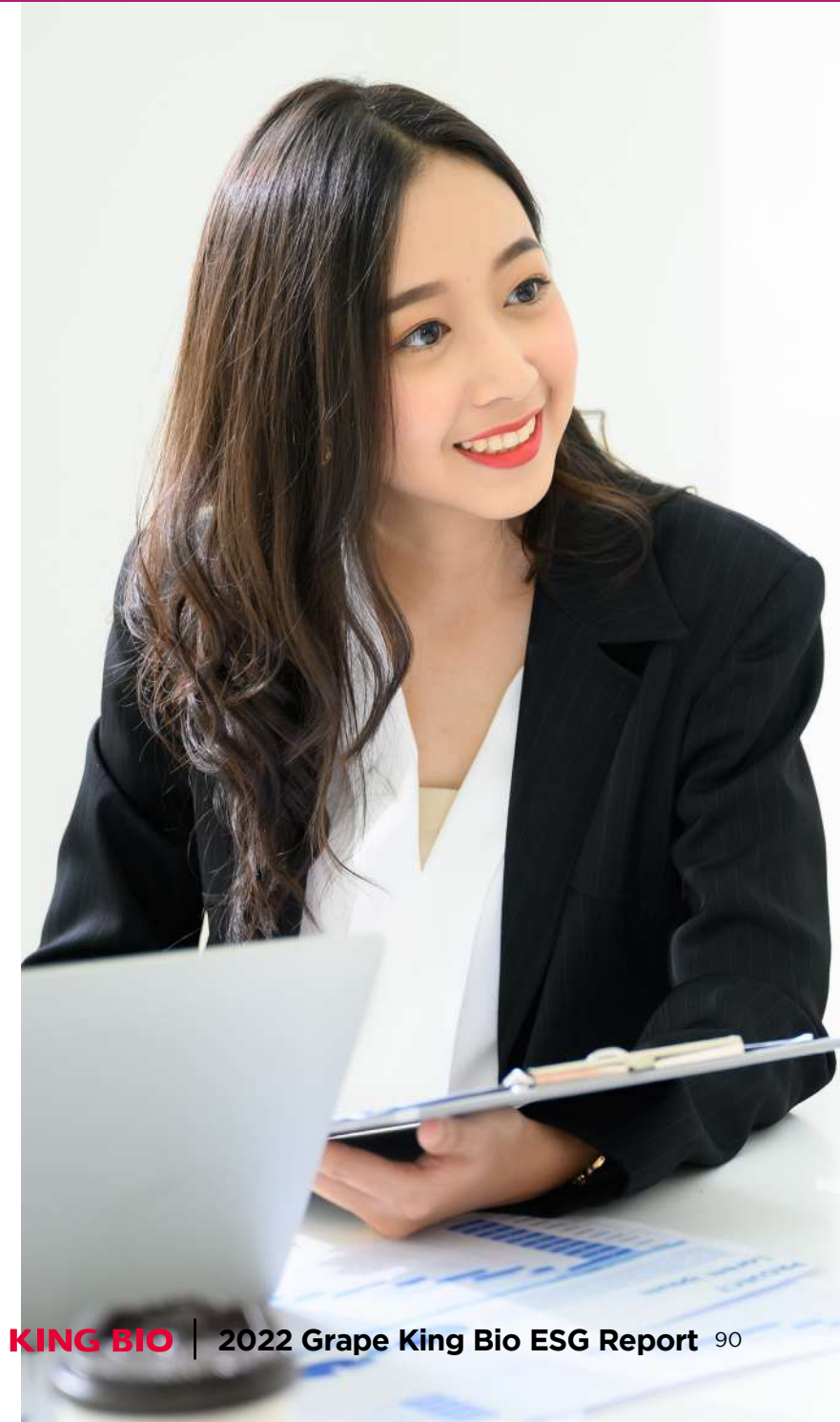
Most candidates referred by our employees exceed average standards; referred candidates are selected through the same fair recruitment and screening processes we use for other candidates to effectively maximize the effects of internal referrals.

4. Active recruitment of talent

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 2022

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)	21	7%	16	5%	304	47.7%	333	52.3%
	Production line workers	109	36%	58	18%				
	Other employees	174	57%	259	77%				
Employment Type	Permanent employees	294	97%	321	96%				
	Temporary employees	10	3%	12	4%				
Contracts Type	Full-time employees,	294	97%	321	96%				
	Part-time employees	0	0%	3	1%				
	Non-guaranteed hours employees	10	3%	9	3%				
Nationality	Local hires	291	96%	318	95%				
	Foreign hires	0	0%	0	0%				
	Foreign nationals(white-collar workers)	1	0%	0	0%				
	Foreign nationals(blue-collar workers)	12	4%	15	5%				

Note: Workers who are not employees at Grape King Bio in 2022 totaled 62 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 2022 was 47.7%:52.3%, and the ratio of new male and female employees for the year was 1:1.17. 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 2022, 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, 111, employment service offices for workers reentering the workforce, and other institutes)
1	19	3	8	5	96

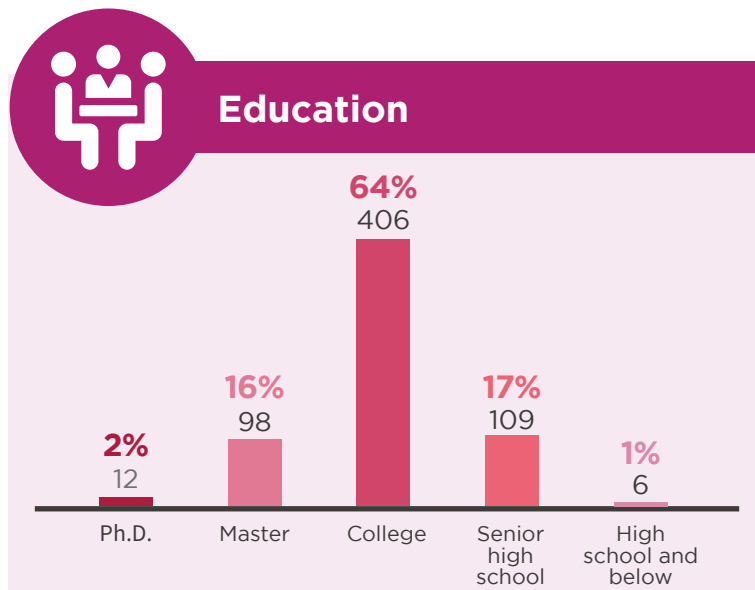
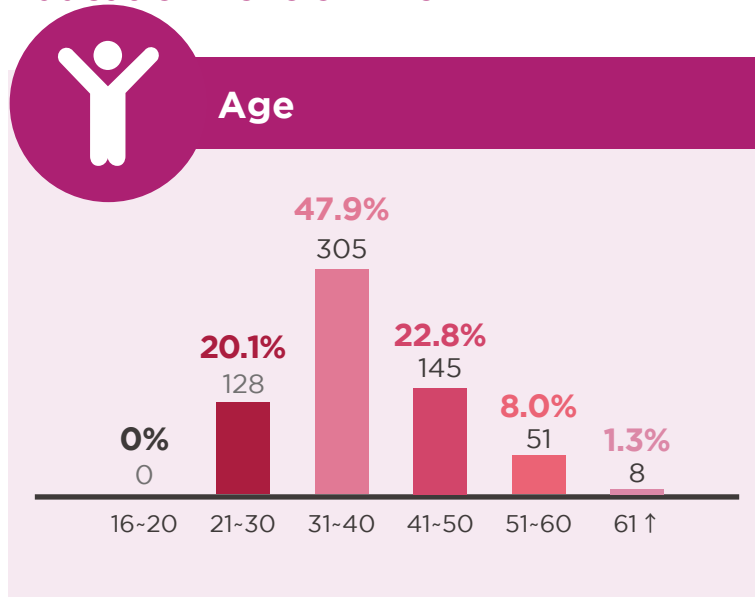
To promote diversity and equality for all employees while protecting the rights and interests of all groups, we have established regulations to protect the rights of the disabled and the working rights of indigenous people. Our external recruitment opportunities include positions for indigenous and disabled candidates, as well as job opportunities for individuals with Down Syndrome from the Chensenwei 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 2022:

Year		2020	2021 ^{Note1}	2022
Total Employees		461	607	637
Indigenous Employees	Number of employees	3	5	6
	Ratio	0.65%	0.8%	0.9%
Disabled Employees	Number of employees	5	6	5
	Ratio	1.08%	1.0%	0.8%

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

Distribution of Employee Age and Education Levels in 2022



Number and Gender Ratio of New and Departing Employees in 2022

Category	Age	Total			
		Male		Female	
		Number of employees	Ratio	Number of employees	Ratio
New Employees	16-20	10	16%	1	1%
	21-30	37	59%	30	43%
	31-40	12	19%	17	25%
	41-50	3	5%	14	20%
	51-60	1	2%	7	10%
	61+	0	0%	0	0%
Total		63	100%	69	100%
Departing Employees	16-20	0	0%	0	0%
	21-30	19	44%	22	32%
	31-40	14	33%	26	38%
	41-50	4	9%	16	24%
	51-60	5	12%	2	3%
	61+	1	2%	2	3%
Total		43	100%	68	100%

Ratios of New Hires and Turnover Rates in 2022

Item	2020	2021	2022
Ratio of new hires	11.71%	20.59%	20.72%
Turnover rate	8.89%	15.98%	17.43%

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]

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.



4.2 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 talent 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.

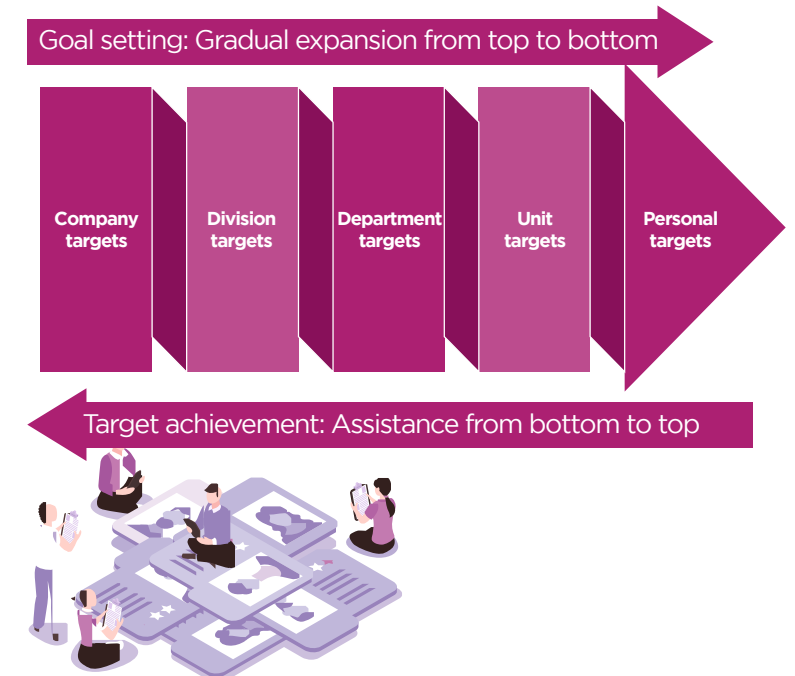
Management Approach	Key issue-Talent attraction and retention	
Policies	Implementation and promotion of “Human Capital Strategic Thinking 3.5” framework Grape King Bio upholds core values relating to “Technology, Health, and Hope” and adopts a people-oriented core strategy. We have incorporated human resource analytics, established and promoted our “Human Capital Strategic Thinking 3.5” framework, and implemented a talent management policy 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"> 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. Maintain TTQS Silver Award. Cultivation of 1 person with potential talent in each division and achieve success rates exceeding 80% on this KPI indicator Promotion and implementation of Learning Passports
	Mid-term	<ul style="list-style-type: none"> Implement GKB Learning College (GKBLC) framework, completing a minimum target of training for one department each year. Maintain TTQS Silver Award and obtain Gold Award Cultivation of 2 people with potential talent in each division and achieve success rates exceeding 80% on this KPI indicator Establish cultivation program for potential and key talent
	Long-term	<ul style="list-style-type: none"> Establish GKB Learning College (GKBLC) framework Maintain TTQS Gold Award qualifications Obtain key talent through cultivation of potential talent and reach achievement rates of 85% or more.
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"> ✓ Obtained TTQS Silver Award qualifications ✓ 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. 	

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.



4.2.1 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

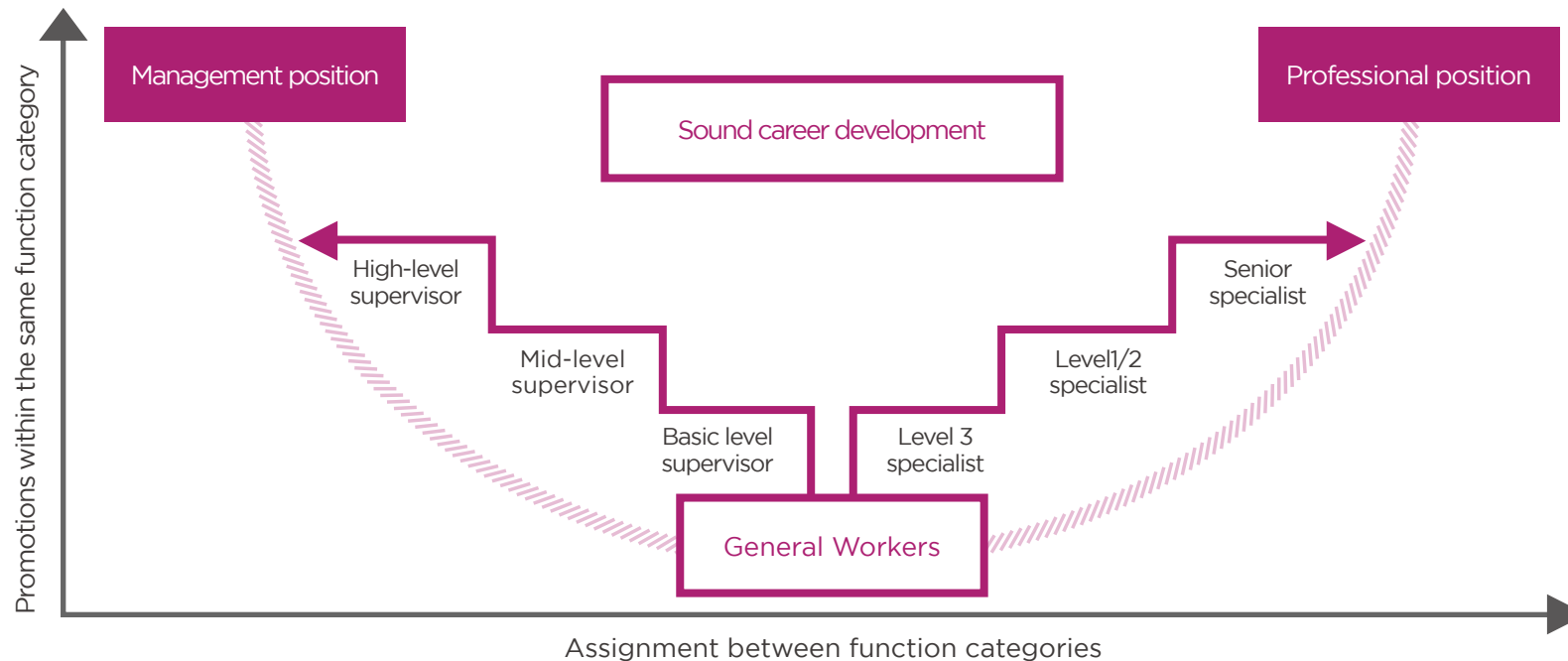
Our employees fall into two main categories: management talent and professional talent. Employees with different talents undergo different types of training under our dual-training program. This enables all of our employees to implement what they have learned. Our dual promotion channels encourage diversified development of talent. When managing talent, 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 base their career development plans 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 2022 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 500 people	Managers, general administrators, and on-site personnel



4.2.2 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 2022

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	2020	2021	2022
Total training expenses	1,153,177	1,885,180	1,071,394
Total training expenses/ Total revenues (%)	0.06%	0.02%	0.01%
Total training hours	9,971	8,066	8,215
Total number of training participants	3,120	2,398	2,749
Training penetration rate (%)	92%	98%	92%
ROI on human capital (Note)	3.7	7.7	8.7

Note 1: ROI on human capital = (Revenues - (operating costs - (salary costs + benefits costs + training costs)) ÷ (salary costs + benefits costs + training costs)
Note 2: Starting from 2022, figures from Pro-Partner were included in calculations.



Training Statistics by Position and Gender in 2022

Item	Employee Type	2022			
		Subtotal		Total	
		Male	Female	Male	Female
Total training hours	Executives (managers and above)	349.8	214.5	3,904	3,285
	Production line workers	1,379.4	573.4		
	Other employees	2,174.8	2,496.9		
Total number of training participants	Executives (managers and above)	81.00	67.00	1,238	1,151
	Production line workers	350.00	202.00		
	Other employees	807.00	882.00		
Training penetration rate	Executives (managers and above)	100%	93%	98.8%	91.0%
	Production line workers	99%	88%		
	Other employees	97%	92%		
Average training hours	Executives (managers and above)	14.58	13.41	15	13
	Production line workers	13.39	8.56		
	Other employees	15	14.52		

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 2021. (Only 5-7% of participating companies receive silver awards.) In 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.

4.3 Employee Compensation, Benefits, and Health Care

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.

4.3.1 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 2022, 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	2019	2020	2021	2022
Salary Standards	Salary levels exceeded 1.5 times industry standards	Salary levels exceeded 1.5 times industry standards	Salary levels exceeded 1.5 times industry 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			

Note: The ratio of the median annual total remuneration increases the percentage of all of the organization's employees in the organization: 0.97% (the highest-paid individual not included)

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:



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 2022

Rank	Female-to-male basic salary ratio	Female-to-male average compensation ratio
Executive Positions	1:1.9	1:2.9
Professional Positions	1:0.9	1:0.9
General Employees	1:1.4	1:1.6

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-Executive Employees	
	2021	2022
Total salaries of all full-time, non-executive employees (A)	276,694,495	333,692,384
Total number of all full-time, non-executive employees (B)	370	410
Average salaries of full-time, non-executive employees (A/B)	747,823	811,904
Median salary	753,834	772,022

Note 1: This figure represents an internal settlement value within the company.



4.3.2 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 2022, we organized bowling tournaments, overseas travel subsidies, and year-end banquet activities. Employee welfare committee expenditures in 2022 amounted to NT\$13,499,992. 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.



4.3.3 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 child(en), 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.

Parental Leave Statistics for the Past Three Years

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

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.

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 2022, we hosted 3 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.



Assessment and Management of Human Rights Risks

Grape King Bio established due diligence procedures for human rights issues in accordance with the spirit of the Responsible Business Alliance (RBA) Code of Conduct. Starting in 2022, we began conducting internal assessments of human rights issues, risk mitigation processes, as well as monitoring and improvement processes.

Due diligence procedures for human rights issues



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 Code 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	Issues of Concern	Identify Risk Sources	Risk Management and Mitigation Measures	Audit/Supervision Frequency
Upstream	A. Suppliers	1. Friendly and safe work environments	1. Work injuries 2. Occupational health and safety	Incorporated “employee health and safety” indicators in supplier sustainability evaluations	Regularly conduct evaluations based on supplier levels
		2. Prohibit use of forced labor	Excessive working hours	1.Random inspections of supplier schedules, overtime, and vacations 2.Suppliers are required to comply with the “Grape King Bio Supplier Code of Conduct” 3.Labor Standards Act disseminations	Initiate surveys for new business opportunities
		3. Prohibition of child labor	Unlawful employment	Review whether illegal Child Labor are being used	
		4. Eliminate illegal discrimination and ensure equality in work opportunities	Unfair treatment during recruitment and promotion processes	Suppliers are required to comply with the “Grape King Bio Supplier Code of Conduct”	
		5. Establish multiple communication channels and report mechanisms	Reporting channels have not been established	Promote Grape King Bio and supplier internal response channels	Routine
	B. Contractors	1. Friendly and safe work environments	1.Work injuries 2.Occupational health and safety	1.Require our vendors to conduct autonomous inspections of work environments 2.Implement on-the-job occupational health and safety training	1. Regular inspections before daily operations 2. Initiate surveys for new business opportunities
Midstream	C. Employees (including employees from M&As and joint ventures)	2. We strive to eliminate violence, harassment, and intimidation in the workplace, and treat our employees with dignity	1.Workplace violence 2.Sexual harassment	Contractors are required to attend Grape King Bio’ s occupational violence prevention team’ s lectures and promotional activities	Invite attendance according to lecture schedules
		3. Establish multiple communication channels and report mechanisms	Reporting channels have not been established	Provide training in safety standards	Annually
	C. Employees (including employees from M&As and joint ventures)	1. Friendly and safe work environments where employees are treated with dignity	1.Work injuries 2.Occupational health and safety	1.Regular autonomous inspections by responsible units 2.Regular random inspections of workplace environments in each region	1. Once a month 2. Irregular monthly inspections
		2. We prohibit any illegal behaviors associated with discrimination, harassment/sexual harassment, workplace violence, or intimidation; provide grievance reporting mechanisms; and appropriately handle various human rights infringements	1.Workplace violence 2.Stalking and harassment 3.Sexual harassment 4.Discrimination 5.Grievance reporting mechanisms for human rights issues	1.Organize courses for “Prevention of workplace violence, discrimination, and sexual harassment” for new employees 2.Implement “Procedures to Prevent Illegal Infringement of Rights when Performing Duties” 3.Disseminations for prevention of workplace violence, dissemination, and harassment/sexual harassment 4.Formulated Procedures to Prevent Illegal Infringement of Rights when Performing Duties 5.Established stakeholder communication section on our corporate website	1. Routine 2.-5. Once a year
		3. Prohibit use of forced labor	Excessive working hours	1.Prevent illegal work schedules and reduce excess working hours by establishing attendance settings on our human resources system 2.Regular inspections of schedules, overtime, and vacations for each department	1. At least twice a year 2.Routine
		4. Prohibition of human trafficking and use of child laborers	1.Involvement in human trafficking 2.Unlawful employment	1.Routine disseminations through internal websites 2.Review employee insurance details (year/month/day of birth)	Routine
		5. Implement diversified employment procedures to ensure equality in work opportunities	1.Unfair treatment during recruitment and promotion processes 2.Equal compensation	1.Routine disseminations through internal websites 2.Prioritize employment of indigenous people, new immigrants, and people with disabilities to ensure equality in work conditions	Quarterly
		6. Enhance employee physical and mental health, and help employees maintain a work-life balance	Employees with poor health	1.Promote our “Health Management Plan” 2.Provide health education 3.Promote “Procedures to Prevent Diseases Caused by Abnormal Workloads” 4.Promote “Procedures for Protection of Maternal Health” 5.Established “Health Management Center”	Quarterly
		7. Provide diverse communication channels and protect freedoms of association to ensure employee interests	1.Lack of diverse communication channels 2.Presence or lack of freedom of association	1.Periodic labor-management meetings 2.Information on our feedback and communications channels are detailed in our work rules 3.Established stakeholder communication section on our corporate website 4.Established procedures for forming employee associations	1. Convened every year 2.-4. Routine
8. Prohibit discrimination and harassment of indigenous people, foreign workers, people with disabilities, and seniors	1.Lack of equality in recruitment and promotion processes 2.Presence or lack of diverse communication channels	1.No differential treatment or work conditions due to race, nationality, age, or disabilities 2.Routine disseminations through internal websites 3.Established stakeholder communication section on our corporate website	Routine		
9. Promote employment of people with disabilities or indigenous people	Refusal to employ specific personnel	1.No differential treatment or work conditions due to race, nationality, age, or disabilities 2.Work with external agencies to provide job opportunities for people with physical or mental disabilities 3.Employ adequate numbers of people with disabilities and indigenous people in accordance with law	1.-2. Routine 3. Once a month		
Downstream	E. Corporate clients and individual consumers	Prohibit any illegal behaviors associated with discrimination, sexual harassment, workplace violence, or intimidation; provide grievance reporting mechanisms; and appropriately handle various human rights infringements	1.Workplace violence 2.Sexual harassment 3.Discrimination 4.Grievance reporting mechanisms for human rights issues	Client accounts and individual consumer accounts are not restricted based on demographic factors such as age or socioeconomic status	Routine
	F. Common items		1.Information security 2.Protection of personal information 3.Leakage of personal information 4.Client privacy rights	1.Implement ISO/IEC 27001 2.Regularly convene Information and Personal Information Security Committee meetings 3.Promote internal and external audit procedures for information security 4.Supplier SCMS platform management 5.Incorporate confidentiality obligations in supplier contracts	Continue to obtain certifications each year Conduct 1 internal audit and 1 external audit each year Aim to achieve zero data leakage incidents

Reduction of Workplace Human Rights Risks

Grape King Bio conducts risk prevention identification and assessment procedures on employees in every department once every three years. 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 2022, we designed and organized exclusive classes to meet the needs of our colleagues at our Taipei Operations Center and Longtan Factory, and hosted lectures related to friendly workplaces, completing a total of 96 hours of training.

Responses to human rights incidents in 2022

In 2022, our human rights due diligence process uncovered an incident at the employee level which violated our prohibition of forced labor. The investigation process and compensation measures was as follows:

Type	Employees
Issues of Concern	Prohibition of forced labor
Identify Risk Sources	Excessive working hours
Risk Management and Mitigation Measures	<ol style="list-style-type: none"> 1. Prevent illegal work schedules and reduce excess working hours by establishing attendance settings on our human resources system 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 with regulations
Description of Violation	<ol style="list-style-type: none"> 1. Did not provide salary payments for rest days in accordance with regulations 2. Extended working hours surpassed the limits set by law 3. Did not schedule a mandatory rest day every seven days
Compensation Measures	<ul style="list-style-type: none"> • Compensation measures <ol style="list-style-type: none"> 1. Hired foreign employees to share current increases in workloads and shift scheduling needs 2. Hire short-term temp personnel to take on temporary tasks and retained outstanding personnel for full-time positions to enhance work efficiency 3. Utilized new human resources system to provide management reminders • Prevention mechanisms <ol style="list-style-type: none"> 1. Starting in 2023, we began utilizing the management mechanisms on our new human resources systems and generated analysis reports that provided reminders for shift scheduling as a prevention measure 2. Further increased personnel quotas and developed more recruitment channels to drive local employment markets and fill capacity needs

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. To date, we have received no grievance reports relating to sexual harassment, and will continue to prevent such incidents from happening. Zero harassment incidents in the workplace occurred over the past three years.



4.3.4 Health Management

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 regard the health of our colleagues as the most important cornerstone

of sustainable operations. We emphasize health management and health promotion in our colleagues, and organize free annual health checks for all employees which include screenings for four types of cancers, ultrasounds, and electrocardiograms. We integrate the results of employee health needs assessment surveys with the results of their health checks and organize one-on-one consultations with doctors to establish comprehensive health service plans as part of our plan to build friendly workplace environments and friendly exercise environments, continue to incorporate healthy living and autonomous health management, build a sustainable and healthy corporate culture, and fulfill our corporate social responsibilities. Our health management and health promotion goals include:

I. Short-term goals

1. Enhance physical fitness and health awareness of employees, employee family members, contractors, and community members
2. Continue to strengthen health management, health promotion, and friendly workplace environments
3. Formed health promotion implementation team to execute health promotion tasks
4. Work with local health care organizations to promote various health promotion tasks
5. Optimized emergency epidemic prevention measures and digital reporting processes in response to the COVID-19 pandemic

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 elder-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 2022, we invested NT\$1,995,094 in employee health management and health promotion, hosting a total of 47 health promotional activities for 3,118 attendees, which garnered average overall satisfaction rates that exceeded 90%. We implemented a variety of epidemic prevention measures in response to the coronavirus pandemic 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.

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. Our HR department 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. The health management centers 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 2022, we conducted re-evaluations on 22 high-risk individuals and excluded them from the suicide risk list. We arranged interviews with occupational doctors for 10 people and continue to conduct irregular follow-ups.
2. **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 changes 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) Organized promotions through online quizzes to help our employees better understand our internal reporting mechanisms and to prevent unlawful infringements. A total of 196 people participated in this event and achieved an average score of 78.57%.

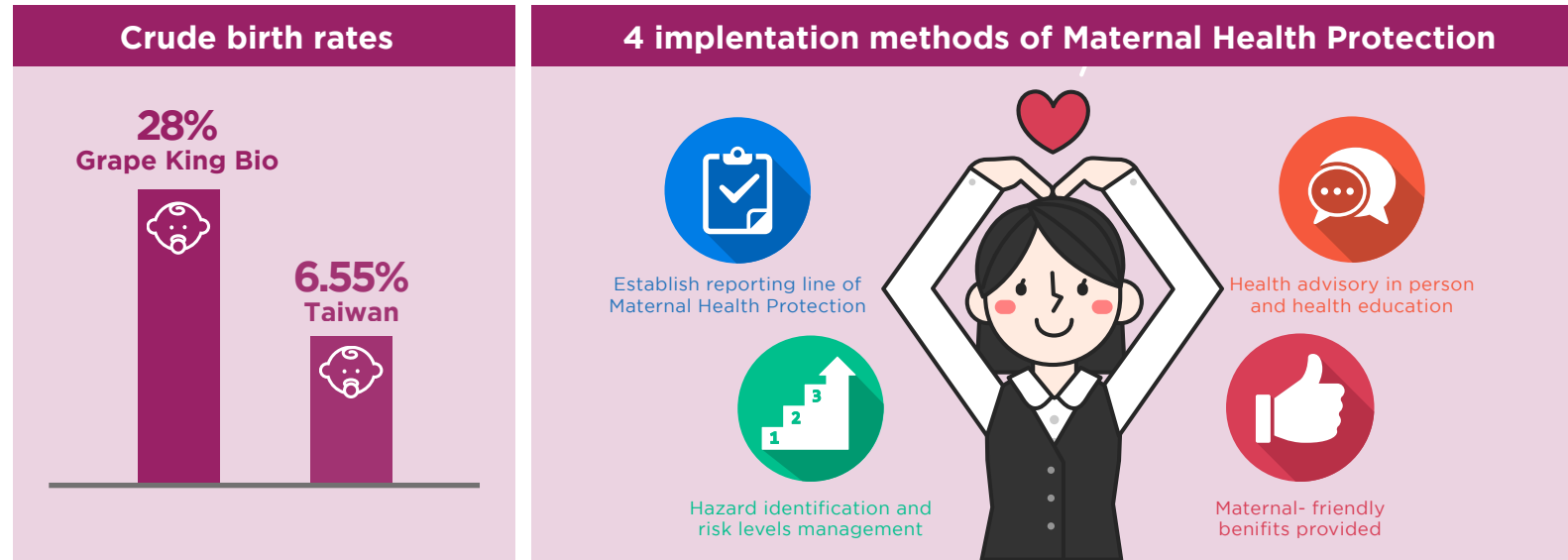
CPR+AED education and training

To enhance first-aid knowledge and skills in our new and existing employees, we obtained AED certification. In 2022, we organized 6 training sessions for 294 attendants and achieved a satisfaction rate of 91.8%. In 2022, we extended AED certification for our Pingzhen, Zhongli, and Longtan factories.



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 63 people and achieved satisfaction rates exceeding 90%. Our implementations include the following:



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

- Heartwarming items: Provided breast milk storage bags and baskets to hold feeding bottles to increase convenience of breastfeeding mothers, achieving satisfaction rates exceeding 90%.
- Pregnant colleagues can apply for maternal health care parking spots (for scooters or cars); this measure achieved a satisfaction rate of 91.6%.
- Created a maternity friendly toilet environment with sitting toilets and handrails to increase the safety and comfort of our pregnant colleagues.

II. Digital online reporting system as well as exclusive pregnancy gifts and greeting cards from our chairman

We provided generous childbirth bonuses and signed contracts with neighboring kindergartens to provide childcare benefits including discounts on registration and childcare fees. The voluntary report rate on our digital online reporting system for pregnancies within 3 months reached 100% and we provide exclusive pregnancy gifts and greeting cards personally signed by our chairman. Since establishing this measure, we have supplied 34 gifts (30 gifts to mothers and 4 gifts to fathers), achieving an overall satisfaction rate of 100%.

III. Received Accredited Healthy Workplace Maternity Health Award from the Ministry of Health and Welfare Health Promotion Administration in 2022

2022 Grape King Bio

Health and Slimming Challenge

Eight of the top ten leading causes of death in Taiwan for 2021 were associated with obesity, including cancer, heart disease, cerebrovascular disease, diabetes, chronic lower respiratory diseases, chronic liver disease, cirrhosis, and chronic kidney disease. Obesity can also lead to other chronic diseases such as osteoarthritis, metabolic syndrome, dyslipidemia, and hypertension. Health check results for 2021 revealed that the BMI abnormality rate at the Company rose by 53% and therefore we continue to optimize “healthy diet management,” “exercise management,” and “cultivation of healthy habits.” We advocate an active lifestyle, discourage sedentary behaviors, and encourage all colleagues to implement healthy weight management plans based on their individual physical conditions. In 2022, a total of 138 people signed up to participate in this program and achieved a total weight reduction of 308.5 kg, a total fat rate reduction of 167.2%, and received total bonuses of NT\$68,000.

Grape King Bio employee care expenditures in 2022			
On-site doctors	183,000	Total	1,995,094
Fitness classes	95,800		
Health checks and vaccines	606,250		
Lectures and courses	8,305		
Medical supplies	14,007		
Other (activities and miscellaneous expenses)	1,087,732		

4.4 Occupational Safety

Industrial Safety
Department Manager
**Chun-Cheng
Chien**



“

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-Occupational health and safety	
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 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 safety and health.	
Targets	Short-term	<ul style="list-style-type: none"> • Obtain Grape King Bio Occupational Health and Safety Family Excellence Award • Obtain recognitions of occupational health and safety performance • Promote healthy physical fitness and activities for employees, family members, and the community • Continue to optimize our occupational health and safety management system
	Mid-term	<ul style="list-style-type: none"> • Lower disabling injury frequency rate (Frequency Rate, FR) to 50% than that of peers • Promote and participate in the selection of excellent occupational safety and health units • Promote and participate in healthy workplace awards
	Long-term	<ul style="list-style-type: none"> • Set an example of a happy enterprise and become a benchmark for healthy workplaces for SMEs in Taiwan • Advance and participate in the Occupational Safety Five-Star Awards: Company Benchmark Award and Occupational Health Special Award • Create a work-life-balanced workplace which allows employees to balance family life, physical health, and mental health • Incur no work-related accidents throughout the year (0 occupational disasters)
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"> ✓ Pingzhen Factory, Zhongli Factory, and Longtan Branch received the AED workplace certification from the Taoyuan City Department of Health in 2022 ✓ Received Accredited Healthy Workplace Maternity Health Award from the Ministry of Health and Welfare Health Promotion Administration in 2022 ✓ Received Gold Pandemic Prevention Award from Taiwan Immunization Vision and Strategy in 2022 ✓ Received Occupational Health and Safety Contribution Award from the Taoyuan City Government ✓ Our Longtan Factory obtained ISO/TOSHMS45001 Occupational Health and Safety certification ✓ Maintained eight consecutive years (2014-2022) without major disasters ✓ Our Pingzhen Factory participated in the zero hazard working hours challenge and achieved 830,000 hours of zero hazard working hours ✓ Received NT\$140,700 subsidy to redesign jobs for middle-aged and aged people 	

4.4.1 Safe and Hygienic Work Environments

The Grape King Bio Occupational Safety Committee convenes once every quarter, and the meeting is chaired by our chairman. We hold “contribute and build a better future for 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.

We incurred no major occupational hazards from 2014 to 2022. Comparisons with the Ministry of Labor’s average industrial frequency-severity indicator indexes for 2018-2020 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.



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. Grape King Bio worked with Taoyuan City Government 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 to effectively reduce occurrence of occupational disasters.

Item/Year	Gender	2021	2022
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	1.16	3.02
	Female	0	0
	Total	1.16	3.02
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	5.25	13
	Female	0	0
	Total	5.25	13
Lost time incident rate (LTIR): = Cases resulting in lost work hours x 200,000 / Total work hours	Male	0.23	0.6
	Female	0	0
	Total	0.23	0.6
Occupational injury rate = Number of recorded occupational injury cases (including occupational disease cases) x 200,000 / Total work hours	Male	0.23	0.6
	Female	0	0
	Total	0.23	0.6
Absence rate = Total days absent / Total workdays x 100%	Male	0.004%	0.01%
	Female	0	0
	Total	0.004%	0.004%

Statistics on work-related injuries in 2022

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	0	0	0	0	0	0	0
Male	3	0	13	3	13	2.6	2.6
Total	3	0	13	3	13	2.6	2.6

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 3 work-related accidents in 2022, including crush injuries, splash injuries, and cuts. Injured colleagues took leave ranging from 1 to 10 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
89	121	124	13

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 2019-2021



1.Risk assessments: Please refer to section 4.4.2

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 communications channels 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.

Temperature (°C)	Remarks
70-85	Temperatures deemed to be at dangerous levels that require checking. If no abnormalities are found, another check should be performed within 7 days.
85-100	Rectifications should be completed within 15 days, and checks should be conducted every 3 days before rectifications are complete. If rectifications are not completed within the given time period, this is considered a significant safety breach.
100-120	Rectifications should be completed within 3 days, and checks should be conducted every day before rectifications are complete. If rectifications are not completed within the given time period, this is considered a major safety breach.
>120	Rectifications should be completed on the same day. If rectifications are not completed within the given time period, this is considered an extreme safety breach.

(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 90 hours of 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 2022, a total of 378 people participated in Grape King Bio's occupational health and safety training, which encompassed 39 course types and a total of 1,856 hours.



Industrial safety of Grape King Bio drivers

Grape King Bio drivers are full-time employees who adhere to reasonable working hours (08:00-17:00) and do not work excess hours. Vehicle inspections are conducted before departure to ensure that they are in good condition, and we also implement regular maintenance to ensure that vehicles operate normally.

Themed activities: Occupational health and safety week activities



4.4.2 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 2022, we implemented 13 management projects and invested an estimated NT\$900,000 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 2022, 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 assessments

Procedures to Prevent Diseases Caused by Abnormal Workloads

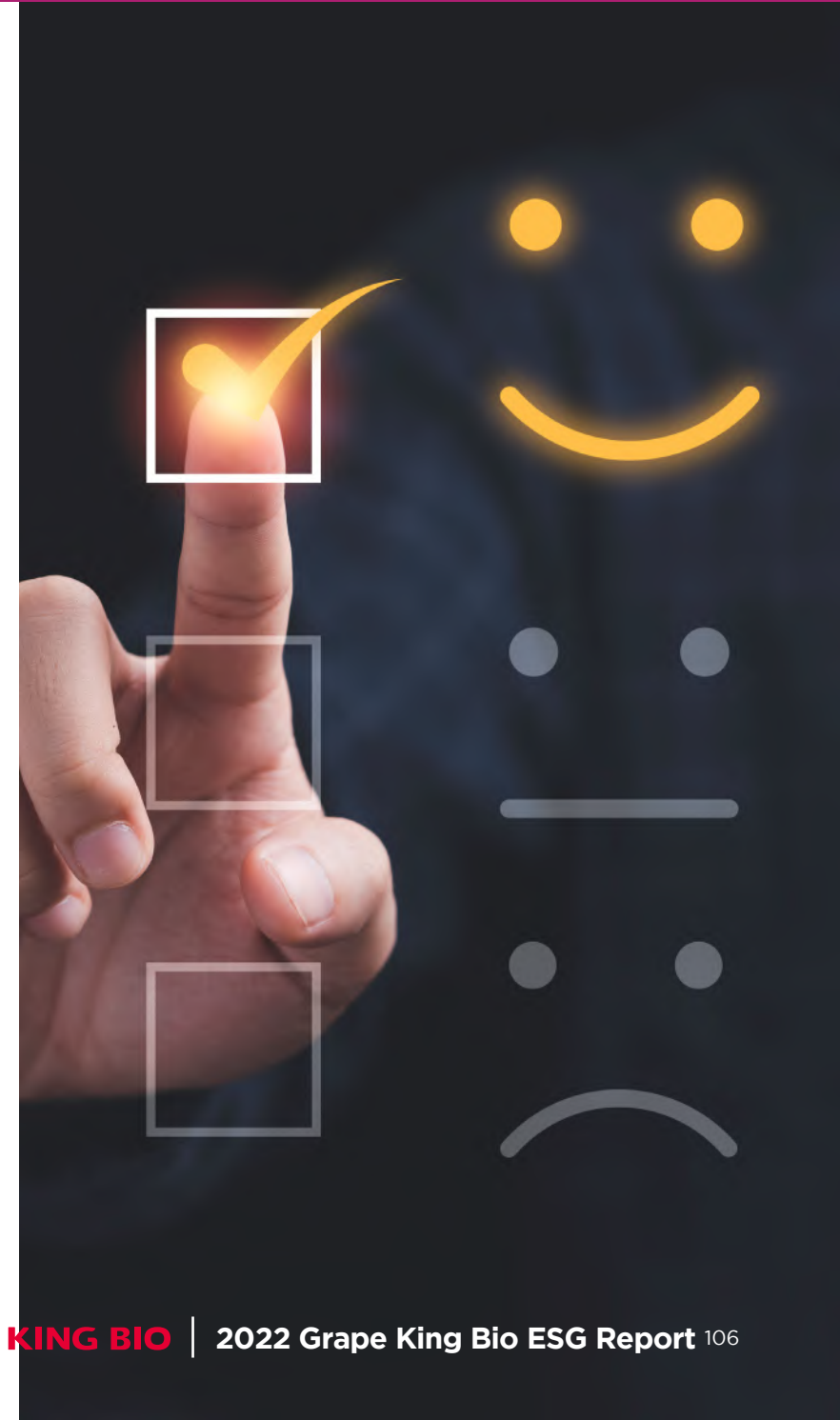
1. Analyzed employee health check information (including questionnaires) and working hours
2. Identified and assessed high-risk groups
3. Provided monthly doctor interviews and health guidance
4. Adjusted or shortened working hours and adjusted work duties
5. General and special health checks
6. Health management and health promotion
7. Performance assessment
8. Improved other health and safety matters

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.

Procedures to Prevent and Manage Human-Induced Hazards (Assessment process for human-induced hazards)

1. Distribute questionnaires
2. Collect questionnaires and conduct statistical analyses
3. Identify medium to high risk hazards
4. Organize on-site operational observations
5. Occupational doctors provide on-site services, inspections, and interviews
6. Assess and identify human-induced hazards using our checklists
7. Propose appropriate improvement measures and suggestions based on assessment results
8. Implement improvement measures and assess performance
9. Organize training courses and disseminations



4.5 Employee Communication

4.5.1 Multiple Communication Channels

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:

1. Announce and explain to employees all benefit measures and retirement systems
2. Announce and explain our behavioral and ethical codes of conduct to employees
3. 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 or our corporate policies 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: employeepinion@grapeking.com.tw

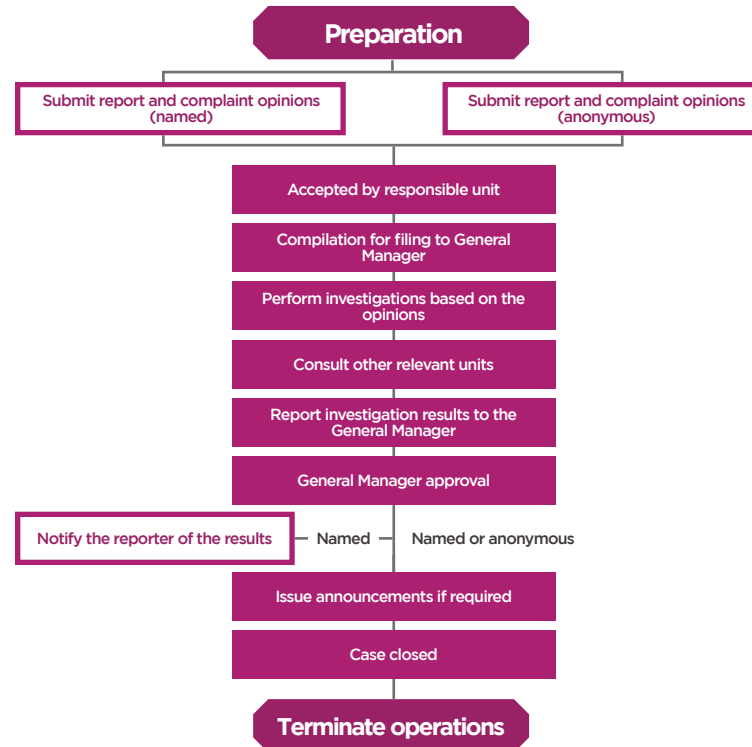
2. Incentive systems:

- (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. One grievance was reported in 2022.

Grievance handling regulations and procedures



2. Strict 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. To date, we have received no grievance reports relating to sexual harassment. We will continue our efforts to prevent such incidents from happening.

3. Periodic labor-management meetings

In 2022, we invited labor-management representatives to conduct a total of 6 labor-management meetings encompassing 100% of all employees. A total of 27 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 2022, 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.

4. 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.

5. 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 2022, we have published 8 online issues, and we continue to use this publication to help our colleagues better understand ESG concepts and our corporate sustainability actions.



4.5.2 Employee Satisfaction

In the third quarter of each year, Grape King Bio distributes anonymous employee questionnaires to survey satisfaction rates on topics such as career development, remuneration, performance management, and human resources systems. 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 2022, more than 90% of our employees participated in our employee satisfaction survey and overall satisfaction scores were 72. Satisfaction scores were highest for the "Ethical value" aspect and lowest for the "Promotion, compensation, and social status" aspect. Because of this, we organized an event to recognize outstanding personnel and provided travel subsidies in 2021. We hope to enhance employee emotions and strengthen employee engagement through public recognition of their performance as we continue to build a happy workplace environment.

Results of the employee satisfaction survey			
Year	2020	2021	2022
All	77.3	75.0 ^{*Note}	72.4
Male	77.3	75.4	72.4
Female	77.3	75.1	72.4
Overall participation rate	93.2%	92.3%	91.6%

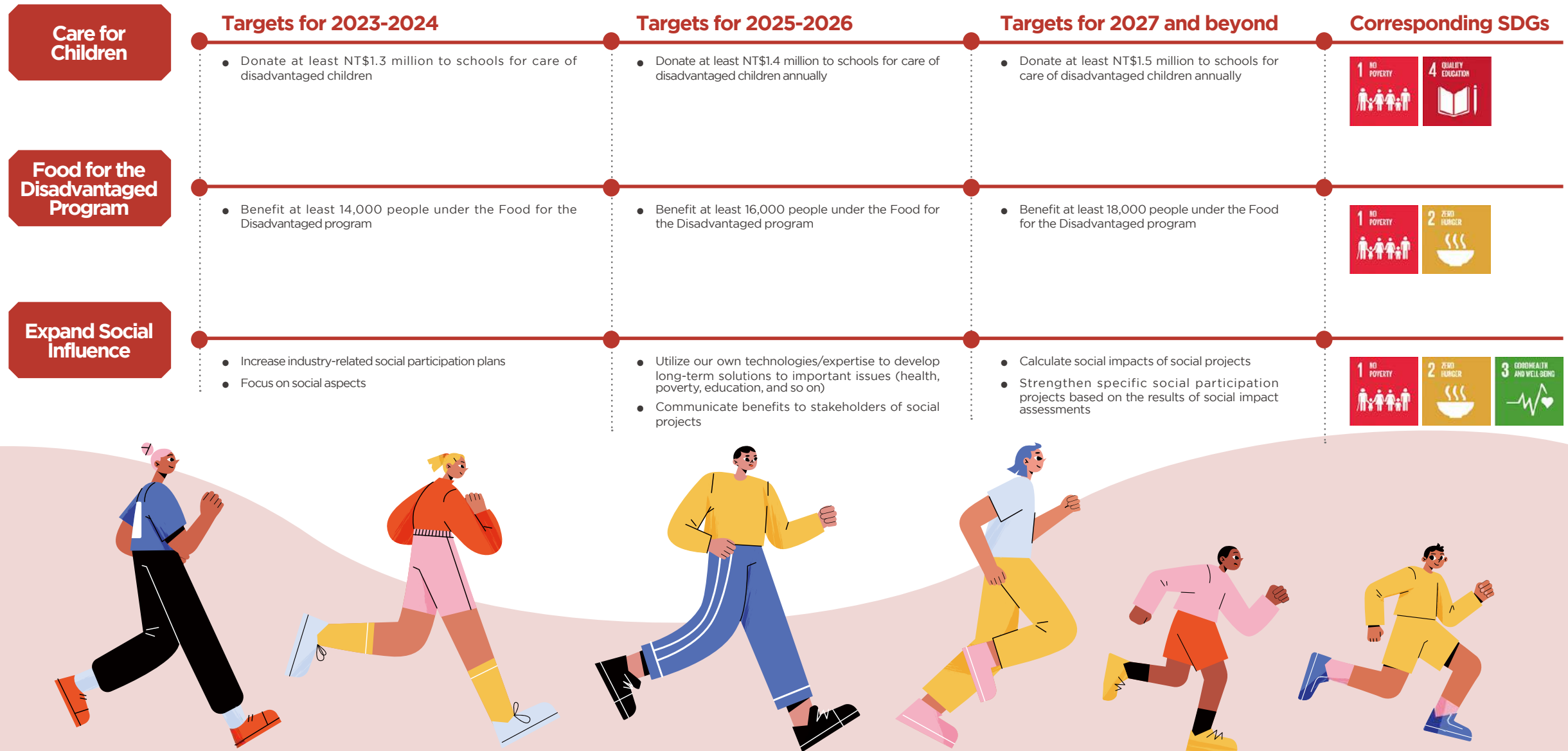
Note: The satisfaction scores for all employees included survey responses that did not specifically indicate the gender of the respondents.



CH5

Social Prosperity

Target Formulation



Local Creations Grape King Bio: Supporting Local Mushroom Industries Through Mushroom Production Wufeng Shiitake Mushroom Support Program



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 are 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 on for generations.

Grape King Bio has long been committed to food safety and quality improvements, and also possesses an abundance of professional talents and knowledge capabilities. In order to gain a comprehensive understanding of the shiitake mushroom industry in Wufeng and provide relevant assistance, Grape King Bio initiated the “Wufeng Shiitake Mushroom Support Program” in 2020. 2022 marks the third year of this program. In future, we plan to continue working with local farmers to support the shiitake mushroom industry.

Year	Approaches	Projects	Performance Summary
2021	Grape King Bio Academy	View and emulate for upgrading the quality	Hold one visit and provide quality tutorship to 20 mushroom farmers
		Tutorship by experts	Help diagnose mushroom farms once, and provide quality tutorship to 3 mushroom farmers Attend one mushroom evaluation contest, and pick top four best quality
	Products Value Recreation	Gift boxes for festivals	Launch 600 boxes
		Agricultural Recreation trip	Participate in one trip
	Campaign video promotion	Publicize on Facebook fan page	Hold a series of marketing activities
		Campaign video	Film a campaign video
2022	Products Value Recreation	Gift boxes for festivals	Launch 500 boxes
	Campaign video promotion	Publicize on Facebook/Instagram fan page	<ul style="list-style-type: none"> Achievement by holding a series of marketing activities: 15% growth in number of followers Number of people reached on fan page : 135,312 people Regular posts on fan page : 20 posts <ul style="list-style-type: none"> Number of liked : 1,002 likes Number of comments : 886 comments Number of shared : 628 times
	Transition plan of Crops	Dried Ganoderma space bag	Complete 150 packs of planting tests Produce 3.5kg of dried Ganoderma All 3 batches of quality inspection are qualified

Our implementations in 2022 encompassed three prongs to guide agricultural transformation of mushroom farmers in Wufeng: Restructuring product values, marketing through videos, and transformation of economic crops. During this period, we invested the resources from 13 professional units and 326 person-hours in this project. We sold 500 co-branded gift boxes through our sales channels, implemented promotional activities on our fan pages, and tested Ganoderma vacuum seal packs. The scope of our project included mushroom farmers, products, and brand image promotions.

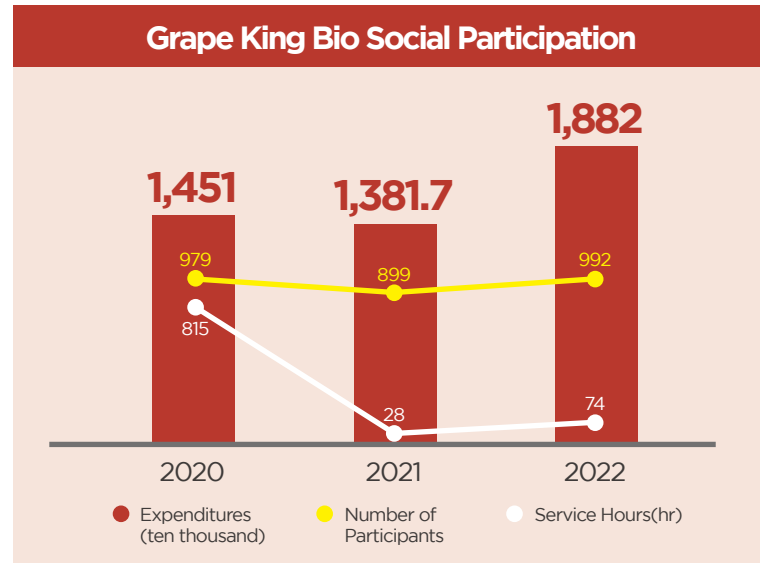
In future, we will continue to support mushroom farmers in Wufeng by effectively using corporate resources and sharing corporate management mechanisms to promote the mushroom industry in Wufeng and build social influence.



詳情可見

Social Inclusion

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 social participation investments for the past three years are shown in the following table:



Note 1: Includes expenditures for donations to government institutions, other clubs, and community charity expenses.
 Note 2: Includes expenses from the Tseng Shui Chao Welfare Charitable Foundation.
 Note 3: Physical activities and service hours were reduced in 2021 due to the pandemic.

Grape King Bio Employee Participation

Grape King Bio is active in social participation 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 992 volunteers and 74 service hours were invested in community investment projects in 2022. All volunteer activities were canceled in 2022 due to the pandemic. Social participation at Grape King Bio falls into five core focuses that form the cornerstone of our fulfillment of corporate social responsibilities.

Our philosophy for social investment: “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. Companionship and assistance to enhance daily living
5. Care for the elderly and emphasize needs of senior citizens

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"> Individuals striving for independence Women and children suffering from trauma Physically or mentally disabled individuals 	The elderly
Assistance Provided	<ul style="list-style-type: none"> Financial support Community sponsorships Scholarship 	<ul style="list-style-type: none"> Long-term provision of local services Support for schools and other institutes Long-term care from volunteer teams 	<ul style="list-style-type: none"> Material and financial donations Meal support and rural companionship 	<ul style="list-style-type: none"> Companionship and respite services Independent living projects 	<ul style="list-style-type: none"> Care for the needs of elders and provide warm companionship Enrich life activities
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 228 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	2020	2021	2022
Winter Vacation	18	20	23
Summer Vacation	42	0	40
During Semesters	28	25	32



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 2022, a total of 126 interns have participated in this program and worked on 23 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 2022:

- ◆ One batch of students
- ◆ Number of interns: 6
- ◆ 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\$6,250,000 as of year-end 2022. 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 2022, we have sponsored a total of 15 high schools and 49 young students, donating a total of NT\$1,860,000 to help disadvantaged students continue to work hard on their studies. In future, we hope to expand our scholarships so that we can also help college students and ensure that talent cultivation is not limited by environmental 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 11 schools from 2013 to 2022, donating a total of NT\$4,074,000. We sponsored the following school clubs in 2022:

- Pingzhen Junior High School orchestra
- Long Xing Junior High School innovation camp
- Zhongli Junior High School social club equipment
- Fu-Fong Junior High School volleyball team
- Ping Hsing Junior High School learning camp
- Lung Gang Elementary School parent-child activities and support program
- Beishi Elementary School food and agriculture club
- Dong An Junior High School and Longtan Junior High School counseling classes



“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 future to bring happiness to these children. We continued to host the Mini Grape Camp in 2022 for a total of 33 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. In 2022, the Grape Volunteer Team temporarily suspended its outdoor activity for children with Down syndrome due to the pandemic. However, after pandemic conditions stabilized at the beginning of the year, we collaborated with Andrew Charity Association to sort and pack food boxes to feed disadvantaged children. The Grape Volunteer Team has organized an annual canvassing event since 2018, but we temporarily suspended canvassing of areas around our Zhongli and Pingzhen factories due to the pandemic. In future, we hope to continue hosting our canvassing events and fulfilling our corporate social responsibilities after pandemic conditions have stabilized.

5.2.2 Community Care

We consider it our responsibility to care for our neighbors. In previous years, we provided sites, manpower, material support, and electricity for physical examinations of residents near our Zhongli Factory to enhance the physical and mental health of residents in order to jointly build harmonious relations and interact with local communities in a positive manner.

Pandemic conditions gradually stabilized in the second half of 2022. We gave seasonal gifts to neighboring residents to create a festive atmosphere, and also resumed our scheduled activities, such as sponsorships of Moon Festival parties for neighboring regions and activities of community development associations to maintain sound interactions and relationships. This year, we resumed hosting blood drives for local residents and, for the first time, collaborated with the Zhenxing Village office to donate items to disadvantaged residents in hopes of expanding our contributions to the community. From an environmental aspect, our factories are located close to residential houses, which can raise different problems for different people depending on their perspectives. Grape King Bio attaches great importance to all reported grievances and works to improve and reduce impacts on surrounding regions to fulfill our corporate social responsibilities to local communities.

In 2022, our expenses for sponsorships and environmental improvement activities came to NT\$1,754,559. Over the past two years, some projects were canceled due to the pandemic. Our investment items and expenditures over the past three years were as follows:



	Item	2020	2021	2022
Sponsorships	Dragon Boat Festival Gifts	454,800	459,600	480,162
	Moon Festival Gifts	409,920	415,800	540,327
	Various Activities	169,950	87,018	251,070
	Multiple Benefits and Care Program	-	2,448,000	-
Zhongli Factory	Zhenxing Village-Moon Festival Cash Gifts	100,000	-	100,000
	Zhenxing Village-Elder’s Day Gifts	-	-	-
	Zhenxing Village-Community Safety	200,000	200,000	200,000
Pingzhen Factory	Beixing Village-Moon Festival Cash Gifts	100,000	-	100,000
	Beixing Village Appreciation Banquet	-	-	-
	Subtotal	1,434,670	3,610,418	1,671,559
	Environmental Improvements	445,483	223,000	83,000
	Total	1,880,153	3,833,418	1,754,559

Environmental improvement investments for local communities:

1. Regular cleaning of ditches around factory areas in Beixing Village.
2. Festival gift-giving activities for surrounding communities.
3. Sponsored walks for the elderly and fun community sports meets for Longxing Village.
4. Zhongli Factory participated in activities to care for the disadvantaged in Zhenxing Village.
5. Sponsored Moon Festival dinner parties in Longxing, Longde, Zhenxing, and Beixing villages.

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 could 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 2022, we have sterilized a total of 1,500 dogs.

2022 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 2022, we have assisted 89 organizations and more than 5,800 people, and donated a total of NT\$6.3 million.

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. We gifted 1,200 handmade flowers and worked with local elementary schools to make donations to students in 44 classes. As of 2022, we have assisted 5 organizations, 185 classes, and 5,505 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 2022, we hosted 2 events in our factories which were attended by 911 people. As of 2022, a total of 2,933 people have participated in this event.

Other local community items in 2022 were as follows:

<p>Sponsored physical examinations Provided site, manpower, material support, and electricity for physical examinations of Zhenxing Village residents near the Zhongli Factory</p>
<p>Blood drives 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 2022, we have cumulatively hosted 11 events attended by 881 employees and local residents, collecting 1,221 bags of blood.</p>
<p>Online charity stalls 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 Ruth Society for Disability Services) to our 3 events.</p>
<p>Spreading love in the community Grape King Bio began purchasing handmade Moon Festival gift boxes from bakeries run by disabled people starting in 2018. We have now worked with 5 associations for disabled people. In 2022, we purchased 200 gift boxes from the Baby Development Center and gave these out to neighboring communities.</p>

Social Risks and Opportunities

In 2022, 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	Impact Level	Likelihood of Occurrence
Noise control and improvements	Noise and odor issues at our Pingzhen 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 for Pingzhen Factory 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 Zhongli 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 Pingzhen 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 may affect residents and create community risks. In 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.

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 2022, we have donated a total of 2,900 food and resource boxes, helped 2,900 families, and assisted 11,600 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 2022, we have assisted 346 students and supplied 12,330 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 2022, we made donations to 25 disadvantaged children in 3 schools and provided 9,125 meals. As of 2022, we have assisted 346 disadvantaged children and supplied 24,820 meals.

5.3.2 Medical and Healthcare Assistance

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 2022, we have assisted 1,780 people.

Monetary donations

Starting in 2017, we began supporting the privately owned Canaan Disability Home in Pingtung County, providing funds to buy daily necessities for severely disabled people. As of 2022, we have assisted 216 people.

Sing Fu Happiness Foundation in Taoyuan City-Meal program for individuals with Down syndrome

We helped to purchase a large fridge to store food at the Foundation so that their Down syndrome residents could enjoy fresh and healthy foods. The fridge was big enough to provide daily meals for 80 Down syndrome residents and 40 foundation employees, enhancing the health and life quality of everyone living at the foundation.

New Dawn Facility-Subsidy program for facilities and equipment

We helped to create a safe, friendly, and loving environment for residents of New Dawn Facility by subsidizing replacements of old and expired fire extinguishers to aid rapid control during the initial stages of a fire, thereby preventing disasters from occurring.

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.

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 2022, we have donated 612 Christmas boxes to 612 people, and purchased facilities and equipment for 18 rural schools.

Companionship for Orphans

In 2022, we supported physical and mental development needs of orphans by cutting down on group activities and educational models, emphasizing personal characteristics and individualized development plans. We renovated old orphanage buildings and gradually created a secondary location for orphanage residents to expand their activity space and increase their future competitiveness. In 2022, we made donations to 25 disadvantaged children in 3 schools and provided 9,125 meals. As of 2022, we have assisted 346 disadvantaged children and supplied 24,820 meals.



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 2020, we have assisted 497 people and supplied 1,851 hours of voluntary service. We temporarily halted “Companionship & Respite” activities in 2022 due to the pandemic and instead donated epidemic prevention materials to disadvantaged people.

Other items related to care for disabled people in 2022 were as follows:

Canaan Disability Home

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 of fruit trees. These patients weeded, plowed soil, applied fertilizer, and achieved green healing by caring for their farms. As of 2022, we have assisted 216 people.

Arts promotion for disabled people

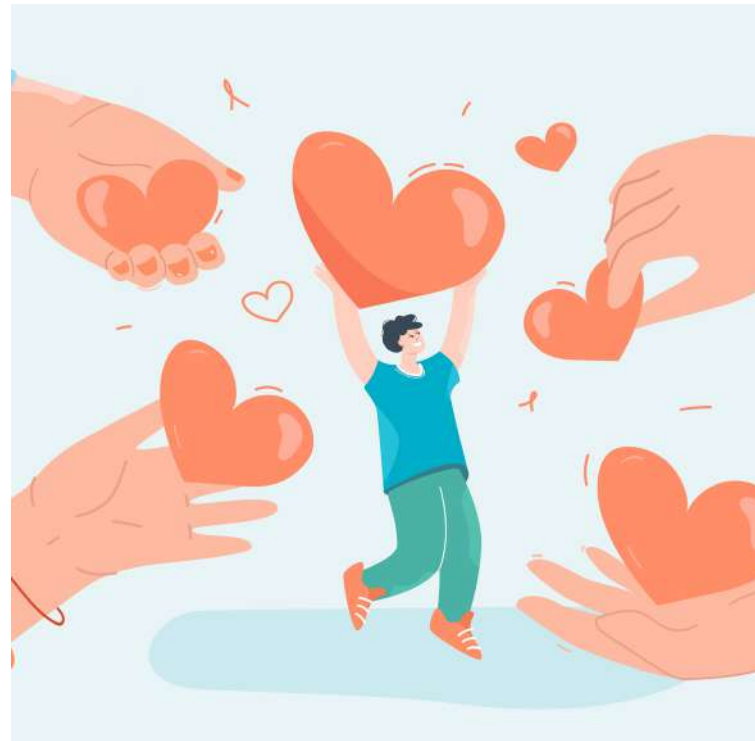
Starting in 2020, Grape King Bio began making donations to the Arts Promotion Association for the Disabled R.O.C. to support accessible arts and provide diversified employment opportunities for disabled people. As of 2022, we have assisted 402 people.

Equipment for care services

In 2022, Grape King Bio worked with the Eden Social Welfare Foundation to purchase white canes for the Visually Impaired Service Department, providing assistive devices for visually impaired individuals. We plan to provide these aids to all visually impaired people in Taoyuan City, and expect to assist 210 people each year.

Diversified Course Program for Babies

Starting in 2021, Grape King Bio began working with the privately owned Taoyuan City Baby Development Center to help disabled children in Taoyuan City access a comprehensive range of resources for special education. We built a team which integrated healthcare, education, social administration, and a multitude of other disciplines so that children under the age of 6 could receive early intervention during this golden period. We hired three professional therapists to provide functional, physical, and language support, as well as individual assessments and professional advice which can help disabled children develop their full potential, align with normal learning tracks, and showcase their own brilliance. As of 2022, we have assisted 80 people.



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 2022, we have assisted 582 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. Additionally, as some children may be facing career planning problems, we arranged for our corporate volunteers to conduct two talks where they shared career information, helping these children better understand related occupations. We temporarily halted our summer growth camps in 2022 due to the pandemic and instead donated epidemic prevention materials to the orphanage. As of 2022, we have assisted 95 people, invested 804 volunteer service hours, and donated NT\$3,380,000.

In 2022, we supported the physical and mental development needs of orphans by cutting down on group activities and educational models, emphasizing personal characteristics and individualized development plans. We renovated old orphanage buildings and gradually created a secondary location for orphanage residents to expand their activity space.

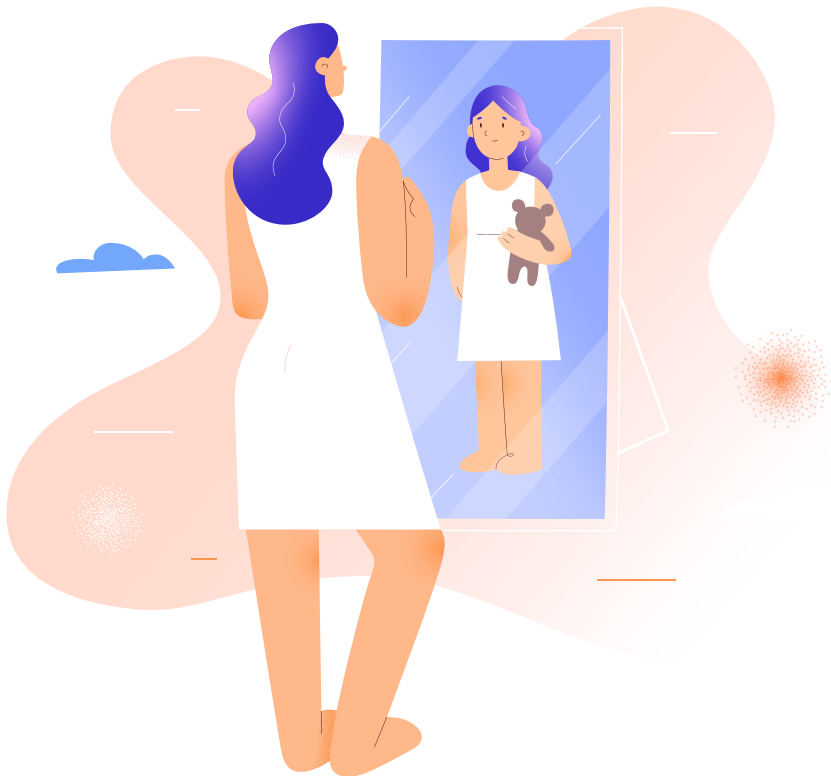
In 2022, we made donations to family planning programs. Social welfare is moving toward smaller institutes, family-style management, and reduction of group activities and education models, emphasizing personal characteristics and individualized development. We are gradually helping Ti-Hwei Children’s Home separate living quarters for boys and girls, as well as educate children separately based on age differences.

disadvantaged schoolchildren, bringing them hope for the future and helping to provide them with daily necessities. As of 2022, we have assisted 582 people.

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 and Garden of Hope 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 2022, we have assisted 461 people. In 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 2022, we have assisted 69 elders and supplied 8,574 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 2022, we have hosted 3 games, assisted 157 people, and invested 152 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 2022, we have assisted 2,124 people, and made cumulative donations of NT\$2.31 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 2022, we have assisted 120 people.






In 2022, Grape King Bio worked with different organizations on the following senior care program:







Senior health program

Starting in 2021, Grape King Bio began working with Double Bliss Welfare and Charity Foundation to provide gym training for frail and demented seniors in the community, helping them to fend off or delay 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 to prevent disabilities and delay dementia.

5.6 Social Participation in Response to the United Nations Sustainable Development Goals (SDGs)

In 2022, we reviewed our social participation 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 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 Nahuy (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.	500,000
 	Care for seniors	Senior Vitality Center 100,000 Meal assistance program 150,000 Seniors baseball league 100,000	In order 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 elderly people 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 aged individuals 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 seniors. Future extensions of this project include development of a mobile application in 2024, promotions in 2025, and competitions in 2026.	350,000
	Care for seniors	Comprehensive and diverse care for seniors project 500,000 Lunar New Year meal assistance 300,000	To provide comprehensive care, companionship, social resources, and community care for seniors living alone, 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. We also 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 seniors living alone with home repairs, solving issues they had in their homes.	400,000
	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.	800,000
	Children	Grape King Bio "Sending Love to Remote Regions" Campus Renovation Project	Shihlei Elementary School is located in the remote mountains of Nahuy and has a high proportions of Atayal tribe members, skipped-generation groups, and low-income groups. As first graders begin living at the school after enrollment, we hoped to improve the quality of student learning environments by waterproofing and fireproofing the metal roofs of school dormitories; strengthening building safety and extending usage periods; and maintaining the integrity, usability, and safety of dormitories, facilities, and equipment so that teachers and students can enjoy better learning environments.	1,100,000
	Children	Grape King Bio "Sending Love to Remote Regions" Campus Renovation Project	Dongguang Elementary School, located in Guanxi (Hsinchu County), wanted to transform unused spaces into the best music and dance classrooms for children, as well as a preparation room and learning center for college students teaching at the school. Raised wooden floors were put in so that the students could have a comfortable, wide, and flat space. Full-length mirrors were also installed on the walls so that students could observe their own dance movements, and the ceiling lights were redesigned to provide balanced lighting for the entire space. The space can also be used to display student work, improve student learning environments and activities, and enable students to enjoy diverse experiences and be fully equipped for the future while learning about gratitude and giving thanks.	
	Children	Grape King Bio "Sending Love to Remote Regions" Campus Renovation Project	(1) Due to space limitations, work areas often have to serve multiple purposes in response to the requirements of sedentary and active activities. Desks and chairs cannot be fixed as they need to be adjusted constantly, so folding chairs and tables are often used. The current desks and chairs have been used for many years. We continue to purchase books and bookcases to create more reading opportunities for children, and use multimedia materials to make reading more diversified and interesting. (2) Established a smart classroom at Jiahe Elementary School. We purchased large LCD screens, washable blackboards, GoPros, webcams, and other equipment which could be linked to existing tablets and computers to form smart learning environments for teachers and students. This equipment enabled teachers and students to immediately find information linked to what they were learning in the classroom and facilitated remote learning.	

SDGs	Issues	Project Titles	Project Description	Grape King Bio Investments
	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.”	500,000
	Ocean conservation	Cetacean stranding rescue van program	We hope to help people from all regions understand marine conservation and protected species through an educational tour that brings people closer to the sea, cultivates a love for the sea, and spurs people into taking practical actions. We plan to host 30 classes on cetaceans and sea turtles in the three cities of Greater Taipei. Additionally, we donated a safe and reliable cetacean and sea turtle rescue van to aid rescue and rehabilitation of beached cetaceans by providing shelter, rehabilitation, and subsequent handling assistance while ensuring the safety of cetaceans, sea turtles, and associated personnel.	400,000
	Biodiversity	Wild animal rescue support program 500,000 Educational corridor exhibits 200,000	(1) We set conservation of wild animals as our core mission and work to promote our goals of ecological conservation, wildlife restoration, environmental protection, and biodiversity through rescue, rehabilitation, release, and professional field investigations as we pursue a balance between conservation and development. 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. (2) We added physical animal specimens, interactive teaching aids, and self-guided teaching aids to expand the target scope of our educational corridor to schoolchildren below high school age, and provided venues for Taitung schools and family support organizations to host environmental educational sessions related to injured wild animals or wildlife conservation. Some specimens or teaching aids can also be lent out to campuses and tribes in remote regions for promotional use.	700,000
 	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 a protector of sustainable climate goals and take actions corresponding to SDG 13 “Climate Action.” We plan to establish exhibition rooms in 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 overseas 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.	500,000
	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 of elementary schools, designs teaching activities, exchanges educational resources, and trains volunteer guides to strengthen environmental education and cultivate relevant sensibilities.	300,000



CH6

Green Environment

Target Formulation

Management of Energy Resources, Process Water, and Wastewater

Targets for 2023-2024

- We set a target electricity saving rate of 1.5% for 2023, which will reduce electricity usage by an estimated 444,753 kWh and carbon emissions by 26,240 kg
- 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
- We plan to install charging stations on parking spaces near the Grape King Bio Tourist Factory; contracts were signed in 2022, and installations are scheduled to be completed in the second quarter of 2023
- Implement ISO14064 greenhouse gas inventories for all factory areas
- Ensure all wastewater is discharged according to legal regulations and voluntarily exceed average Chemical Oxygen Demand (COD) standards for discharged water by 30%
- Reduce composite wastewater discharge volumes by more than 3%
- Actively obtain ISO14001 and other environmental management system verifications

Targets for 2025-2026

- Continue to promote energy and carbon reduction measures, strengthen intensity of energy management, and set a target average electricity saving rate of 1.5%
- Gradually increase usage of green electricity and achieve a target 3-4% of green electricity usage across all three factories
- Assess and plan to recycle and reuse the heat of flash steam in each plant area to increase secondary energy usage
- Ensure all wastewater is discharged according to legal regulations and voluntarily exceed average Chemical Oxygen Demand (COD) standards for discharged water by 35%
- Reduce composite wastewater discharge volumes by more than 5%
- Continue to implement pipeline inspections and increase water recycling programs

Targets for 2027 and beyond

- Continue to promote energy and carbon reduction measures, strengthen intensity of energy management, and set a target average electricity saving rate of 1.8%
- Gradually increase usage of green electricity and achieve a target 5-15% of green electricity usage across all three factories

Corresponding SDGs



RE100

- Grape King Bio's factories in Taiwan achieved 2% renewable energy usage in 2023
- Grape King Bio's factories in Taiwan aim to achieve 3% renewable energy usage in 2024

- Grape King Bio's factories in Taiwan aim to achieve 4% renewable energy usage in 2025
- Grape King Bio's factories in Taiwan aim to achieve 5% renewable energy usage in 2026

- Grape King Bio's factories in Taiwan aim to achieve 15% renewable energy usage in 2030
- Grape King Bio's factories in Taiwan aim to achieve 100% renewable energy usage in 2035



Management of Toxic Substances and Waste

- All waste disposal vendors hold legal licenses
- Audit waste disposal and reuse vendors at least once every year
- Actively obtain ISO14001 and other environmental certifications and environmental management system verifications

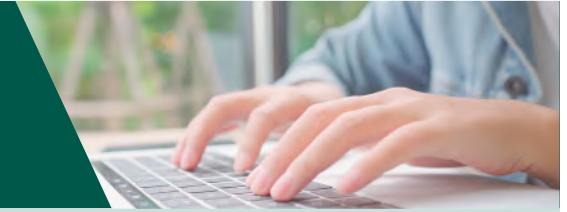
- Reuse food sludge as organic fertilizer and work with recycling vendors to test experimental uses; recycling vendors are currently awaiting environmental approval documentation
- Initiate a new project to assess use of food sludge as renewable fuel
- Aim to reduce domestic waste at all factories by 3%

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



COLUMN

RE100: 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 Carbon Disclosure Project (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 green electricity. 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 300,000 kWh as of November 30.



Environmental Management

Director of
Manufacturing
Division
Yi-Ru Hu



“

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

”

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. We have also developed the following environmental management strategies:

Biodiversity

Formal assessments of potential biodiversity impacts from our operations (including assessments of environmental impacts prior to construction of factories in protected areas)

Local pollution

- Preventive actions in response to emergencies (for example, we installed overfill protection on diesel storage tanks and conduct regular inspections to avoid oil leakages)
- Minimize and reduce odors generated by our operating facilities
- Implement measures to reduce noise pollution (for example, we conduct autonomous noise assessments for our vehicles and production sites each year and adjust vehicle paths and operating times in accordance with the routines of neighboring communities)
- Implement measures to prevent dust and floating particles

Hazardous substances and waste materials

- Preventive actions in response to emergencies (for example, we installed overfill protection on diesel storage tanks and conduct regular inspections to avoid oil leakages)
- Minimize and reduce odors generated by our operating facilities
- Implement measures to reduce noise pollution (for example, we conduct autonomous noise assessments for our vehicles and production sites each year and adjust vehicle paths and operating times in accordance with the routines of neighboring communities)
- Implement measures to prevent dust and floating particles:
 1. Labeling, storage, processing, and transportation of hazardous substances throughout the Company adheres to established procedures: Waste containers and temporary storage areas are labeled in accordance with applicable regulations.
 2. Management of pollutants in exhaust emissions such as VOCs, heavy metals, nitrogen oxides, and sulfur oxides: We use clean energy (natural gas) in our boilers.
 3. Implement measures to reduce exhaust and air pollutants (such as by installing scrubbers and absorption systems): We regularly maintain the wet scrubbers at our wastewater plants.

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



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. Cumulative generated power as of December 31 was 11,183 kWh and carbon emissions were reduced by 5,915 kg, equivalent to the annual electricity usage of three households and the annual carbon absorption capacity of 544 trees.
- In June 2022, we began transferring solar power to our Pingzhen headquarters, and have transferred 300,000 kWh as of November 30, meeting our first target.
- We continue to enhance circular recycling of water resources and accumulated 34,071 tons of ROR recycled water in our three factories as of 2022, reducing carbon emissions by about 5,110 kg, and increasing our water-saving rate by 2.7% compared with 2021.



Grape King Bio has implemented comprehensive environmental protection activities as well as formulated policies and executed practical actions for four main issues (energy and greenhouse gas management, water resource management, waste management, and green products) to build effective green operations. We actively establish sustainable development mechanisms, fulfill our corporate social responsibilities, work to achieve green operations, and make strides toward our sustainable development goals.

Grape King Bio Environmental Program Investments in 2022 (NTD):

Environmental Management Items	Zhongli Factory	Pingzhen Factory	Longtan Branch
Air pollution management costs	49,418	0	359,090
Wastewater management costs	34,520,950	578,438	1,637,415
Waste management costs	6,495,981	1,157,525	5,291,919
Noise management costs	0	0	0
Total	41,066,349	1,735,963	7,288,424

6.1 Management of Energy Resources and Greenhouse Gases

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.

6.1.1 Energy Management Measures

Grape King Bio completed re-evaluations of the ISO 50001 Energy Management System in August 2022 and continues to adhere to the PDCA energy management system in setting an energy-saving target of 1.3% in 2022 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. We have also formulated internal training programs, implemented internal audits and management reviews, as well as compiled regularly updated documentation of internal and external risk issues. We executed the following strategies in 2022:



- We continued to adhere to the PDCA energy management system in setting an energy-saving target of 1.3% in 2022 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.
- 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. Achievements in 2022:
 - (1) Optimized wastewater treatment processes and scheduled chemical treatment systems to achieve energy-saving benefits
 - (2) The T5 lightweight steel lamps used in the storage area of Building A did not provide sufficient illumination and had higher power consumption, so were replaced with LED panel lamps
 - (3) Installed scheduling controls on vertical air conditioners for the general packaging areas on each floor of the Manufacturing Division, saving around 84,057 kWh over the entire year

The following measures were formulated in 2022:

Factory	Measures
Pingzhen Factory	(1) Installed start-stop scheduling controls on vertical air conditioners for packaging areas of the Manufacturing Division, saving 84,057 kWh of electricity (2) Adjusted operation schedules for the chemical treatment systems in wastewater plants, saving 10,370 kWh of electricity (3) Installed energy-saving lighting equipment in the materials area of Building A, saving 4,602 kWh of electricity
Zhongli Factory	(1) Consolidated loading and adjusted scheduling of chilled water systems to enhance operational efficiency of compressors, saving 86,830 kWh of electricity (2) Enhanced efficiency of 200P brine systems on liquid formulation product lines and replaced old systems with high power consumption, saving 69,190 kWh of electricity (3) Adjusted frequency and speed of exhaust fans in wastewater and air pollution scrubbers, saving 27,370 kWh of electricity
Longtan Factory	(1) 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. (2) Adjusted operational schedules of air-conditioners in production line locker rooms and reduced energy consumption of cooling fans, saving 3,886 kWh of electricity (3) Adjusted night operational schedules of outdoor air-conditioners for laboratories on the fourth floor, reducing overall energy consumption of cooling fan motors, humidifiers, and heaters, saving 100,958 kWh of electricity (4) Adjusted outlet pressures of clean water and purified water supply pumps to reduce motor currents, saving 9,076 kWh of electricity

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.

Energy Saving Measures at Wastewater Plants

1. Adjusted operating times of 20HP blowers in wastewater plants. Originally, blowers were shut down at EOD (5pm) Monday to Thursday; shutdown times were changed to EOD Monday to Friday, and blowers were closed all day on Saturdays and Sundays, reducing the electricity required to operate blowers after EOD on work days and all day during holidays. A total of 41,563 kWh of electricity was saved over the entire year. (Pingzhen Factory)
2. Adopted energy conservation and management measures for mobile air compressors in wastewater plants, reducing electricity usage by an estimated 59,918 kWh each year. (Longtan Branch)
3. Actively implemented energy-conserving, carbon-reduction, and water-saving projects, saving 171,581 kWh of electricity and 9,060 cubic meters of water each year. (Zhongli Factory)
4. Gradually adjusted schedules of chemical treatment systems without affecting the quality of discharged water, reducing system operating times by a maximum of 35 hours per week and saving 19,259.2 kWh of electricity over the entire year.



6.1.2 Energy Usage

In 2022, we compiled energy usage data from our Headquarters (Pingzhen Factory), Zhongli Factory, Longtan Branch, 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)		2020	2021	2022 ^{Note1}
Direct energy use	Natural gas energy consumption	19,410	19,477	18,434
	Diesel energy consumption	125	111	76
	Gasoline energy consumption	66	99	178
Indirect energy use	Electric power consumption	28,013	29,541	32,178
	Purchased renewable electric power (Power Purchase Agreement, PPA)	0	0	300
	Renewable energy (electric power) consumption	1	1	12
Total energy consumption		47,615	49,229	51,179

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 2020-2022 are shown below.

Item	Unit	2020	2021	2022
Total energy consumption	GJ	171,317	177,177	184,186
Production weight	kg	4,919,029	5,384,000	7,835,000
Energy intensity	GJ/kg	0.0348	0.0329	0.0235

Greenhouse Gas Emissions

Grape King Bio implemented external ISO 14064-1:2018 inventories for the first time in 2022. The organizational boundaries encompass Grape King Bio's Taipei Operational Headquarters, Pingzhen Factory, Logistics Center, Zhongli Factory, Biotech Research Institute (Longtan Branch), telesales call center, Pro-Partner, and Rivershine Co. Ltd.

Item (Unit: tons CO2e)	2020	2021	2022
Scope 1 ^(Note 1)	3,753.74	3,862.04	5,633.7225
Scope 2 ^(Note 2, Note 4)	14,255.77	14,829.39	16,544.0541
Total	18,009.51	18,691.43	22,177.7766

Note 1: In 2020 and 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 Environmental Protection Administration. The organizational scope of our voluntary inventory conducted in 2020 encompassed Grape King Bio, and 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 2022 referenced the electricity emission factor of 0.509 kg CO2e/kWh released by the Bureau of Energy.

Note 3: Electricity emission factors for 2021 referenced the electricity emission factor of 0.502 kg CO2e/kWh released by the Bureau of Energy.

Note 4: Electricity emission factors for 2020 referenced the electricity emission factor of 0.509 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).

Greenhouse Gas Emissions Intensity

Item	Unit	2020	2021	2022
GHG emissions per unit of revenue	tons CO2 e / tons	1.9643	1.9076	2.1343
GHG emissions per product	tons CO2 e / tons	3.66	3.47	2.83

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. Additionally, we also calculated scope 3 emissions for the first time this year. In future, we will continue to expand inventories of scope 3 emissions and disclosure boundaries.

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 April 2023, we released the details on our [website \(Green Environment: Energy and greenhouse gas management\)](#). Please refer to our corporate website for more information.

6.1.3 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)		
		2020	2021	2022
Particulate contaminants	<30mg/Nm3	-	-	-
Sulfur oxides	<150ppm	-	-	-
Nitrogen oxides	<100ppm	28	24	26
Inspection Items	Standard Range (2022)	Boiler (E002)		
		2020	2021	2022
Particulate contaminants	<30mg/Nm3	-	-	-
Sulfur oxides	<150ppm	-	-	-
Nitrogen oxides	<100ppm	55	52	67

Results of Air Pollution Inspections at Longtan Branch

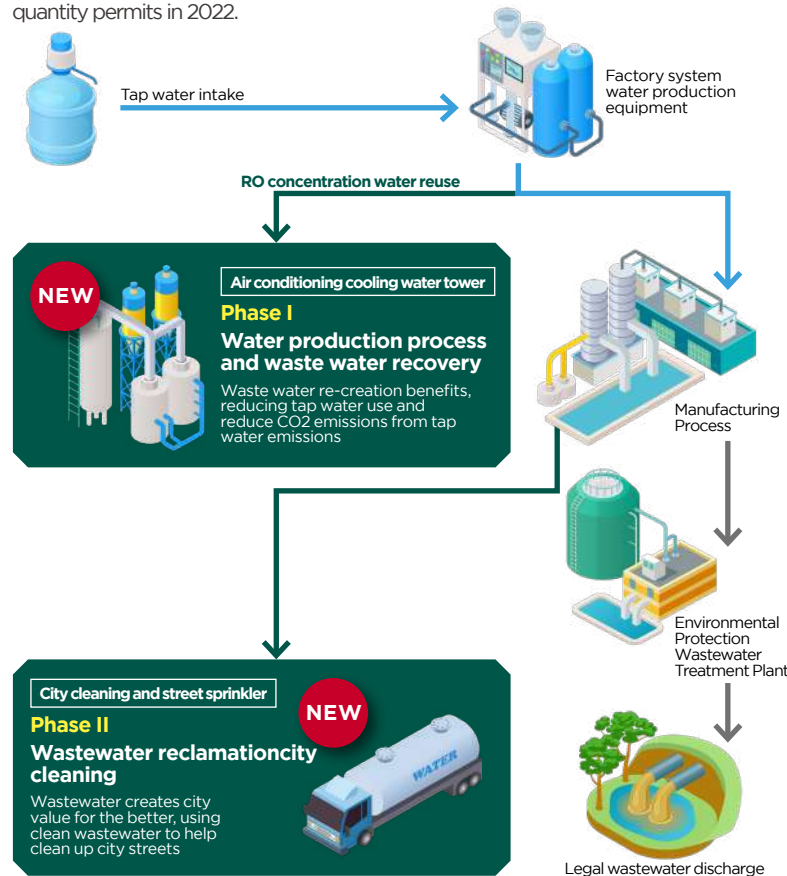
Inspection Items	Standard Range (2022)	Boiler (E001)		
		2020	2021	2022
Particulate contaminants	<30mg/Nm3	-	-	-
Sulfur oxides	<150ppm	-	-	-
Nitrogen oxides	<100ppm	34	37	42

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.



6.2 Management of Water Resources

Taiwan experienced an unprecedented level of drought in recent years. 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 aim to recycle 5,000 tons of process water each year. We recycled 20,121 tons of process water in 2022, and have now cumulatively recycled 34,071 tons. Grape King Bio did not incur any violations of legal standards related to water quality/quantity permits in 2022.



Year	2020	2021	2022		
			Manufacturing sites (Note4)	Office sites (Note5)	
Water withdrawal (million liters) (Note 1)	Groundwater withdrawal (million liters)	66.39	72.00	119.40	0
	Water from third party-Tap water withdrawal (million liters)	258.35	208.43	206.33	12.38
	Total water withdrawal (million liters)	324.74	280.43	338.11	
Discharge amounts (million liters) (Note 2)		263.16	215.84	260.03	NA (Note 6)
Water consumption (million liters) (Note 3)		61.58	64.59	65.70	
Water use intensity (million liters/million dollars in revenue)		0.0354	0.0348	0.0325	
Wastewater disposal intensity (million liters/million dollars in revenue)		0.0287	0.0220	0.0250	

Note 1: All water was sourced from ground water and Water from third party-tap water, and was not taken from any other sources. All the 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 - Discharge amounts
 Note 4: Manufacturing sites included Pingzhen Factory, Zhongli Factory, and Longtan Branch.
 Note 5: Office sites included Logistics center, Taipei Operational Headquarters, Telesales call center, Grapeking Museum, Pro-Partner, and Rivershine Co. Ltd.
 Note 6: Because the discharge amounts of office sites could not be calculated, discharge amounts and water consumption only included Pingzhen Factory, Zhongli Factory, and Longtan Branch.

6.2.1 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

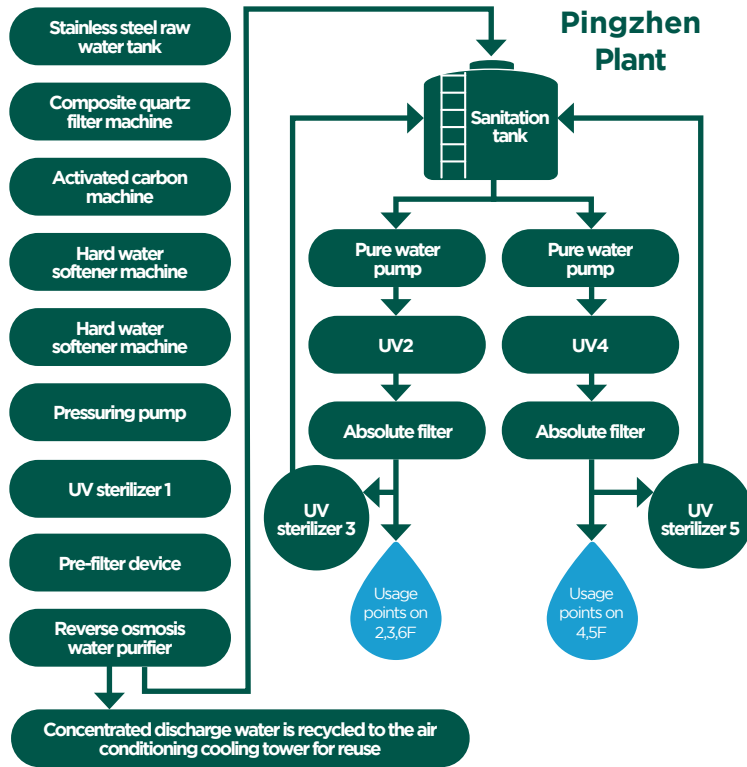
In 2022, Grape King Bio invested NT\$ 400,000 in outsourced water quality inspections. Grape King Bio conducts internal monitoring procedures and also commissions external institutes to conduct periodic water quality inspections. A total of 518 items were inspected internally this year. Quality assurance specialists periodically collect water samples and perform multiple inspection procedures under relevant regulations (please refer to Appendix Table 3 for more information).

6.2.2 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 incurred no violations of environmental protection laws and regulations in 2022. 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 water usage and wastewater volumes.
3. Reusing reclaimed water: Our Pingzhen and Longtan factories are respectively equipped with 690-ton and 400-ton rainwater storage tanks, which provide water not used in production process and which does not come into contact with our personnel.

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	2020(First half)	2020 (Second half)	2021(First half)	2021(Second half)	2022(First half)	2022(Second half)
pH value	6-9	8.2	8.6	8.2	8	7.3	7.5
COD (Chemical oxygen demand)	<100mg/L	43.8	34.3	37.3	15	30.8	67.3
BOD (Biochemical oxygen demand)	<30mg/L	<1	<1	2	<1	2.9	17.5
True color	<400ADMI	50	63	30	35	<25	63
SS (Suspended solids)	<30mg/L	11.7	4.2	13.1	4.2	12.2	18.3
Water temperature	<38°C (May to September) <35°C (October to April)	29.8	28.8	36.7	24.4	28.9	31.9
Free available residual chlorine	<2.0mg/L	0.17	0.08	0.06	0.03	ND	0.03
Coliform levels	<200,000 CFU/100 ml	-	-	-	3,100	-	-
Pingzhen Factory							
Inspection Items	Standard Range	2020(First half)	2020 (Second half)	2021(First half)	2021(Second half)	2022(First half)	2022(Second half)
pH value	6-9	7.7	7.5	7.2	7.5	7.6	8.0
COD (Chemical oxygen demand)	<100mg/L	26.3	22.5	31.8	27	18.2	8.0
BOD (Biochemical oxygen demand)	<30mg/L	10.2	9.2	9.8	8.4	7.4	8.2
True color	<400ADMI	-	-	-	-	-	<1.0
SS (Suspended solids)	<30mg/L	9.2	7.9	9.5	10.9	7.8	<2.5
Water temperature	<38°C (May to September) <35°C (October to April)	29.8	29.9	28.6	27	32.4	28.6
Free available residual chlorine	<2.0mg/L	2.5	3.6	2.4	2.2	<0.5	<0.5
Coliform levels	<200,000 CFU/100 ml	-	-	57,000	310	57000	310
Longtan Factory							
Inspection Items	Standard Range	2020(First half)	2020 (Second half)	2021(First half)	2021(Second half)	2022(First half)	2022(Second half)
pH value	6-9	8.1	8.1	8.2	8.8	7.8	8
COD (Chemical oxygen demand)	<100mg/L	21.2	35.4	4.8	23.1	27.7	19.2
BOD (Biochemical oxygen demand)	<30mg/L	7.7	11.2	29.6	<1	1.5	1.3
True color	<400ADMI	17	81	57	112	69	44
SS (Suspended solids)	<30mg/L	11.1	8.4	2.9	1.4	< 2.5	10.2
Water temperature	<38°C (May to September) <35°C (October to April)	26.4	30.9	34.8	22.9	27.9	28.4
Free available residual chlorine	<2.0mg/L	1.4	1.4	1.3	0.6	< 0.5	0.8
Coliform levels	<200,000 CFU/100 ml	-	-	-	-	-	-



6.3 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. We incurred one regulatory violation incident in 2022 and were fined NT\$ 6,000 due to a violation of Paragraph 2, Article 28 of the Waste Disposal Act. Due to this incident, we hired a new Class B waste disposal technician.

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 1 audit of waste treatment and reuse vendors (Recyigner) and our Pingzhen Factory has completed 4 audits of waste treatment and reuse vendors (Jack, Shimei, Lipu, Xinlong).

Waste disposal amounts for Grape King Bio in 2022 were as follows:

Types and disposal method Unit (ton)		2020	2021	2022
Non-Hazardous Waste	Reuse and recycling	1,008.00	1,517.71	2,407.39
	Incineration	104.13	37.52	112.091
	Landfill disposal	None	None	None
	Other disposal methods (physical treatment)	15.82	40.78	18.93
	Other disposal methods (thermal treatment)	641.43	366.53	276.69
	Total	1,769.38	1,962.54	2,815.101
Hazardous Waste	Reuse and recycling	None	None	None
	Incineration	1.60	7.02	10.81
	Landfill disposal	None	None	None
	Other disposal methods	None	None	None
	Total	1.60	7.02	10.81
Recyclable		194.85	105.47	94.68

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 department collected and temporarily stored 200 kilograms of recycled bottles which are scheduled to be decomposed into reusable plastic pellets in June 2023 for recycling and reuse as part of our environmental protection initiative. (Pingzhen Factory)



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	
NCHU GRAS/Food Grade Heterologous Protein Production Platform	
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
Taiwan Medical Association of Human Nutrition	Grape King Bio is an association member
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
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

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, <i>Staphylococcus aureus</i> , mold and yeast, <i>Candida albicans</i> , <i>Listeria monocytogenes</i>	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	11 items: pH levels, residual chlorine, total hardness, total solids, electrical conductivity, oxidizable substances, chloride, sulfates, ammonia, 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	10 items: pH levels, turbidity, total hardness, total solids, electrical conductivity, oxidizable substances, sulfates, ammonia, aerobic plate count, coliform levels
		Sampling site 6	10 items: pH levels, turbidity, total solids, electrical conductivity, oxidizable substances, chlorine, sulfates, ammonia, aerobic plate count, <i>Escherichia coli</i>
		Sampling site 7	3 items: Total organic carbon, aerobic plate count, coliform levels
Pure water (Usage sites 1-6)	One inspection every two weeks	13 items: Appearance, pH levels, residual chlorine, turbidity, total dissolved solids, total hardness, chloride, nitrate nitrogen, nitrite nitrogen, ammonia nitrogen, aerobic plate count, <i>Escherichia coli</i> , coliform levels	
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 Environmental Protection Administration	

Water for foods-Internal inspection items		
Internal Inspection	Inspection Frequency	Inspection Items
Raw water (Sampling site 1)	One inspection every two weeks	9 items: pH levels, turbidity, residual chlorine, total hardness, total solids, electrical conductivity, chloride, aerobic plate count, <i>Escherichia coli</i>
Water quality system site (Sampling sites 2-7)	One inspection every two weeks	Sampling site 2 Turbidity
		Sampling site 3 Residual chlorine
		Sampling site 4 Residual chlorine
		Sampling site 5 7 items: pH levels, turbidity, total hardness, total solids, electrical conductivity, aerobic plate count, <i>Escherichia coli</i>
Pure water (Usage sites 1-6)	One inspection every two weeks	13 items: Appearance, pH levels, residual chlorine, turbidity, total dissolved solids, total hardness, chloride, nitrate nitrogen, nitrite nitrogen, ammonia nitrogen, aerobic plate count, <i>Escherichia coli</i> , 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 ^{Note1}	Yes	No	No
	ISO 22000:2018 ^{Note5}	Yes	Yes	Yes
	HACCP ^{Note2}	Yes	Yes	Yes
	PIC/S GMP	No	Yes	No
	GDP	Yes	Yes	No
	NSF GMP	Yes	No	No
	TQF ^{Note3}	Yes	No	No
	Halal ^{Note4}	Yes	Yes	Yes
ISO/IEC 7025:2017	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 Mandated by the Taiwan Stock Exchange(TWSE) - 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.	2.3 Food Safety	61	
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 2.3 Food Safety	52 66	
3.	The percentage of the purchased volume in accordance with internationally recognized responsible production standards, categorized by standards.	3.3 Sustainable Products and Services	80	
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.	2.3 Food Safety	63	
5.	The number and percentage of suppliers audited, and the audit items and results.	2.2 Supply Chain Management	60	
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.	2.3 Food Safety	66	
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.	2.3 Food Safety	61	
8.	Total energy consumption, percentage of purchased electricity, and usage rates of renewable energy	Sustainability Accounting Standards Board (SASB) Index	138	
9.	Total water withdrawal and total water consumption	6.2 Management of Water Resources	128	
10.	Weight of sold products and number of production facilities	Sustainability Accounting Standards Board (SASB) Index	140	



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 2022 (from January 1 to December 31, 2022)

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	3	
2-5	External assurance	About this Report Appendix-Independent Assurance Opinion Statement	3/143	
2. Activities and workers				
2-6	Activities, value chain and other business relationships	Introduction to Grape King Bio	10-11	
2-7	Employees	4.1 Talent Recruitment and Structure	91	
2-8	Workers who are not employees	4.3.3 Care for Employees-Risk Assessments and Mitigation Measures for Human Rights Issues	97	
3. Governance				
2-9	Governance structure and composition	2021 Annual Report 2022 Annual Report 1.1 Corporate Governance and Transparency	31	Since Grape King Bio's 2022 ESG report was published before the 2022 annual report, information regarding the company's governance structure and composition can be referred to in the 2021 annual report for now.
2-10	Nomination and selection of the highest governance body	1.1 Corporate Governance and Transparency	32	
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	13 32	
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	13	
2-13	Delegation of responsibility for managing impacts	Introduction to Grape King Bio-ESG Management Structure: Sustainability and ESG Committee	13	

2-14	Role of the highest governance body in sustainability reporting	Introduction to Grape King Bio-ESG Management Structure: Sustainability and ESG Committee Stakeholder Communication and Analysis of Material Themes	13 19	
2-15	Conflicts of interest	1.1 Corporate Governance and Transparency 1.2 Corporate Integrity and Business Ethics	32/37	
2-16	Communication of critical concerns	1.1 Corporate Governance and Transparency 1.2 Corporate Integrity and Business Ethics	32 39	
2-17	Collective knowledge of the highest governance body	1.1 Corporate Governance and Transparency	34	
2-18	Evaluation of the performance of the highest governance body	1.1 Corporate Governance and Transparency	34	
2-19	Remuneration policies	1.1 Corporate Governance and Transparency	35	
2-20	Process to determine remuneration	1.1 Corporate Governance and Transparency	35	
2-21	Annual total compensation ratio	1.1 Corporate Governance and Transparency 4.3.1 Remuneration and Bonuses	35 96	
4. Strategy, policies and practices				
2-22	Statement on sustainable development strategy	A Message from the Chairman Sustainability Strategy: Goals and Commitments	4 7	
2-23	Policy commitments	4.1 Talent Recruitment and Structure-Grape King Bio Human Rights Policy 4.3.3 Care for Employees-Assessment and Management of Human Rights Risks	89 98	
2-24	Embedding policy commitments	4.3.3 Care for Employees-Risk Assessments and Mitigation Measures for Human Rights Issues	98-99	
2-25	Processes to remediate negative impacts	4.5.1 Multiple Communication Channels	107	
2-26	Mechanisms for seeking advice and raising concerns	4.5.1 Multiple Communication Channels	107	
2-27	Compliance with laws and regulations	1.5 Legal Compliance	50-52	
2-28	Membership associations	Table 1. Collaborating Associations	133	
5. Stakeholder engagement				
2-29	Approach to stakeholder engagement	Stakeholder Communication and Analysis of Material Themes	19	
2-30	Collective bargaining agreements	4.5.1 Multiple Communication Channels	107	
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	Stakeholder Communication and Analysis of Material Themes	19	
3-2	List of material topics	Stakeholder Communication and Analysis of Material Themes	21	
3-3	Management of material topics	Impacts of Material Themes and Corporate Responses	22-23	

Disclosure of 9 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 Key Issues	22
	3-2	List of material topics	CH2 Product Liability	55
	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	52
2.Talent Attraction and Retention				
GRI 3	3-1	Process to determine material topics	Stakeholder Communication and Analysis of Key Issues	22
	3-2	List of material topics	4.2 Talent Cultivation and Performance Appraisals	93
	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	4.1 Talent Recruitment and Structure	92
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Talent Cultivation and Performance Appraisals	95
	404-1	Average hours of training per year per employee	4.3 Employee Compensation, Benefits, and Health	96
	405-2	Ratio of basic salary and remuneration of women to men		
3.Legal Compliance				
GRI 3	3-1	Process to determine material topics	Stakeholder Communication and Analysis of Key Issues	22
	3-2	List of material topics	1.5 Legal Compliance	50
	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	6.2 Management of Water Resources 1.5 Legal Compliance	128 52
4.Ethics and Integrity				
GRI 3	3-1	Process to determine material topics	Stakeholder Communication and Analysis of Key Issues	22
	3-2	List of material topics	1.2 Corporate Integrity and Business Ethics	35
	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	35	No incidents of corruption occurred in 2022
5.Corporate Governance and Transparency					
GRI 3	3-1	Process to determine material topics	Stakeholder Communication and Analysis of Key Issues	22	
	3-2	List of material topics	1.1 Corporate Governance and Transparency	30	
	3-3	Management of material topics			
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	1.1 Corporate Governance and Transparency	31	
6.Customer Service					
GRI 3	3-1	Process to determine material topics	Stakeholder Communication and Analysis of Key Issues	22	
	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	3.4.2 Listening to Customer Opinions	85	
			3.4.3 Protection of Customer Privacy and Rights	86	
7.Occupational Health and Safety					
GRI 3	3-1	Process to determine material topics	Stakeholder Communication and Analysis of Key Issues	22	
	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	4.4.1 Safe and Hygienic Work Environments	104	
			4.4.2 Evaluation of Occupational Safety Risks	106	
8.Information Security Management					
GRI 3	3-1	Process to determine material topics	Stakeholder Communication and Analysis of Key Issues	22	
	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	3.4.2 Listening to Customer Opinions	85				
			3.4.3 Protection of Customer Privacy and Rights	86				
9. Labor rights								
GRI 3	3-1 3-2 3-3	Process to determine material topics List of material topics Management of material topics	Stakeholder Communication and Analysis of Key Issues	22				
			GRI 2: General Disclosures 2021	2-23	Policy commitments	4.1 Talent Recruitment and Structure	89	
				2-24	Embedding policy commitments	4.3.3 Care for Employees	98	
Other issues (Assurance has been received on these items)								
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	6.1.2 Energy Usage	127				
GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	6.1.2 Energy Usage	127				
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	4.2.2 Employee Training and Development	95				



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	57
	205-1	Operations assessed for risks related to corruption	1.2 Corporate Integrity and Business Ethics	36
GRI 205: Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	1.2 Corporate Integrity and Business Ethics	38
	205-3	Confirmed incidents of corruption and actions taken	1.2 Corporate Integrity and Business Ethics	36
GRI 302: Energy 2016	302-1	Energy consumption within the organization	6.1.2 Energy Usage	127
	302-3	Energy intensity	6.1.2 Energy Usage	127
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	6.2 Management of Water Resources	128
	303-4	Water discharge	6.2 Management of Water Resources	128
	303-5	Water consumption	6.2 Management of Water Resources	128
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	6.3 Waste Management	131
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	4.1 Talent Recruitment and Structure	90
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	4.1 Talent Recruitment and Structure	90
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.3.3 Care for Employees	99
GRI 413: Local Communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities	5.2.2 Community Care	115

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(m ³)	338,110	
			Total water consumed	Cubic meters(m ³)	65,700	
			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	184,186	
			Percentage grid electricity	Percentage (%)	62.86%	
Percentage renewable			Percentage (%)	0.61%		
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 and Di Kang contained some regulated EU REACH substances. Total revenues of related products in 2022 amounted to NT\$283,733,000.	
		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.	
	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 2022.	
		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 284 Tier 1 food suppliers in 2022. 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)	One product recall incident occurred in 2022. For more information, please refer to "2.3.3 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 2022 amounted to NT\$1,882,988,000.	
		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	(1) Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines	Percentage (%)	1%		
		FB-PF-270a.4	(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 2022, all Grape King Bio and Pro-Partner products were non-genetically modified products, and total revenues were NT\$9,831,090,000.		
		FB-PF-270a.3	Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	Number	2		
		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\$200,000		
Business Models and Innovation	Packaging Lifecycle Management	CG-HP-410a.1 FB-PF-410a.1	(1) Total weight of packaging,	Metric tons (t)	4,350.67		
			(2) percentage made from recycled and/or renewable materials,	Ratio	In 2022, 55.04% of our products used packaging made from 2,394.83 tons of eco-friendly materials.		
			and (3) percentage that is recyclable, reusable, and/or compostable	Ratio	In 2022, 63.83% of our products used packaging made from 2,777.18 tons of recyclable and reusable materials.		
	Environmental & Social Impacts of Palm Oil Supply Chain	CG-HP-430a.1	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 30.98% 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.		
					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%				
	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.		
					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 key 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 80 suppliers. Very few suppliers were unaware of our anti-corruption hotline and related measures, which we will continue to promote.
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 key 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 80 suppliers. Very few suppliers were unaware of our anti-corruption hotline and related measures, which we will continue to promote.				

Category	Disclosed Theme	Code	Accounting Metric	Measurement Unit	Value
Business Models and Innovation	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 80 of our key 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 2022 were 7,864,746 units. Total weight of products sold for 2022 was 17,178.66 tons.
		CG-HP-000.B FB-PF-000.B	Number of manufacturing facilities	Number of factories	3 <small>Note1</small>

Note 1: Only includes factories in Taiwan and does not include our factories in Shanghai.



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	30	
Human rights	Due diligence	4.1 Talent Recruitment and Structure	89	
	Human rights risk situations	4.1 Talent Recruitment and Structure	89	
	Avoidance of complicity-direct, beneficial and silent complicity	1.2 Corporate Integrity and Business Ethics	36	
	Resolving grievances	4.5 Employee Communication	107	
	Discrimination and vulnerable groups	1.2 Corporate Integrity and Business Ethics 4.1 Talent Recruitment and Structure	36 89	
	Civil and political rights	4.5 Employee Communication	107	
	Economic, social and cultural rights	4.3 Employee Compensation, Benefits, and Health	96	
	Fundamental principles and rights at work	4.3 Employee Compensation, Benefits, and Health	96	
	Labour practices	Employment and employment relationships	4.1 Talent Recruitment and Structure	89
Conditions of work and social protection		4.4.1 Safe and Hygienic Work Environments	104	
Social dialogue		Stakeholder Communication and Analysis of Key Issues	19	
Health and safety at work		4.3.4 Health and Safety Management	100	
Human development and training in the workplace		4.3 Employee Compensation, Benefits, and Health	96	

Core Subject	Issue	Corresponding Sections	Page No.	Remarks
The environment	Prevention of pollution	CH6 Green Environment-Environmental Management	124	
	Sustainable resource use	6.2 Management of Water Resources 6.3 Waste Management	128 131	
	Climate change mitigation and adaptation	1.3 Risk Management-Climate Change Risks CH6 Green Environment-Environmental Management	42 124	
	Protection of the environment, biodiversity and restoration of natural habitats	CH6 Green Environment-Environmental Management	124	
Fair operating practices	Anti-corruption	1.2.2 Avoiding Conflicts of Interest and Anti-Corruption	38	
	Responsible political involvement	Appendix Table 1	133	
	Fair competition	1.2.1 Ethical Management and Moral Conduct	36	
	Promoting social responsibility in the value chain	Value Chain	17	
	Respect for property rights	1.5 Legal Compliance	50	
Consumer issues	Fair marketing, factual and unbiased information and fair contractual practices	2.3.3 Product Quality and Safety Inspections-Product Marketing and Promotion Management	64	
	Protecting consumers' health and safety	2.3 Food Safety	61	
	Sustainable consumption	3.3 Sustainable Products and Services	79	
	Consumer service, support, and complaint and dispute resolution	3.4.1 Customer Service Processes and Innovations in Marketing Strategies	84	
	Consumer data protection and privacy	3.4.3 Protection of Customer Privacy and Rights	86	
	Access to essential services	3.4 Customer Service	82	
Education and awareness	3.4.2 Listening to Customer Opinions	85		

Core Subject	Issue	Corresponding Sections	Page No.	Remarks
Community involvement and development	Community involvement	5.2 Community Development	114	
	Education and culture	5.1 Academic Participation	113	
	Employment creation and skills development	5.1.2 Talent Cultivation Program	113	
	Technology development and access	3.1 Innovation Management and Patents	71	
	Health	5.3 Care for the Disadvantaged	116	
	Social investment	CH5 Social Prosperity	109	

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	4.1 Talent Recruitment and Structure	89	
	make sure that they are not complicit in human rights abuses	2.2 Supply Chain Management	58	
Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	4.5 Employee Communication	107	
	the elimination of all forms of forced and compulsory labour;	1.2 Corporate Integrity and Business Ethics 4.4 Occupational Safety	36 103	
	the effective abolition of child labour; and	1.2 Corporate Integrity and Business Ethics	36	
	the elimination of discrimination in respect of employment and occupation.	1.2 Corporate Integrity and Business Ethics 4.1 Talent Recruitment and Structure	36 89	
Environment	Businesses should support a precautionary approach to environmental challenges;	CH6 Green Environment	121	
	undertake initiatives to promote greater environmental responsibility; and	6.1 Management of Energy Resources and Greenhouse Gases 6.2 Management of Water Resources 6.3 Waste Management	126 128 131	
	Encourage the development and diffusion of environmentally friendly technologies	3.3 Sustainable Products and Services	79	
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	38	



Independent Assurance Opinion Statement

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INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

The Board of Directors and Stockholders
Grape King Bio Inc.

We have performed a limited assurance engagement on the selected subject matter information (see Appendix) in the Sustainability Report ("the Report") of Grape King Bio Inc. ("the Company") for the year ended December 31, 2022.

Responsibilities of Management for the Report

Management is responsible for the preparation of the Report in accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and 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 Report that are free from material misstatement.

Auditors' Responsibilities for the Limited Assurance Engagement Performed on the Report

We planned and conducted our work on the selected subject matter information (see Appendix) in the Report in accordance with the Statements of Assurance Engagements Standards No. 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 the preparation, with no material misstatement in all material respects, of the Report. The nature, timing and extent of procedures performed in a limited assurance engagement are different from and more limited than a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We applied professional judgment in the planning and conduct 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:

- Obtaining and reading the Report.
- Inquiring management and personnel involved in the preparation of the Report to understand the policies and procedures for the preparation of the Report.
- Inquiring the personnel responsible for the preparation of the Report to understand the process, controls, and information systems in the preparation of the selected subject matter information.
- Analyzing and examining, on a test basis, the documents and records supporting the selected subject matter information.

- 1 -

Inherent Limitations

The subject information included non-financial information, which was under 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 Controls

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 contains integrity, objectivity, professional competence and due care, confidentiality and professional behavior as the fundamental principles. In addition, the firm applies Statement of Quality Management Standard No. 1 "Quality Management for Public Accounting Firms" issued by the Accounting Research and Development Foundation of the Republic of China and, accordingly, requires to design and implement quality management system, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selected subject matter information in the Report is, in all material respects, not prepared in accordance with the above-mentioned reporting criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied 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

April 14, 2023

Notice to Readers

For the convenience of readers, the independent auditors' limited assurance report and the accompanying summary of selected 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 selected subject matter information shall prevail.

- 2 -



Independent Assurance Opinion Statement

APPENDIX

SUMMARY OF SELECTED SUBJECT MATTER INFORMATION

[Listed companies within the food industry and those prescribed under Subparagraph 2, Paragraph 1, Article 2]

- Assurance Subject Matter: Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 1, Table 1-1
- Descriptions of Indicators

No.	Descriptions of Indicators	Corresponding Section	Applicable Criteria
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	2.3 Food Safety	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 in Pingzhen factory, Zhongli factory and Longtan branch.
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 2.3 Food Safety	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 in Pingzhen factory, Zhongli factory and Longtan branch.
3.	The percentage of the purchased volume in accordance with internationally recognized responsible production standards, categorized by standards	3.3 Sustainable Products and Services	The percentage of green paper pulp material certified by the Forest Stewardship Council (FSC TM) used in the production of the aluminium foil packing in Pro-Partner Co., Ltd.
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	2.3 Food Safety	The percentage of products manufactured by Pingzhen factory, Zhongli factory and Longtan branch certified by an independent third party according to internationally recognized food safety management system standards.
5.	The number and percentage of suppliers audited, and the audit items and results	2.2 Supply Chain Management	The number and percentage of suppliers audited, and the audit items and results in Pingzhen factory, Zhongli factory and Longtan branch.

- 3 -

No.	Descriptions of Indicators	Corresponding Section	Applicable Criteria
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	2.3 Food Safety	The products produced by the six food production lines in Pingzhen Jinling factory and Zhongli Longgang factory that can be traced and tracked and the percentage of all products involved.
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	2.3 Food Safety	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 in Pingzhen factory, Zhongli factory and Longtan branch.
8.	Total energy consumption, percentage of purchased electricity, and usage rates of renewable energy	Sustainability Accounting Standards Board (SASB) Index	The total energy consumption, percentage of purchased electricity, and usage rates of renewable energy in Grape King Bio Inc., Pro-Partner Co., Ltd. and Rivershine Co. Ltd.
9.	Total water withdrawal and total water consumption	6.2 Management of Water Resources	The total water withdrawal of Grape King Bio Inc., Pro-Partner Co., Ltd. and Rivershine Co. Ltd. And the total water consumption of Pingzhen factory, Zhongli factory and Longtan branch.
10.	Weight of sold products and number of production facilities	Sustainability Accounting Standards Board (SASB) Index	The weight of sold products and number of production facilities in Grape King Bio Inc., Pro-Partner Co., Ltd. and Rivershine Co. Ltd.

[GRI Standards]

- Assurance Subject Matter: GRI Standards
- Descriptions of Indicators

GRI Standards No.	Descriptions of Indicators	Corresponding Section	Applicable Criteria
GRI 305-1:2016	Direct (Scope 1) GHG emissions	6.1.2 Energy Usage	Direct (Scope 1) GHG emissions of Grape King Bio Inc., Pro-Partner Co., Ltd. and Rivershine Co. Ltd.
GRI 305-2:2016	Energy indirect (Scope 2) GHG emissions	6.1.2 Energy Usage	Energy indirect (Scope 2) GHG emissions of Grape King Bio Inc., Pro-Partner Co., Ltd. and Rivershine Co. Ltd.
GRI 404-1:2016	Average hours of training per year per employee	4.2.2 Employee Training and Development	The average training hours received by Grape King Bio Inc., Pro-Partner Co., Ltd. and Rivershine Co. Ltd. employees based on gender and employee category (manager level and above, production line personnel, and others).

- 4 -



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