



TAIWAN SUGAR CORP.

2025

Sustainability Report



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## ABOUT THIS REPORT

Taiwan Sugar Corporation (hereinafter referred to as “Taiwan Sugar,” “TSC,” “the Company,” and “We”) has been publishing its Corporate Sustainability Report continuously for 16 years since 2010. This 2025 Sustainability Report focuses on the core of “Corporate Culture of TSC,” “Climate Impact,” “Business Planning,” and “Social Influence,” combined with the five major future business strategies of “Deep Rooting Healthy Products and Leisure Business,” “Introducing Circular Economy Concept for the development of high-quality agriculture and livestock business,” “Accelerating asset revitalization and preserve sugar industry culture,” “Continuously Promoting Carbon Reduction Cycle Towards the Goal of Net Zero Emissions,” and “Establishing a High-Quality Corporate Image and Enhancing Operational Performance,” as the editorial principle of this Report.

The Report is divided into five chapters, including “Stepping Toward Sustainable Governance,” “Building Climate Resilience,” “Leveraging Natural Capital,” “Creating Social Value,” and “Taking Care of Taiwan Sugar Corporation Partners,” with twenty-nine major sustainability topics, disclosing its endeavors and achievements in terms of sustainable development indicators, including economy, product liabilities, environmental, and social participation, labor care, and human rights related matters, and reinforced disclosure of our Management Approaches to respond to the importance of all the major topics to Taiwan Sugar Corporation.

TSC is actively constructing a sustainable business operation model, and making efforts to implement the UN’s Sustainable Development Goals (SDGs). In the future, we will continue to evaluate our sustainability-related performance and make rolling adjustment of the sustainable development strategies and goals. We aim to enhance transparency in the corporate information disclosure through regular issuance of sustainability reports. It is hoped that with the release of this Report, the general public can have a better understanding of and trust in Taiwan Sugar’s performance and efforts in every aspect of the corporate sustainability.

Taiwan Sugar has established a Sustainability Development Website to constantly update the results of the promotion of sustainable development. In addition, ESG issues of the public’s concern and major events related to Taiwan Sugar will be immediately reported and responded to on the official website to demonstrate our attitude to fulfill the corporate social responsibility.

### ► Scope of the Report

This Report covers Taiwan Sugar’s corporate sustainability efforts and results from Jan. 1 to Dec. 31, 2024. For complete disclosure, some content also includes historical data and information. Except that financial performance and part of corporate governance include data of overseas branches, other performance disclosure focuses on the Company’s operation and activities in Taiwan. The scope of disclosure in this sustainability report aligns with the scope covered in the Company’s financial reporting.

### ► Referred Guidelines and Principles

This Report was compiled in accordance with the GRI (Global Reporting Initiative) Standards and Article 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE. The food industry shall strengthen the disclosure of sustainability indicators and listed companies shall disclose climate-related information in a dedicated chapter as stipulated in Article 4-1. Through the collection of sustainable norms and standards, combined with the stakeholders’ opinions and suggestions of external experts, TSC’s material sustainability topics were analyzed, and relevant strategies, targets and management approaches were

disclosed in accordance with its reporting principles and requirements. while referring to the principles of Sustainability Accounting Standards Board (SASB), Task Force on Climate-Related Financial Disclosures (TCFD), ISO 26000 Guidance on Social Responsibility, the Earth Charter, the OECD Guidelines for Multinational Enterprises, United Nations Global Compact, Sustainable Development Goals (SDGs), and as the focus and direction for long-term development in the future.

## The Editing, Review and Authorizing Procedure and Verification of this Report

### Sustainability Report Editing :

The Sustainability Report Editing Group for 2025 Sustainability Report is under the Corporate Sustainable Development Committee, in charge of the overall planning, communication and integration, data consolidation and editing and revision, Detailed disclosure of information concerning TSC's management approaches and the performance of various sustainability topics are presented in common language, numerical values, and descriptions to demonstrate our determination to implement sustainable development. The editorial team is convened by the Director of the Planning Department. Team members include representatives from all departments of the Headquarters, business divisions, regional branches, the Taiwan Sugar Research Institute, and the Taiwan Sugar Labor Union.

Compared with the 2024 Sustainability Report, there is some merge or withdrawal in this 2025 Sustainability Report, and the reorganized data are detailed in this Report. The chapters are slightly different for the complete presentation of the sustainable development framework, but it does not prevent readers from comparing the contents with those in the 2024 Sustainability Report.

### Internal Audit of the Sustainability Report :

The Editorial Team of this Sustainability Report is composed of members assigned from all units. After collecting data for the Department of Planning to compile the first draft, the members of the Editorial Team were then in charge of the review and revision of relevant content and data before submitting the report to the executives of all units (members of the Corporate Sustainability Committee), the President (the Committee Chair), and the Chairman (the Steering Committee) for further review and finalization of this report. The finalized content was verified by an impartial third party before submitted to the 18th Board Meeting (July, 2025) of the 36th Session of Board of Directors for approval in accordance with the administrative procedure, and will be disclosed on TSC's Sustainability Development Website.

### External Verification of this Report :

The financial data disclosed in this Report are information publicly published after verification by KPMG. Other information in this Report was verified by the world renowned British Standards Institution (BSI), and both the editing framework and procedure fitted the core items of GRI Standards and AA1000 Accountability Principles Standard v3 Type I. In addition, to reinforce the reliability of relevant information disclosed, the part stipulated in Article 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies that listed companies within the food industry shall reinforce disclosure items was under the verification of AA1000 AS v3 Type II, high level of assurance. BSI verification report can be found in **Appendix I : British Standards Institution(BSI) Verification statement**.



## Message from the Top Management

Taiwan Sugar Corporation started out as a traditional sugar company in 1946. With the tides of time, TSC has gradually transformed into a diversified conglomerate, shouldering the economic benefits as a state-owned entity and also bearing a more far-reaching significance of environmental and social sustainability.

One of the major missions we have been committed to for a long time is the national prosperity and public benefit, and the sustainable progress of both. However, due to the intensified geopolitical tensions and the continuous invasion of extreme weather, the path of strategic thinking can no longer avoid confronting the issue of international concern, carbon emissions, and also the conclusions of the COP29 regarding global carbon trading markets and investment in clean energy. While aligning with global developments, TSC will also integrate existing agricultural technologies and land resources to enhance public welfare, make them accessible to the people, and ensure the beautiful vision of sustainability.

### ► With a Proactive Mindset and a Resolute Commitment to Action

TSC has set its goals and vision clear, and it is the specific actions that make a difference. Therefore, in terms of carbon reduction to work toward net zero emissions, we have carried out replacement of lighting, air conditioning, boilers, and other process equipment and introduced ECSO. In addition, we also collaborate with external parties to conduct carbon capture tests in the flue gas ducts of the sugar factory as well as the research on soil carbon sinks and forest carbon sinks for the reduction of our carbon emissions. We also continue the promotion of renewable energy facilities to support the policy of net zero emissions. It is expected that by the year 2025, a total of 106 charging guns will be installed in all TSC locations, and that the capacity of the self-installed solar PV system will reach 864.24MW by 2027.

To achieve unity of knowledge and action, TSC has continuously enriches knowledge of circular economy and embeds it into overall business operations. For example, bagasse is not only used in electricity generation after being pressed, with an annual power generation of approximately 10 GWh, but also used to make organic compost to reduce the use of chemical fertilizers and GHG emissions. In addition, the renovation of 13 pig farms is expected to be completed in 2025, with the combination of technologies of solar PV power, biogas power generation, waste reduction and water conservation technologies. Together with the Dong Hai Feng Agricultural Circulation Park, it is expected to produce 540,000 pigs annually. Meanwhile, the green energy goals of annual biogas power generation of 8.92 GWh and annual solar PV power generation of 42.34 GWh can also be reached.

In terms of the trend of green products, we are committed to advancing product development toward natural and simplified formulations, upgrading and developing more eco-friendly and healthy products, including the Beauty Collagen Jelly that won the Prestigious Award for Excellence in Aquaculture and Products. Meanwhile, TSC continues to make progress in the field of food safety, regarding food safety as the company's belief and mission, safeguarding consumers' health comprehensively from the source to the product.

### ► Investing More for the Fulfilment of Our Social Responsibility

The other side of the Company's sustainability scale is to take more social responsibility. TSC has long been dedicated to circular economy and advocated the concept of net zero emissions. In recent years, projects such as the Shalun Smart Green Energy Circular Residential Park, TaiSugar Chongxian Circular Intergenerational Co-housing Residential Building, and others have been constructed one after another, allowing the middle class and the elderly

to have safe and secure housing. From 2016 to the end of 2024, a total of 46 sites with an overall area of 26.16 hectares have been provided for the assessment by the Ministry of Health and Welfare to construct residential long-term care institutions, and 6 sites with a total of 4.49 hectares in area have been identified by the Ministry of Health and Welfare for the continuous support for the government's long-term care policy. In addition, as of 2024, TSC has provided 82 sites with a total area of 91.58 hectares for the government to make assessment of the construction of social housing, and 44 sites with a total area of 44.20 hectares have been identified by the Ministry of Interior. There are also 6 sites of social housing transformed from TSC's self-owned student dormitories, which can be designated for the development of planned land and dormitories constructions, contributing to a total of 24,392 households.

In addition, TSC has also actively engaged in environmental education and social participation. In addition to hosting the Taisugar Charity Run for nine consecutive times, we also call on the public to reach out to the disadvantaged groups in Taiwan, demonstrating the value of corporate service to society. Starting from 2017, we have also been importing coffee beans from our allied nations in Central and Southern America, and used part of the income to build schools in local remote areas. The fourth school we assisted in building was commenced in November, 2024, in Guatemala providing education for children aged between 6 and 12. The construction of the new school building will significantly improve the learning and teaching environment for the students and the teachers, bringing opportunities for children to change their future.

## ► Combined with Culture to Make Sugar Industry Shine and Prosper

In addition to agricultural technology and land resources, TSC also boast its profound centennial heritage of the sugar culture. The sugar factory serves as a historical witness to Taiwan's industrial development, and the sweet and rich heritage as well as the overflowing and fragrant sugar products have long been circulated in the sugar industry cultural tourism. Month after month, filmmakers are drawn to this place to shoot on location here. Their productions have strengthened ties to the local culture while portraying a chapter of harmony between people and the environment.

We are fully aware that what we mention above is inseparable from the dedication of our employees. Only a warm and happy environment can cultivate gentle and courteous employees. By engaging all employees in understanding our sustainability mission and previous actions and reflecting on our past accomplishments, we are shaping a remarkable future. TSC was founded on agriculture. We never forget the tireless diligence of agricultural life, and we strive to keep alive the virtues of humility and kindness that define our way of life.





## Message from the Top Management

### ► TSC's Action Creates Infinite Future

In early spring this year, the weather was unusually cold and the earthquakes were still frequent. With our banner held high, TSC proclaims our vision of “becoming a benchmark enterprise in health and green industries in the Asia-Pacific Region”. Despite the rapidly changing situation, TSC is still wholeheartedly adhering to the core concept of being professional, positive, international, and caring for employees, sticking to the original intention of food safety and green management. With the technological innovation as the driving force and AI to assist the operation speed, TSC is operating with Energy Plus to apply clean energy, work with its energetic employees, being committed to benefiting the country and the people and continuing to thrive.

Chairman Ming-Chang Wu



## 2024 Sustainability Achievements and Performance



» Awarded “Comprehensive Performance Award - Top 100 Sustainability Exemplary Awards” and “Corporate Sustainability Report Award Platinum Award in the Traditional Manufacturing Industry Category”

« 「Harnessing Raptors for Pest Control for the Protection of the Sugarcane Farm」 and 「TaiSugar Chongxian Circular Intergenerational Co-housing Residential Building」 were respectively awarded the Gold and Silver Awards in the Taiwan Sustainability Action Awards (TSAA).



» “Investment project of Kaohsiung Xuefu Circular Housing” was honored with the Premium Award in the Best Social Housing Category at the National Golden Award for Architecture.

« “Dong Hai Feng Agricultural Circulation Park” was honored with silver award of National Corporate Environmental Protection Award by the Ministry of Environment.



» Shalun Smart Green Energy Circular Residential Park Obtained the certificate of Level 1+ of the Ministry of the Interior’s Low Embodied-carbon.



## 2024 Sustainability Achievements and Performance

» The three new enzyme technologies, namely “composite xylanase”, “feather-hydrolyzing enzymes”, and “phytase feed enzymes” were honored with the Ministry of Agriculture’s 9th Agribusiness Science & Technology Innovation Awards.



» Taiwan Golden Sugar and Mackerel in Tomato Sauce (Yellow can) were honored with Excellent Flavor Two-Star Medal while Roasted Eel with Black Garlic, Black Sesame Mixed Instant Cereal, and Taisugar Fresh Vegetable Dumplings were honored with Excellent Flavor One-Star Medal of the Superior Taste Award of the International Taste Institute (ITI).

» TSC was awarded the Excellent Enterprise Unit for Labor-Management Harmony by Tainan City Government in 2024.



» “Development project of the industrial area south of Shashe Creek” obtained the Construction Safety Golden Award-Excellence Award in Public Construction Category the highest honor of construction occupational safety and health.

## 2024 Sustainable Management Performance of ESG



### TSC's Featured Performance

- ▶ Stabilized the commodity prices, the retail price of sugar remained at **NTD 36/kg**, and retail price of soybean oil (3L) remained at **NTD 169**.
- ▶ Stabilized the hog prices and allocated **9,327 pigs** in total for supply and demands.
- ▶ The area for afforestation and tending has amounted to **11,468 hectares** in total, absorbing approximately **127,800 metric tonnes** of CO<sub>2</sub>.
- ▶ Promoted organic agriculture and farming, and provided the government with land for lease to set up organic agricultural zones of an area of **334.57 hectares**; other agricultural land was leased for organic crops, with an area of **1,025.15 hectares**.



### Environmental Aspect

- ▶ Made use of residual bagasse for power generation for self-use, and the total power generated in 2024 totaled **9.9343 GWh**.
- ▶ Made use of pig manure and urine for biogas energy production, and the total power generated amounted to **703.5 MWh**.
- ▶ The cumulative installation of solar photovoltaic facilities has reached **543.64 MW**, including 17.08 MW of rooftop equipment, 99.95 MW of floating PV energy generation equipment (detention ponds), 426.61 MW of ground-mounted (including low-fertility agricultural land).
- ▶ Implemented power and energy conservation, and the total energy saved at TSC in 2024 was approximated **56,587.824 GJ**, reducing approximately **3,517.24 metric tonnes of CO<sub>2</sub>e**. <sup>Note</sup>
- ▶ A total of **528** sessions of green meetings were held, reducing **44.64 metric tonnes of CO<sub>2</sub>e**. <sup>Note</sup>
- ▶ The total green procurement rate in 2024 was **99.99%**.

#### Note :

1. The greenhouse gas emission factor for electricity is based on the emission factor published by the Bureau of Energy, Ministry of Economic Affairs. For 2024, the factor is 0.474 kgCO<sub>2</sub>e.
2. "Green meetings" refers to conducting meetings via video conferencing instead of in-person gatherings, thereby reducing carbon emissions from personnel transportation. The total mileage (round trip) of the 528 video conferences amounted to 388,210.4 kilometers. According to the carbon emission coefficient of private gasoline passenger cars found on Carbon Footprint Information Platform (0.115 kg CO<sub>2</sub>e/passenger-k), a total of 44.64 metric tonnes of CO<sub>2</sub>e was reduced.



## 2024 Sustainable Management Performance of ESG

- ▶ We organized a total of **135** public welfare activities such as educational and cultural events and activities for the benefits of the elderly, the weak, and those with disabilities. The amount of subsidy totaled **NTD 4.749 million**.
- ▶ **100%** of TSC's food products are included in our own Food Safety & Traceability Management System (FT).
- ▶ The score of customer satisfaction survey in 2024 was **97.31 points**, a **0.62 points** increase compared with 2023.
- ▶ The average training hours were **55.81 hours**, and the staff training expenses totaled **NTD 35.59 million**.
- ▶ TSC's total reading certified hours was **40,397 hours**, a increase of **318.8%** compares with 2023.



### Social Aspect

- ▶ The average attendance rate of directors in the board meetings was **99.69%** ; the 3 functional committees under the board convened **41 meetings**, and the results of the performance evaluation all reached "**Excellent**"
- ▶ The Board of Directors reviewed a total of **198 cases**, including **123 cases** related to policies, economics, environment, and social issues.
- ▶ A total of **15** sessions of anti-corruption briefings, **31** sessions of anticorruption training and advocacy exercises were organized in 2024, with **1,244** employees participating.
- ▶ In the handling of various types of procurement tenders, **100%** of the business partners have been notified of anti-corruption policies.
- ▶ A total of **69** labor-management meetings were held in 2024.
- ▶ In the board of directors of TSC, there are **6** female directors, accounting for **40%** of the total board seats.



### Governance Aspect





# CHAPTER 1

## **Sustainability Aspect** **STEPPING TOWARD** **SUSTAINABLE GOVERNANCE**

|                                                                            |     |
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| 1.3 Implementation of Integrity Management .....                           | 053 |



## Material Topics

☒ achieve
 ☐ unaccomplished

Corporate Governance, Anti-corruption, Customer Privacy

## 2024 Goals and Achievements

- ✓ To have zero incidents concerning privacy violation and data leakage.
  - ▶ There were no incidents concerning privacy violation and data leakage.
  - ▶ We have established a designated section for the Personal Data Protection Act and its Enforcement Rules, and other relevant laws and regulations under the Company's business cloud drive/ team folder/ legal office/personal data protection.
  - ▶ In January 2024, a centralized training course titled 'Practical Audit of Personal Data File Security' was organized; in March, personnel were assigned to attend the '2024 Personal Data Protection Training for Regulated Industries' held by the Bureau of Energy, Ministry of Economic Affairs; and in July, the 2024 Taiwan Sugar Corporation Personal Data Protection Task Force Meeting was convened.

SDG 10.4



- ✓ To conduct the self-assessment system and performance evaluation of the board of directors at least once annually.
  - ▶ In 2024, the results of board member performance evaluation all reached "Outstanding."
- ✓ Directors continue to participate in advanced courses concerning corporate governance.
  - ▶ All Board members met the government's required training hours. Each director, including the Acting Chairman, completed an average of over 9.06 hours of training in courses related to corporate governance.
- ✓ To continue to participate the corporate governance evaluation organized by Department of State-owned Enterprise Affairs, Ministry of Economic Affairs (MOEA).
  - ▶ The Ministry of Economic Affairs outsourced the evaluation of corporate governance, and the result was "excellent." In March 2025, the corporate rating was upgraded by Taiwan Ratings to long-term "twAA" and short-term "twA-1+," with a "stable" outlook.
- ✓ Each unit is required to organize at least 2 anti-corruption activities (such as integrity promotion, community involvement, administrative transparency) annually to establish a culture of honesty and integrity.
  - ▶ In 2024, a total of 31 anti-corruption awareness events were held, with 1,244 participants. Additionally, 15 community engagement activities were organized, attracting 2,393 participants.
- ✓ To conduct a corruption risk assessment for each unit at least once a year
  - ▶ Corruption-related risk assessments have been carried out on 17 units under its jurisdiction, accounting for 100% of all the operating bases of TSC. No major corruption risk cases occurred in 2024.
- ✓ To hold more than 4 sessions of general education training on cybersecurity and required all employees to obtain at least 3 hours of training. In addition, social engineering drills are conducted every six months to strengthen employees' awareness of information security.
  - ▶ Held 4 sessions of general education training on cybersecurity and required all employees to obtain 3 hours of training. Two email social engineering drills were carried out in accordance with the 2024 TSC Social Engineering Drill Plan to raise employees' awareness of social engineering techniques. Those failing assessments would receive focused follow-up education and guidance by their departments.
- ✓ The Company's internal control and manufacturer contract terms are revised on a rolling basis in accordance with the amendments of the Personal Data Protection Act.
  - ▶ There were no amendments to the Personal Data Protection Act in 2024, so the Company has not amended the relevant internal control and contract terms.

SDG 16.5 SDG 16.6 SDG 16.7 SDG 16.b





## Material Topics

☑ achieve ☐ unaccomplished

Corporate Governance, Anti-corruption, Customer Privacy

### 2025 Goals

- ▶ To prevent thefts, alteration, destruction, loss, or leakage of personal data to avoid privacy infringement and data leakage.

SDG 10.4



- ▶ To conduct the self-assessment system and performance evaluation of the board of directors at least once annually.
- ▶ Directors continue to participate in advanced courses concerning corporate governance.
- ▶ To participate in the corporate governance evaluation conducted by external notary agencies commissioned by the Department of State-Owned Enterprises of the Ministry of Economic Affairs.
- ▶ Each unit is required to organize at least 1 anti-corruption activity (such as integrity promotion, community involvement, or administrative transparency) annually to foster a culture of honesty and integrity.
- ▶ To conduct a corruption risk assessment for each unit at least once a year.
- ▶ To hold more than 4 sessions of general education training on cybersecurity and require all employees to obtain at least 3 hours of training. In addition, social engineering drills are conducted every six months to strengthen employees' awareness of information security.
- ▶ The Company's internal control and manufacturer contract terms are revised on a rolling basis in accordance with the amendments of the Personal Data Protection Act.

SDG 16.5 SDG 16.6 SDG 16.7 SDG 16.b



### Medium- and Long-term Objectives

- ▶ To prevent thefts, alteration, destruction, loss, or leakage of personal data to avoid privacy infringement and data leakage.
- ▶ To respect the interests of stakeholders, and govern the company with integrity management to ensure sustainable development of the company.

SDG 10.4



- ▶ To protect shareholders' rights, strengthen the functions of the board of directors, bring out the functions of a functional committee, respect the interests of stakeholders, and govern the company with integrity management to ensure sustainable development of TSC.
- ▶ To implement risk assessments, strengthen oversight mechanisms, and achieve the goal of zero corruption.

SDG 16.5 SDG 16.6 SDG 16.7 SDG 16.b





# 1.1 Be a Green Benchmark Enterprise

## 1.1.1 Company Overview

### VISION

- ▶ To become a benchmark enterprise in health and green industries in Asia-Pacific Region.

### MISSION

- ▶ To make contributions to the development of the country and investments in prospective industries in the future to stay in line with central policies.
- ▶ To build a sustainable circulation in Taiwan where people can live and work in peace and contentment.

### OVERALL GOALS

- ▶ With the promotion of new agriculture and circular economy as the core to actively develop health and green industries.
- ▶ Promote business performance, revenues and surplus year by year.



TSC has land resources and abundant experience in agricultural farming and processing. We have core technologies and niches in sugar industry, pig farming and Phalaenopsis, and have expanded our business territory to the United States, Canada and Vietnam. We have also expanded our businesses to commodity sales, leisure and accommodation, and other livelihood industries. We have gradually transformed from the traditional agriculture of pure sugar production and marketing into an integrated business of seven business divisions, including Sugar Business Division, Biotechnology Business Division, Agriculture Business Division, Petroleum Business Division, Livestock Business Division, Leisure Business Division and Marketing Business Division. Product sales and services are mainly in Taiwan, while overseas markets include the United States, Canada, mainland China, Hong Kong, Vietnam, Japan, Australia, and Europe.

By making use of TSC's advantages of existing land and the core technology of pig farming, TSC actively converts pig manure and urine into biogas power generation for reuse, installs solar power generation devices on the roofs of our operation bases, unfavorable agricultural land, and detention ponds. In addition, TSC has also obtained the first Renewable Energy Certificate (REC) for biomass energy, we further conducted research on soil carbon sequestration and fixation of flue gas carbon dioxide, keeping abreast of global trends in circular economy, renewable energy, and net-zero emissions, taking a step forward toward sustainable management.



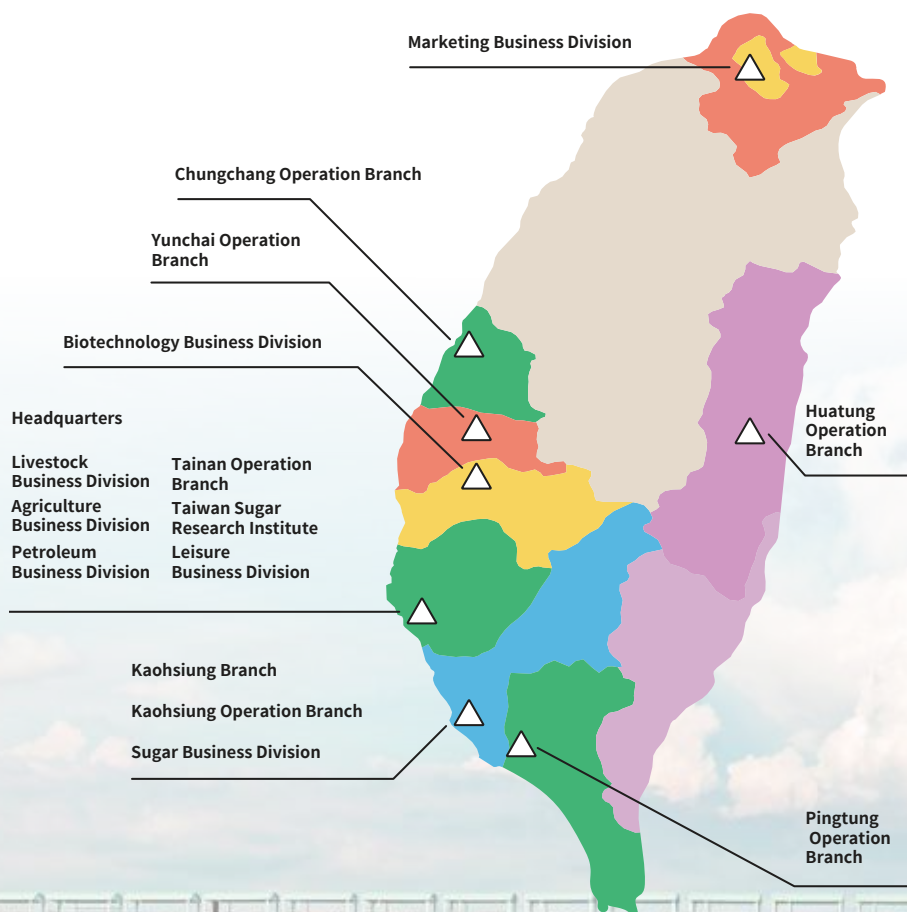
### Profile of TSC

|                            |                                                                                                                                                                                                        |                         |                                                            |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------------------------------------------|
| <b>Company Name</b>        | Taiwan Sugar Corporation                                                                                                                                                                               |                         |                                                            |
| <b>Equity Status</b>       | State-owned enterprise under the Ministry of Economic Affairs. Public company, stock code 1237.<br>(The government agency holds 96.51% of shares, private 3.49% ; for related shareholding structure.) |                         |                                                            |
| <b>Market Type</b>         | (as of December 31, 2024)                                                                                                                                                                              |                         |                                                            |
| <b>Establishment Date</b>  | May 1, 1946                                                                                                                                                                                            |                         |                                                            |
| <b>Capital</b>             | NTD 56,367 million                                                                                                                                                                                     | <b>Total Assets</b>     | NTD 669,808 million (as of December 31, 2024)              |
| <b>Chairman</b>            | Ming-Jou Yang (stepped down on November 4, 2024)                                                                                                                                                       | <b>President</b>        | Li-Jen Chen                                                |
|                            | Chi-Hsiao Liu (served as Acting Chairman from November 4 to November 29, 2024)                                                                                                                         |                         | (relieved of duties on February 11, 2025)                  |
|                            | Ming-Chang Wu (assumed office on November 29, 2024)                                                                                                                                                    |                         | Temporarily assumed by the Chairperman                     |
| <b>Number of Employees</b> | 3,112 (as of December 31, 2024)                                                                                                                                                                        | <b>TSC Headquarters</b> | No. 68, Shengchan Road, East District, Tainan City, Taiwan |

## Major Business Scope

| Business                       | Main business (products, services) items                                                                                                            |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Sugar Business                 | Refined white sugar, Golden brown sugar, Fine granulated sugar, Invert sugar syrup, Refined liquid sugar, Secondary processed sugar, and Edible oil |
| Livestock Business             | Hogs, Feed, Pork and Pork products                                                                                                                  |
| Biotechnology                  | Alcohol, Health products, Beauty and skincare products, Contract manufacturing and oyster shell powder                                              |
| Agriculture Business           | Phalaenopsis                                                                                                                                        |
| Leisure Business               | Hotels, resorts, golf course, commercial real estate and so on                                                                                      |
| Product Marketing              | Sale of TSC products, import/ OEM products, bulk grains and channel operation                                                                       |
| Petroleum Business             | Gas stations and related services                                                                                                                   |
| Land Development               | Construction, rental housing, development of plant areas, project development, and preservation and reuse of cultural assets                        |
| Property Management            | Land lease, establishment of superficies                                                                                                            |
| Agricultural Management        | Organic rice, organic crops, landscape seedlings, organic fertilizers, farmland lease, afforestation and tending                                    |
| Storage and Transport Business | Logistics Center, parking lots                                                                                                                      |
| Green Energy                   | Solar PV power, biogas power generation                                                                                                             |

## Domestic Operation Bases





## Investment

According to the transformation strategy planning, under the analysis of the investment evaluation team, we seek partners to establish cooperative relationships with the Company's advantages of land, funds, technologies and other resources and accumulate the experience of professional evaluation and investment management to foster more solid and professional capabilities.

As of 2024, the major fields of business TSC has invested include Biotechnology and pharmaceuticals, health care products, livestock feed, high-speed rail, power generation, overseas sugar production. The total investment in 17 domestic and foreign private-owned enterprises amounted to approximately NTD 5.78 billion as of the end of 2024. In the domestic market, we have invested 15 companies, including Haleon (formerly Pfizer Biotech) and others, with an investment of approximately NTD 5.254 billion, accounting for 90.9%. Investment is made in 2 foreign companies, such as Vietnam Taiwan Sugar Co., Ltd., with an investment of approximately NTD 526 million, accounting for 9.1%.

## Key participation in organizations and associations

To facilitate exchanges among domestic and overseas organizations for the establishment of cooperative relationship, improved operating efficiency and industrial technology development, TSC participated in a total of 60 societies (associations) in 2024, 27 of which TSC held management positions in. The list is as follows.

| Name of Association or Professional Organization                        | Title                                                                                          | Name of Association or Professional Organization                                 | Title                        |
|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------|
| Taiwan Federation of Trade Unions in Energy Industry                    | Supervisor                                                                                     | The Dr. Lee Chong-Dao Foundation                                                 | Director                     |
| Rural Development Foundation                                            | Supervisor                                                                                     | Harvest Farm Group                                                               | Director                     |
| Taiwan Agricultural Mechanization Research and Development Center       | Director                                                                                       | Foundation of Taiwan Sugar Association                                           | Director, Supervisor         |
| Taiwan Sugar Industry Resources and Circular Economy Technology Society | Managing Director, Executive Director, Director, Supervisor, Convener of the Finance Committee | Kaohsiung City Federation of Trade Unions                                        | Supervisor                   |
| Taiwan Biomass Energy Industry Association                              | Executive Director, Supervisor, Director                                                       | Kaohsiung Federation of Labor Unions                                             | Member Representative        |
| Center for Corporate Sustainability                                     | Director                                                                                       | Taiwan Provincial Cooperative for Sugar Cane Growers                             | Supervisor, Representative   |
| Taiwan Biomass Energy Industry Association                              | Supervisor, Executive Director                                                                 | The Chinese Society for Training and Development                                 | Director                     |
| Chinese National Federation of Industries                               | Committee Member of Industries-Employers' Committee                                            | Taiwan Vegetable Oil Manufacturers Association                                   | Director, Alternate Director |
| Taiwan Feed Industry Association                                        | Director, Supervisor                                                                           | Cultural and Economic and Trade Development Association of Taiwan Sugar Industry | Executive Supervisor         |
| Association of Industrial Relation, R.O.C                               | Member Representative                                                                          | Sinotech Engineering Consultants Inc.                                            | Director                     |
| TOSHMS Southern District Promotion Society                              | Planning and External Relations Committee Member                                               | Taiwan Amusement Park Association                                                | Director, Executive Director |
| Taiwan Frozen Meat Packers Association                                  | Director                                                                                       | Tainan City Tourism Association                                                  | Executive Director           |
| Changhua County Industrial Union Federation                             | Managing Director                                                                              | Kaohsiung Chamber Of Industry                                                    | Supervisor                   |
| City Gasoline Stations Operators Association                            | Executive Director                                                                             |                                                                                  |                              |

## 1.1.2 Financial Performance

For information about TSC's final report, annual report for shareholders' regular meetings and information on corporate governance, please refer to the About TSC section on TSC home page.



TSC has actively invested in the R&D and application of sugar as its core technology and developed the concept of diversification operations. We use existing resources and advantages to develop new businesses, research and develop new products and provide new services. In addition, internal performance evaluation indicators are set in accordance with Regulations for Performance Evaluation of State-Run Enterprises and Guidelines for Performance Evaluation of State-Run Enterprises for corporate management and performance.

In 2024, with the joint efforts of all units and all employees, the total revenue reached NTD 36.504 billion, the total expenditure was NTD 30.754

billion, the net profit was NTD 5.750 billion; the net profit margin accounted for 18.25%, TSC's business bases are located in Taiwan, Vietnam, the United States, and Canada. We strictly abide by the local laws and regulations of the countries, adhere to integrity management, and pay taxes honestly.

### TSC's Condensed Income Statement in Recent Three Years

Unit : NTD thousand

| Item/year                     | 2022       | 2023       | 2024       | The percentage of increase or decrease compared with the previous year (%) |
|-------------------------------|------------|------------|------------|----------------------------------------------------------------------------|
| <b>Income</b>                 |            |            |            |                                                                            |
| Operating income              | 28,823,585 | 30,187,223 | 31,434,791 | 4.13%                                                                      |
| Other income                  | 9,741      | -          | 73,689     | -                                                                          |
| Non-operating income          | 3,627,779  | 4,527,163  | 4,995,515  | 10.35%                                                                     |
| Total revenue                 | 32,461,105 | 34,714,386 | 36,503,995 | 5.16%                                                                      |
| <b>Expenses</b>               |            |            |            |                                                                            |
| Operating cost                | 22,854,763 | 23,578,688 | 24,236,600 | 2.79%                                                                      |
| Operating expenses            | 4,227,577  | 4,329,601  | 4,331,306  | 0.04%                                                                      |
| Other expenses                | -          | 46,261     | -          | -                                                                          |
| Non-operating expenses        | 2,922,508  | 2,429,055  | 2,143,971  | -11.74%                                                                    |
| Income tax expense (benefits) | 28,068     | -68,046    | 41,806     | -161.44%                                                                   |
| Total expenses                | 30,032,916 | 30,315,559 | 30,753,683 | 1.45%                                                                      |
| Net income                    | 2,428,189  | 4,398,827  | 5,750,312  | 30.72%                                                                     |
| Dividend                      | 2,818,375  | 3,945,725  | 5,073,075  | 28.57%                                                                     |
| Net profit margin (%)         | 8.42%      | 14.57%     | 18.25%     | 3.68%                                                                      |
| Earnings per share(NTD)       | 0.43       | 0.78       | 1.02       | 30.77%                                                                     |

Note :

- The financial reports of the Company are audited and certified by CPAs and approved by the National Audit Office in accordance with the Securities and Exchange Act and the Financial Statement Act.
- The figures presented in this table are based on the CPA-audited financial statements. However, the data for 2022 and 2023 were restated based on the revisions approved by the National Audit Office, resulting in discrepancies from the disclosures in the respective Sustainability Reports of the corresponding years.
- The 2024 annual income tax cost was NTD 41,806 thousand mainly because the profit-seeking enterprise income tax was NTD 2,642 thousand, and the cost of land value increment tax was NTD 39,164 thousand.
- The final consolidated statement of profit and loss of the current period for 2024 is NTD 1,514,985 thousand, mainly because the re-measurements of the defined benefit plans were NTD -35,561 thousand. The re-measurements of associates for using equity method. The unrealized valuation loss from equity investment instruments measured at fair value through other comprehensive income was NTD 1,523,383 thousand. The conversion difference of the financial statements of the foreign operating organizations of the associated and joint ventures accounted for using equity method was NTD 18,985 thousand, and profit of hedging instrument was NTD 8,178 thousand.
- The total salary and benefits for employees in 2024 was NTD 4,433,838 thousand, while total community investment amounted to NTD 4,749 thousand. The two expenses mentioned about have been included in the expenditure items in this Table.



## ► Taxation and subsidies

TSC adheres to the principle of paying taxes honestly according to law, which contributes to the country's construction and development. In 2024, TSC paid a total of NTD 5,036,808 thousand in taxes and fees to local and central governments in Taiwan, a 1.53% increase compared with 2023. We will continue to focus on the steady development of the Company and create the maximum value for our shareholders.



### Details of taxes and fees

Unit : NTD thousand

| Year | Central Government | Local Governments | Contribution to Domestic Governments |                      | Foreign Governments |
|------|--------------------|-------------------|--------------------------------------|----------------------|---------------------|
|      |                    |                   | Tax payment                          | Tax-to-Revenue Ratio |                     |
| 2022 | 1,715,990          | 3,041,844         | 4,757,834                            | 16.51%               | 5,992               |
| 2023 | 1,829,128          | 3,131,676         | 4,960,804                            | 16.43%               | 5,721               |
| 2024 | 1,790,410          | 3,246,398         | 5,036,808                            | 16.02%               | 7,803               |



### Government financial subsidies accepted in 2024

Unit : NTD thousand

| Government Agency                                                                | Amount  | Description                                                                                                |
|----------------------------------------------------------------------------------|---------|------------------------------------------------------------------------------------------------------------|
| Ministry of Agriculture, Executive Yuan                                          | 12      | Subsidy for cooperation with the Statistical Survey of the Animal Husbandry Industry                       |
| Tourism Administration, Ministry of Transportation and Communications            | 232.55  | Guidelines for Implementing Subsidies for Quality Enhancement for the Tourism and Recreation Industry.     |
| Administration of Commerce, Ministry of Economic Affairs                         | 180.24  | Subsidy for energy-saving equipment in commercial services industry                                        |
| County and City Governments                                                      | 111,964 | Land tax reduction.                                                                                        |
| Forestry and Nature Conservation Agency, Ministry of Agriculture, Executive Yuan | 71,846  | Cooperated with the government's afforestation policy and implemented the 2024 flatland afforestation plan |

Note:

Government subsidies received include tax exemption and reduction, subsidies, investment grants, R&D grants, and other relevant types of grants, incentives, royalty waiver period, financial grants from Export Credit Agencies (ECAs), financial incentives, and financial assistance received or available from any agency for any operation.

## ► Assisted the Government in Stabilizing Economic Policies for People's Livelihood

The Company is a state-owned business and serves as the function of assisting the government in stabilizing the prices of pork, sugar, cooking oil and other large-scale staple merchandise.



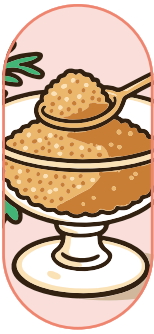
### ► Stabilizing hog prices

In 2024, TSC cooperated with the policy of Ministry of Agriculture, Executive Yuan and regulated pig production and sales. A total of 9,327 pigs were allocated to stabilize the pork prices and supply high-quality and safe domestic port to the public.



### ► Stabilizing soybean oil prices

TSC works in line with the government policy of stabilizing prices. The salad oil TSC produces maintains the lowest distribution price in the market, effectively taking care of the livelihood of the disadvantaged groups.



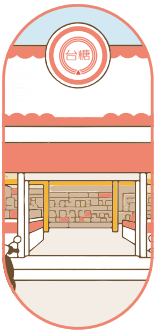
#### ► Stabilizing sugar prices

To ensure domestic availability of food with safe and sufficient basic calories and nutrition all year round, TSC fulfills its corporate responsibility and sticks to the remaining two self-produced sugar factories in Taiwan to maintain the minimum safe supply of self-produced sugar domestically. In addition, TSC also works with the government by stabilizing the commodity prices. When the prices of the international sugar market is high, the retail price of sugar remains at NTD 36/kg and lower.



#### ► Freeze on commodity prices

The global commodity prices have surged. To cooperate with the government's price stabilization policy, the retail price of sugar remained at NTD 36/kg. The retail price of the salad oil (3L) remains at NTD 169.



#### ► Provide affordable necessities (food)

TSC Million Convenience Stores cooperated with the price stabilization policy and set up a "Budget-Friendly Zone" from the end of December, 2023 to the end of February, 2024, providing 15%-off discount averagely on approximately 500 items of our own-brand and external brands. This "Budget-Friendly Zone" was well received by the public, and the sales grew by 25% during the New Year holiday.



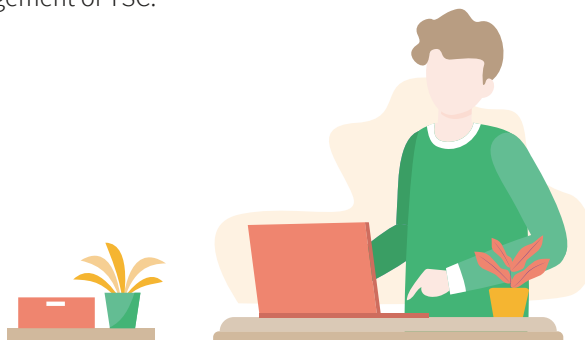
### 1.1.3 Sustainable Operation and Practices

#### ► TSC's Corporate Sustainable Development Committee

TSC has established the "TSC Corporate Sustainable Development Committee," chaired by president, with the chairman serving as the steering member attending committee meetings on behalf of the board of directors. The committee includes members who are vice president and unit managers. Subcommittees under the committee include the "Management Development Promotion Group," "Environmental Sustainability and Net Zero Emission Group," and "Social and Employee Care Group," each led by vice president overseeing responsible for their respective areas of Governance (G), Environment (E), and Social (S) issues. Future business strategies related to sustainable development are submitted to the board of directors for deliberation annually.

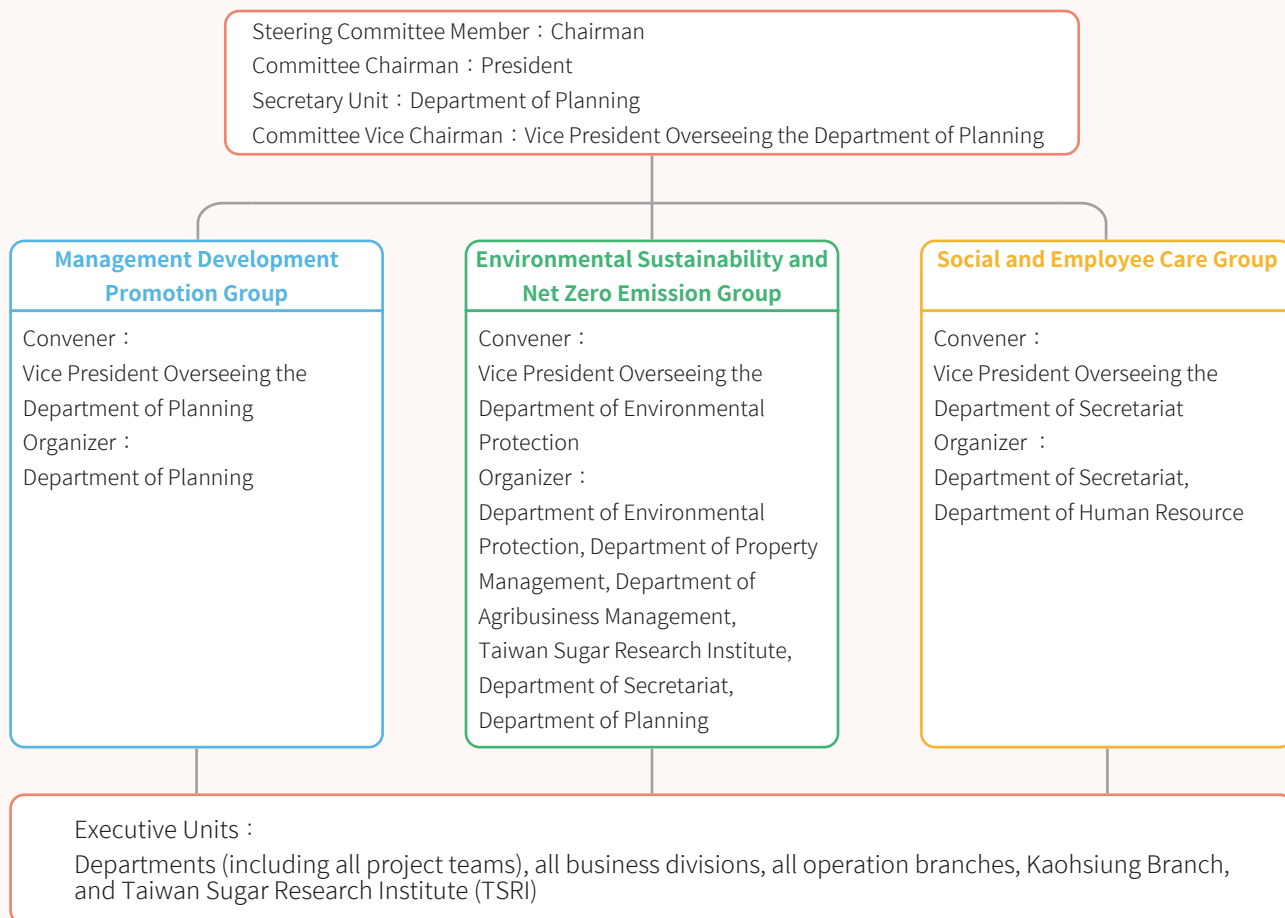
The committee generally convenes one annual meeting, with additional meetings called by the chairperson when necessary. Its responsibilities include setting sustainable development policies, systems, related management guidelines and procedural documents, and incorporating the corporate sustainable development into the corporate operations and development directions. The organizers of each working group will set the group's work plan for the following year based on the execution status of the annual business and track the implementation of the plans of the current year. Secretary unit (Department of Planning) will then organize the submitted results and report them to the committee.

Vice President overseeing the Department of Planning concurrently serves as the Chief Sustainability Officer (CSO), marking a new milestone in the sustainable management of TSC.





### Organizational Structure and Task Assignments of TSC's Corporate Sustainable Development Committee



## ► TSC's Sustainable Development Strategies

The scientifically confirmed impacts of climate change have prompted significant international attention, with countries around the world declaring “net-zero emissions by 2030 or 2050” and actively formulating carbon reduction policies. In line with the global net-zero trend, Taiwan announced its goal of achieving “Net Zero by 2050” in 2021.

The trend of net zero transformation has emerged. For enterprises, the problems that will be directly or indirectly brought by extreme weather would impact corporate operations, responses to scenarios such as the low-carbon economy, carbon reduction lifestyle, disaster prevention, and energy shortage should also be made. TSC continued to monitor international climate change adaptation trends, conducted GHG inventories, and developed carbon reduction strategies. Taking into account the volatile international situation and TSC's own strengths and weaknesses, the overall business strategies for the following six years were set up in the face of the challenges and opportunities the Company is facing. Furthermore, the attainment status is reviewed and relevant strategies are adjusted on a yearly basis by applying PDCA. In addition to continuously improving operational performance, we also plan our business blueprint based on government policies and changes in the industry environment. Focusing on the core of “Promoting New Agriculture” and “Circular Economy,” and having the major strategies of “Deep Rooting Healthy Products and Leisure Business,” “Introducing Circular Economy Concept for the Development of High-quality Agriculture and Livestock Business,” “Accelerating asset revitalization and preserve sugar industry culture,” “Continuously Promoting Carbon Reduction Cycle Towards the Goal of Net Zero Emissions,” and “Establishing a High-Quality Corporate Image and Enhancing Operational Performance.” These operational strategies align with the aforementioned core pillars

of business development, promoting TSC's business upgrade, energy transition, and land resources utilization projects. Please see “**2.1 Task Force on Climate-related Financial Disclosures (TCFD)**” in this Report for detailed information on financial assessment of climate risks and opportunities. For the contents of Sustainability Accounting Standards Board (SASB) alignment disclosure, please refer to **Appendix VI: Comparison Table of the Sustainability Accounting Standards Board**.



### 1. Deep Rooting Healthy Products and Leisure Business

- ▶ Continue to develop health food
- ▶ Promoting the healthy and leisure travel networks



### 2. Introducing Circular Economy Concept for the Development of High-quality Agriculture and Livestock Business

- ▶ Developing friendly and organic agriculture and farming methods
- ▶ Promotion of the upgrading of livestock technology
- ▶ Increase the added value of agricultural and livestock products
- ▶ Waste recycling



### 3. Accelerating asset revitalization and preserve sugar industry culture

- ▶ Collaborate in developing industrial parks
- ▶ Attract investment for developing commercial district land
- ▶ Diversified use of idle factory areas
- ▶ Build houses for sale or rent
- ▶ Lease land for social housing
- ▶ Install solar photovoltaic systems
- ▶ Lease agricultural land
- ▶ Diversified use of woodland
- ▶ Adaptive Reuse of Cultural Assets



### 4. Continuously Promoting Carbon Reduction Cycle Towards the Goal of Net Zero Emissions

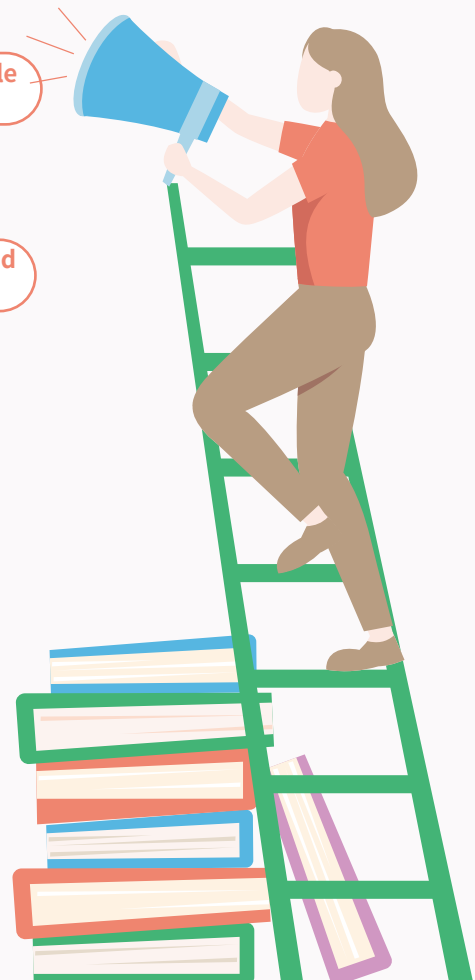
- ▶ Carbon reduction
- ▶ Carbon sequestration



### 5. Establishing a High-Quality Corporate Image and Enhancing Operational Performance

- ▶ Talent cultivation and organization optimization
- ▶ Implement goal management and performance review
- ▶ Improve product competitiveness
- ▶ Strengthen cooperation with external parties
- ▶ Establish a high-quality corporate image

**TSC's Future  
Business  
Strategies**





## 1.1.4 Stakeholder Engagement

The identification of and communication with the stakeholders are the foundation for the implementation of corporate sustainable development. TSC maintains multiple communication channels with our stakeholders and carefully listens to the stakeholders' voice. The stakeholders' needs and expectations of TSC are taken as the reference for decision making. TSC hopes to create and share the maximum possible benefits with its stakeholders in the diversification of business activities.

### ► Identification of Stakeholders

Through meetings and discussions involving the Sustainability Report Editing Group (comprising representatives from various departments, regions, and units), incorporating the opinions of external experts, and referred to the stakeholder groups identified by the same trade. Based on the criteria of AA1000 Stakeholder Engagement Standards (AA1000 SES) for the scoring and prioritization, nine categories of stakeholders were identified, including stakeholders, employees/other workers, consumers/clients, raw material suppliers/contractors/agents, government agencies/elected representatives, media, community residents, online communities, and insurance companies/financial institutions.



## Communications with Stakeholders

TSC takes the initiatives to communicate with our stakeholders through our official website, trade union, related meetings, Annual Report, TSC Communication, internal publications, CSR questionnaire, customer services and other channels to understand the stakeholders' issues of concern. In addition, through the coordination and communication among internal departments and units and based on our previous experience cooperating with our stakeholders, we set a SOP of PDCA (Plan-Do-Check-Act) to make prompt responses based on the sensitivity and level of impact of the nature of issues.

### TSC's Communication Channels with its Stakeholders

| Stakeholders                               | Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Communication Channels               | Frequency    |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------|
| <b>Significance of Stakeholders</b>        | In the Shareholders structure, government agencies hold 96.51% of shares. They focus on TSC's operating performance, corporate governance and sustainable development.                                                                                                                                                                                                                                                                                                                                                    | Shareholders' Meeting                | Annually     |
| <b>Issues of Concern</b>                   | <ul style="list-style-type: none"> <li>▶ Corporate Governance</li> <li>▶ Marketing and Labeling</li> <li>▶ Indirect Economic Impacts</li> <li>▶ Anti-corruption</li> <li>▶ Air Pollutant Emissions</li> <li>▶ Water and Effluents</li> </ul>                                                                                                                                                                                                                                                                              | Annual Report<br>Financial Report    | Regularly    |
|                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Official Document<br>Exchanges       | Occasionally |
|                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | TSC Official Website                 | Instantly    |
|                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | External<br>Communication<br>Mailbox | Instantly    |
| <b>Communication Effectiveness in 2024</b> | <ul style="list-style-type: none"> <li>▶ We invite the PCAs to attend the shareholders' meeting to respond to inquiries related to the financial reports.</li> <li>▶ One shareholders' meeting was held. The shareholders expressed their opinions fully in the meeting and these opinions were included in the meeting minutes.</li> <li>▶ The remarks made by the shareholders regarding the provisional motion at the general shareholders' meeting were replied to the individual shareholders in letters.</li> </ul> |                                      |              |





| Stakeholders                        | Employees ／ Other workers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Communication Channels             | Frequency    |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------|
| Significance of Stakeholders        | We regard our employees as the Company’s most important assets and the cornerstone of our growth. Therefore, we value our employees’ opinions and hope to create a workplace for them to enjoy work and life.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Taiwan Sugar Communication         | Monthly      |
|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Official Document Exchanges        | Occasionally |
| Issues of Concern                   | <div>▶ Employment</div> <div>▶ Practices Education and Training</div> <div>▶ Occupational Health and Safety</div> <div>▶ Food Safety</div> <div>▶ Employee Diversity and Equal Opportunity</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | TSC Official Website               | Instantly    |
|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Trade Union Confederation Congress | Annually     |
|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Labor-Management Meeting           | Quarterly    |
|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Employee Welfare Committee         | Occasionally |
|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Group Insurance                    |              |
|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Employee Satisfaction Survey       | Annually     |
| Communication Effectiveness in 2024 | <div>▶ In order for smooth labor management communication, all the units held a total of 69 labor-management meetings during 2024 and the labor management relationship is harmonious.</div> <div>▶ One general assembly of the Federation of Trade Union Confederation and eight meetings of the Board of Directors were held in 2024.</div> <div>▶ The Employee Welfare Association provided a total of 4,234 welfare measures for employees and their dependents, totaling NTD 21,227 thousand.</div> <div>▶ To provide employees with diverse communication channels, TSC conducts annual employee satisfaction survey using the 5-point Likert Scale, with 5 points as the highest score. The results of the 2024 employee satisfaction survey showed that the satisfaction scored 3.72 points. Among all the items, 「Employment stability, provide opportunities to serve others, and relationships among associates in the same department」 scored the highest, indicating the TSC’s dedication to creating a friendly and altruistic workplace environment has won recognition from employees.</div> |                                    |              |

| Stakeholders                        | Consumers/Clients                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Communication Channels             | Frequency |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------|
| Significance of Stakeholders        | As a state-owned enterprise, the products and services TSC provides should be the model and example for the domestic food industry, and we also play a leading role in food safety in particular. Therefore, the recognition and advice given by our consumers/ clients are the driving force for our continuous efforts and growth.                                                                                                                                                                   | Customer Complaint Mailbox         | Instantly |
|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Customer Service Hotline           | Instantly |
|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | TSC Official Website               | Instantly |
| Issues of Concern                   | <ul style="list-style-type: none"> <li>▶ Customer Privacy</li> <li>▶ Food Safety</li> <li>▶ Marketing and Labeling</li> <li>▶ Air Pollutant Emissions</li> <li>▶ Water and Effluents</li> </ul>                                                                                                                                                                                                                                                                                                        | TSC Facebook Fanpage               | Instantly |
|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Customer Satisfaction Survey       | Annually  |
|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Service Desk at Operation Branches | Instantly |
|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | External Communication Mailbox     | Instantly |
| Communication Effectiveness in 2024 | <ul style="list-style-type: none"> <li>▶ Our 2024 customer satisfaction survey averagely scored 97.31 points, an increase of 0.62 points compared with the 96.69 points in 2023.</li> <li>▶ The Customer Complaint Mailbox is set up to handle customers' inquiries, suggestions and complaints. In 2024, a total 5,043 inquiries of 779 e-mails, 3,382 phone calls and 882 other were received. All the consumers' opinions were responded appropriately to solve the consumers' problems.</li> </ul> |                                    |           |

| Stakeholders                        | Raw Material Suppliers / Contractors / Agents                                                                                                                                                                                                                                                                                             | Communication Channels            | Frequency       |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------|
| Significance of Stakeholders        | We attach great importance raw materials, labor services and the quality of our distribution partners provide. We cooperate with our partners in an impartial, open and fair manner to achieve the goals of benefits sharing and sustainable development.                                                                                 | Symposium                         | Occasionally    |
|                                     |                                                                                                                                                                                                                                                                                                                                           | Education and Training            | Annually        |
|                                     |                                                                                                                                                                                                                                                                                                                                           | Supplier Evaluation Questionnaire | Instantly       |
| Issues of Concern                   | <ul style="list-style-type: none"> <li>▶ Marketing and Labeling</li> <li>▶ Food Safety</li> <li>▶ Supplier Environmental Assessment</li> </ul>                                                                                                                                                                                            | TSC Official Website              | Instantly       |
|                                     |                                                                                                                                                                                                                                                                                                                                           | External Communication Mailbox    | Instantly       |
|                                     |                                                                                                                                                                                                                                                                                                                                           | Agents Meeting                    | Quarterly       |
|                                     |                                                                                                                                                                                                                                                                                                                                           | Face to Face Communication        | Occasionally    |
| Communication Effectiveness in 2024 | All the purchases were made in accordance with the Government Procurement Act, and there were no incidents of corruption. In 2024, We conducted irregular audits of contract manufacturers, including 19 domestic and 0 overseas ones. (Generally, the on-site audits of overseas OEM facilities are carried out once every three years.) | Purchase Distribution Contract    | Contract Period |

| Stakeholders                        | Government Agencies / Elected Representatives                                                                                                                                                                                                                                           | Communication Channels               | Frequency    |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------|
| Significance of Stakeholders        | As a state-run business, opinions or inquiries expressed by the government agencies/ elected representatives are the driving force for our continuous growth, and they are also the keys to our operating performance and sustainable development.                                      | Corporate Governance Evaluation      | Annually     |
|                                     |                                                                                                                                                                                                                                                                                         | Field Inspection of Work Performance | Annually     |
| Issues of Concern                   | <ul style="list-style-type: none"> <li>▶ Anti-corruption</li> <li>▶ Air Pollutant Emissions</li> <li>▶ Water and Effluents</li> <li>▶ Customer Privacy</li> <li>▶ Circular Economy</li> </ul>                                                                                           | TSC Official Website                 | Instantly    |
|                                     |                                                                                                                                                                                                                                                                                         | Official Document Exchanges          | Occasionally |
|                                     |                                                                                                                                                                                                                                                                                         | Discussion Meetings                  | Occasionally |
|                                     |                                                                                                                                                                                                                                                                                         | External Communication Mailbox       | Instantly    |
| Communication Effectiveness in 2024 | The government agencies or elected representatives care about the major issues of TSC, and in 2024, there were 550 times of official document exchanges, 226 discussion meetings with relevant government agencies, and we responded to the elected representatives' opinions promptly. |                                      |              |





| Stakeholders                        | Media                                                                                                                                                                                                                                                                                                                                      | Communication Channels         | Frequency    |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------|
| Significance of Stakeholders        | As a state-run business, we attach great importance to the interaction with the media. If there are important events related to the Company, we respond promptly to the media to maintain and enhance the Company's image.                                                                                                                 | TSC Official Website           | Instantly    |
|                                     |                                                                                                                                                                                                                                                                                                                                            | Press Conferences              | Occasionally |
| Issues of Concern                   | <ul style="list-style-type: none"> <li>▶ Employment Practices</li> <li>▶ GHG Emissions</li> <li>▶ Local Communities</li> <li>▶ Employee Diversity and Equal Opportunity</li> <li>▶ Air Pollutant Emissions</li> <li>▶ Water and Effluents</li> </ul>                                                                                       | External Communication Mailbox | Instantly    |
|                                     |                                                                                                                                                                                                                                                                                                                                            | SMS Notifications              | Occasionally |
|                                     |                                                                                                                                                                                                                                                                                                                                            | New Product Presentation       | Occasionally |
| Communication Effectiveness in 2024 | All sectors of the society are concerned about major issues of TSC. We adopt multiple channels to respond to the media immediately so as to strengthen the good interaction with the media. In 2023, we held press conferences and media luncheons 4 times and released press releases 67 times, with a total of 19,258 SMS notifications. |                                |              |

| Stakeholders                        | Community Residents                                                                                                                                                                                                                                 | Communication Channels                    | Frequency    |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|--------------|
| Significance of Stakeholders        | We are committed to maintaining community relations. Through communication and interaction with community residents, we can understand the residents' issues of concern and establish a harmonious relationship.                                    | TSC Official Website                      | Instantly    |
|                                     |                                                                                                                                                                                                                                                     | External Communication Mailbox            | Instantly    |
| Issues of Concern                   | <ul style="list-style-type: none"> <li>▶ Local Communities</li> <li>▶ Social Participation</li> <li>▶ Air Pollutant Emissions</li> <li>▶ Water and Effluents</li> <li>▶ Customer Privacy</li> <li>▶ Food Preservation (Sustainable Food)</li> </ul> | Visiting the Neighborhood                 | Occasionally |
|                                     |                                                                                                                                                                                                                                                     | Reaction through Elected Representatives  | Occasionally |
|                                     |                                                                                                                                                                                                                                                     | On-site Communication of Person in Charge | Occasionally |
| Communication Effectiveness in 2024 | TSC maintains a harmonious relationship with its neighboring communities and maintains the community environment with its neighbors. In 2024, TSC held a total of 135 neighborly activities.                                                        |                                           |              |



| Stakeholders                        | Online Communities                                                                                                                                                                                                                                                                                                                                                                                                                                    | Communication Channels | Frequency |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-----------|
| Significance of Stakeholders        | Due to the advancement of IT and the popularization of the Internet, TSC has to have more intensive contacts with the online community to expand the depth and breadth of information dissemination and make rapid response to various issues. We constantly improve the positive impression of TSC's business operation through listening to the online community and responding in a positive manner.                                               | TSC Official Website   | Instantly |
|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                       | TSC Facebook Fanpage   | Instantly |
|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Line                   | Instantly |
| Issues of Concern                   | <ul style="list-style-type: none"> <li>▶ Social Participation</li> <li>▶ Marketing and Labeling</li> <li>▶ Food Safety</li> <li>▶ Corporate Governance</li> </ul>                                                                                                                                                                                                                                                                                     | YouTube Channel        | Instantly |
|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Instagram              | Instantly |
| Communication Effectiveness in 2024 | TSC publishes topics and event information through social media to interact and have exchanges with the public. The headquarters and various unit branches have a total of 15 Facebook fanpages and 5 official Instagram accounts. Due to the increased volume of product recommendations and promotional communications for local events in 2024, the fan base increased by 6.1% compared to 2023, and the total number of likes increased by 4.76%. |                        |           |

| Stakeholders                        | Insurance Companies, Financial Institutions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Communication Channels           | Frequency    |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------|
| Significance of Stakeholders        | Capitals play an important role in business operations and the promotion of sustainable development. As the international attention gradually shifts towards sustainability issues such as net zero carbon emissions and climate change, the financial institutions will incorporate the guidelines for identifying sustainable economic activities into strategic planning and investment and financing assessment in accordance with the Green Finance Action Plan 3.0. TSC may face ESG performance rating from insurance companies and financial institutions in the future.                                                                                                        | TSC Official Website             | Instantly    |
|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | External Communication Mailbox   | Instantly    |
|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Face to Face Communication       | Occasionally |
|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | The Company's Annual Report      | Annually     |
| Issues of Concern                   | <ul style="list-style-type: none"> <li>▶ Food Safety</li> <li>▶ Marketing and Labeling</li> <li>▶ Energy</li> <li>▶ Social Participation</li> <li>▶ GHG Emissions</li> <li>▶ Climate Adaptation and Resilience</li> <li>▶ Ecosystem Conversion</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                               | Sustainability Report            | Annually     |
|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Bank Credit Work                 | Occasionally |
|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Credit Rating Discussion Meeting | Annually     |
| Communication Effectiveness in 2024 | <ul style="list-style-type: none"> <li>▶ As ESG issues gradually heat up and to cope with the short-term capital allocation needs TSC conducted 4 times of bank credit business in 2024.</li> <li>▶ A credit rating management level meeting is held on a yearly basis, in which the company's operating conditions are fully discussed. In March, 2025, TSC was affirmed long-term "twAA" short-term "twA-1+" ratings by Taiwan Ratings, outlook stable. Moreover, based on the comparison with global debtors, TSC's financial health has been rated as "extremely strong". We will continue to pay attention to the impact of ESG development on the Company's financing.</li> </ul> |                                  |              |





## 1.1.5 Material Topics of Sustainable Development

### ► Identification of Material Topics

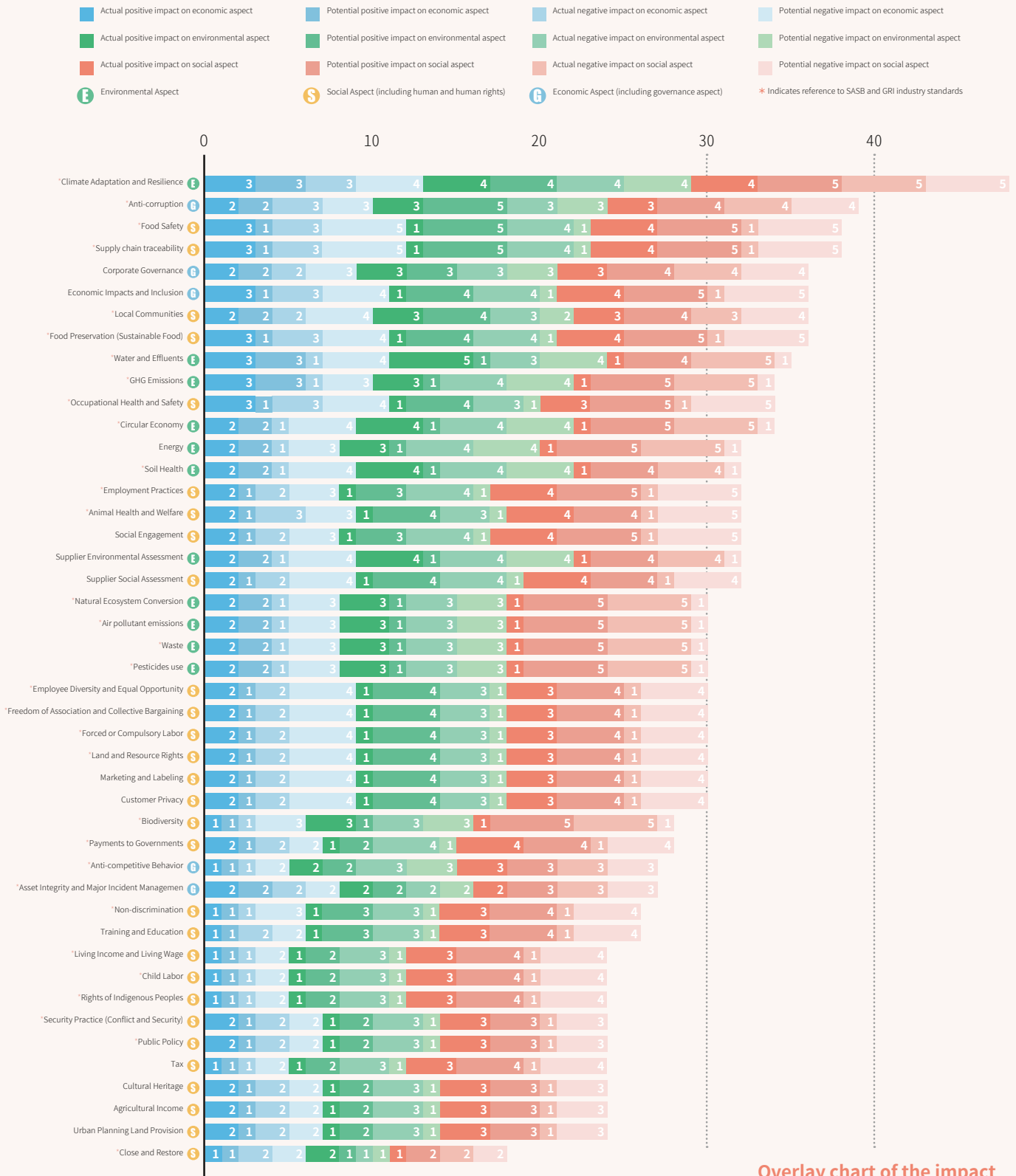
To ensure that the information disclosed in this Sustainability Report aligns better with international sustainable development trends, TSC referred to the materiality identification process of GRI Standards (2021), including Understanding organizational context, Identification of impacts, Significance assessment, Identification of material topics, and Defining the boundaries of material topics, to establish a materiality analysis framework.

|   |                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                               |
|---|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| 1 | <b>Understanding organizational context and collection of sustainability issues</b> | To understand the organizational context and collect sustainability topics, TSC referred to the GRI Topic Standards and Sector Standards published by Global Reporting Initiative (GRI), Sustainability Accounting Standards Board Standards (SASB), SDGs and important issues in the food industry, etc., with reference to the opinions of stakeholders, a total of 45 sustainability topics were summarized, and the topics cover the economic (including governance aspect), environmental and social aspects of sustainability. | 3 major aspects of sustainability<br>45 sustainability issues |
| 2 | <b>Identification of actual and potential impacts</b>                               | External ESG experts scored the actual and potential negative and positive impacts of the topics on economy, environment, and society (human and human rights).                                                                                                                                                                                                                                                                                                                                                                      | 29 material topics                                            |
| 3 | <b>Assessment of the significance of impact</b>                                     | The overall score is based on the sum of the scores of the actual negative impact, potential negative impact, actual positive impact, and potential positive impact of each topic on economy, environment, and society (human and human rights) for prioritization, and those with a total scores of 30 points and above are topics with significant impacts.                                                                                                                                                                        |                                                               |
| 4 | <b>Inspecting and confirming material topics</b>                                    | Through discussions in the TSC's Sustainability Report Editing Group (comprising representatives from various departments, regions, and units) meeting, a total of 29 material topics were determined as the priority reporting topics.                                                                                                                                                                                                                                                                                              |                                                               |
| 5 | <b>Defining the boundaries of material topics</b>                                   | After analysis, the material topics used the value chain as the boundary analysis element. In the future, TSC will continue to strengthen management and disclose relevant information in the Sustainability Report.                                                                                                                                                                                                                                                                                                                 | The value chain was used in the boundary element analysis.    |



## The Identification and Value Chain Boundary of Material Topics

Utilization of GRI Standards and incorporation of GRI Industry Standards into sustainability topic references. Through the process of material sustainability topics identification mentioned above, a total of 29 material topics were identified this year. Compared with the material topics of the previous year, two major topics, including “Non-discrimination (GRI 406)” and “Minimum Living Income (custom topic)” were removed. In addition, the title of the material topic “Economic Impacts and Inclusion” in the previous year was adjusted to “Indirect Economic Impacts”.



Overlay chart of the impact on TSC's sustainability theme



After analysis of the material topics in the 2025 Sustainability Report and with the value chain being used as the element for the boundary analysis, we have summarized the contents in five chapters that include “Stepping Toward Sustainable Governance,” “Building Climate Resilience,” “Leveraging Natural Capital,” “Creating Social Value,” and “Taking Care of Taiwan Sugar Corporation Partners,” explaining TSC’s active management in the aspects of economy, product liability, environment, social participation, human rights, and employee care. TSC will continue to strengthen sustainable management and disclose relevant information in the corporate sustainability report.

| Sustainability Aspects<br>(Corresponding Chapter and Section)                     | TSC's Sustainability Topics of 2024 and corresponding GRI topics | Impact Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Strategies and Actions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | TSC Value Chain Impact Boundary                                | Page |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|------|
| <div>Chapter</div> <div>1</div> <div>Stepping Toward Sustainable Governance</div> | Corporate Governance<br>(Custom Topics)                          | <b>Actual positive impact on social aspect :</b><br>Respond to government policy directions, enhance information transparency, and safeguard the rights and interests of stakeholders.<br><b>Potential positive impact on economic aspect :</b><br>Improve operational performance while assisting the smooth promotion of government policies.                                                                                                                                                       | <b>【Management】</b><br>Setting up the Corporate Governance Best Practice Principles for Taiwan Sugar Corporation in accordance with Corporate Governance Best Practice Principles for TWSE/ TPEX Listed Companies established by TWSE and Taipei Exchange.                                                                                                                                                                                                                                                                                                                                                                                               | TSC(caused)                                                    | 011  |
|                                                                                   | Anti-corruption<br>(GRI 205)                                     | <b>Potential negative impact on environmental aspect :</b><br>Unleased idle land in remote areas where land inspectors may collude with manufacturers to steal sand and gravel or for backfill waste.                                                                                                                                                                                                                                                                                                 | <b>【Prevention】</b><br>Through the organization of relevant anti-corruption educational training and promotion, the integrity awareness and the concept of the rule of law can be established to strengthen corporate management and professional ethics. The Department of Ethics conducts corruption assessment on a regular basis.                                                                                                                                                                                                                                                                                                                    | TSC(caused)<br>Suppliers / Contractors<br>(directly linked to) |      |
|                                                                                   | Customer Privacy<br>(GRI 418)                                    | <b>Actual negative impact on economic aspect :</b><br>After registering for events or placing product orders, members of the public received fraudulent phone calls due to a data breach.<br><b>Potential negative impact on social aspect :</b> In this digital age, failure to properly protect personal data may result in theft, alteration, destruction, loss, or leakage of personal data, which will pose a serious threat to TSC's reputation, business operation, and sensitive information. | <b>【Remedy】</b> Revised operational regulations related to data protection and required suppliers to sign the Contractual Clauses of Personal Data Protection to protect the rights and interests of individuals and the Company.<br><b>【Prevention】</b> The Management Points for Personal Data Protection have been established, and the inventory and review of personal data files have been conducted, with each department required to complete the “Personal Data Inventory and Management Summary For” for registration and control. All departments have also designated responsible personnel to maintain the security of personal data files. | TSC(caused)                                                    |      |



Sustainability Aspects  
(Corresponding Chapter and Section)

TSC's Sustainability Topics of 2024 and corresponding GRI topics

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Chapter

2

Building Climate Resilience

067

Energy  
(GRI 302)

**Actual positive impact on social aspect :**

Majority consensus on transforming Taiwan into a low carbon society has been reached, and now there is an urgent need to increase the proportion of renewable energy.

**Actual positive impact on economic aspect :**

The renewable energy industry is supported by policies and has high development potential.

**Potential negative impact on environmental aspect :**

As TSC expands its operations, the energy consumption required may increase.

**Potential positive impact on environmental aspect :**

Efficient utilization of biological resources can reduce the generation of greenhouse gases and wastewater.

**Actual positive impact on social aspect :**

After the biomass energy technology in the livestock industry accumulates substantial achievements, it can serve as a benchmark for technology emulation by related industries and potential investors.

**[Management]**

Respond to the government's energy policy and cooperate with solar power plant operators by using the existing land resources to promote the solar PV project.

**[Prevention]**

All business departments promote equipment renewal and energy saving measures to improve energy usage efficiency.

TSC(cause)  
Suppliers /  
Contractors  
(contributed to)

Climate Adaptation  
and Resilience (Custom  
Topics, including GRI 201-2  
Economic Performance)

**Actual positive impact on environmental aspect :**

Climate risk management has become an international consensus, and policy responses from various countries are expected to help mitigate the impacts of climate change.

**Potential positive impact on social aspect :**

Stakeholders are increasingly using climate risk management as an important indicator to assess whether a business can sustainably develop.

**[Management]**

By adopting the TCFD framework and performing climate scenario analysis, we continue to identify and assess the climate-related risks and opportunities faced by the Company, aiming to build our climate resilience and contribute to global efforts in mitigating global warming.

TSC(cause)  
Suppliers /  
Contractors  
(contributed to)

GHG Emissions (Custom  
Topics,GRI 305-1~305-5)

**Actual negative impact on environmental aspect :**

Emissions of GHGs are causing the global average temperature to rise year by year, exacerbating the extent of climate change.

**[Remedy]**

Adjusting business and energy proportions to minimize greenhouse gas emissions.

**Potential positive impact on social aspect :**

Governments around the world and international corporations have reached a consensus to set a target of net-zero carbon emissions by 2050, in order to curb the pace of global warming.

**[Management]**

In alignment with the Ministry of Economic Affairs' net-zero transition framework, our company has formulated its carbon reduction strategy around five key areas: "energy transition", "equipment efficiency enhancement", "renewable energy", "carbon-negative technologies", and "EV charging infrastructure".

TSC(cause)  
Suppliers /  
Contractors  
(contributed to)



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2

Building Climate Resilience

GHG Emissions (Custom Topics, GRI 305-1~305-5)

**Potential negative impact on economic aspect :**

The implementation of the Renewable Energy Installation Regulations and the carbon fee-related legislation in our country has led to an increase in operational costs for businesses.

**[Prevention]**

Continue to access the feasibility of natural carbon sink and invest in research on biological carbon negative technology to accelerate the realization of agricultural and animal husbandry circulation model.

TSC(cause)  
Suppliers /  
Contractors  
(contributed to)

Water and Effluents (GRI 303)

**Potential negative impact on environmental aspect :**

As TSC expands its operations, the consumption of water resources and the generation of wastewater may increase.

**[Management]**

TSC actively promotes the recycling and reuse of wastewater to improve the effectiveness of water conservation to reduce the consumption of water resources.

**[Prevention]**

Implement the livestock housing renovation project that incorporates a biogas center and wastewater treatment facilities to address pig manure issues

TSC(cause)

Air Pollutant Emissions (Custom topics, GRI 305-6, 305-7)

**Potential negative impact on environmental aspect :**

As TSC expands its operations, the amount of air pollution generated may increase.

**[Management]**

Implementing the ISO 14001 Environmental Management Systems, the exhaust gases are treated by air pollution control equipment to meet the statutory emission standards.

**[Prevention]**

The new pig farm is equipped with the closed negative-pressure water curtain system and a scraping system at the bottom of the livestock housing to control the dispersion of odors.

TSC(cause)

Waste (GRI 306)

**Potential negative impact on environmental aspect :**

As TSC expands its operations, the amount of waste generated may increase.

**[Management]**

Implementing the ISO 14001 Environmental Management Systems to handle waste properly.

**[Prevention]**

Waste reduction actions are carried out from the process and packaging improvement, promotion of waste recycling, and investment in circular economy related research.

TSC(cause)

067



Sustainability Aspects  
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TSC's Sustainability Topics of 2024 and corresponding GRI topics

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Chapter

3

Leveraging Natural Capital

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Food Preservation  
(Sustainable Food)  
(Custom Topics)

**Potential negative impact on social aspect :**  
The self sufficiency rate of some food items has been on a downward trend for a long time, not conducive to market supply during emergency period.

**[Prevention]**  
To cooperate with the government's agricultural policy, TSC handles the affairs concerning the lease of land for the cultivation of regulatory crops, and through the development of various young farmers' businesses, the regional agriculture can be developed to stabilize the balance of the production and sales of domestic agricultural products.

TSC(caused)  
Suppliers /  
Contractors  
(contributed to)

**Actual positive impact on social aspect :**  
Provide incentives for people to engage in farming and lower the barriers to entry into agriculture, thereby slowing down the occurrence of agricultural labor shortages.

**[Management]**  
We offer basic pig farming training courses and invite experts and scholars from the industry, government, academia, and research sectors to establish a comprehensive teaching team, and provide high-quality courses combining theory and practice to assist pig farmers with transformation and upgrading.  
**[Management]**  
TSC provides low interest-rate loans to partner sugarcane farmers and subsidizes for the transportation charges of the raw material of sugarcane, the cane field fire insurance fees, the purchase of bait. And purchasing sugarcane at guaranteed price.

Indirect Economic Impacts  
(GRI 203)

**Actual positive impact on social aspect :**  
Stabilize the prices of staple foods and effectively protect the livelihood of the underprivileged communities in Taiwan.

**[Management]**  
As the executor of the country's economic policies, TSC cooperates with the government's policy to stabilize prices and maintains the prices of refined sugar and salad oil.

TSC(caused)

**Potential positive impact on social aspect :**  
Assisting allied nations in economic development through non-governmental cooperation models can help enhance Taiwan's diplomatic relations.

**[Management]**  
In response to the government's policy toward allied nations, we will promote technical support, guidance, cooperative production and other projects based on the economic type and resource conditions of the countries we have diplomatic ties with.

**Potential positive impact on economic aspect :**  
Promote the upgrading of the agricultural and livestock industries and assists the government in promoting the industries.

**[Management]**  
TSC supports agricultural and livestock-related industries in Taiwan by renovating pig farms and supporting organic agriculture. We continue to cooperate with the government's public policy needs and provide land resources for major economic and construction projects for the development of industrial parks, science parks, and so on to maximize land value.

Soil Health  
(Custom Topics)

**Potential positive impact on environmental aspect :**  
Reducing the proportion of traditional farming practices helps improve soil fertility and reduce agricultural pollution.

**[Management]**  
Encouraging farmers to adopt eco-friendly, organic farming and to release land and equipment

TSC(caused) TSC's  
tenants (directly  
linked to)



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(Corresponding Chapter and Section)

TSC's Sustainability Topics of 2024 and corresponding GRI topics

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3

Leveraging Natural Capital

|                                                 |                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                  |                                               |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Soil Health<br>(Custom Topics)                  | <b>Actual negative impact on environmental aspect :</b><br>Low fertility agricultural land has been poorly managed over the long term may be subject to improper use such as dumping or burial | <b>[Remedy]</b><br>Invest in agricultural technology research, apply green manure to improve soil fertility and ecological conditions, and the goal is to use land that was originally not suitable for farming to grow crops with biomass energy potentials, enabling the land resources to be more efficiently utilized.                       | TSC(cause) TSC's tenants (directly linked to) |
| Pesticides Use<br>(Custom Topics)               | <b>Potential negative impact on environmental aspect :</b><br>Without proper control of pesticide dosages, it will lead to the spread of excessive toxic contamination.                        | <b>[Prevention]</b><br>Sugarcane planting introduces the Traceability Certification, with the types and amounts of pesticides used shall comply with relevant regulations concerning the agricultural crops of the Traceability system.                                                                                                          | TSC(cause) TSC's tenants (directly linked to) |
| Land and Resource Rights<br>(Custom Topics)     | <b>Potential negative impact on social aspect :</b><br>Depending on the government's public policy requirements, some land uses and scope may have to be changed.                              | <b>[Prevention]</b><br>When leasing out the self-owned land, we sign a lease contract with the land lessee, clearly specifying the lease term, scope, rights and obligations and other information to protect the rights and interests of both parties.                                                                                          | TSC(cause)                                    |
| Circular Economy<br>(Custom Topics)             | <b>Potential positive impact on environmental aspect :</b><br>If more circular economy models are proven feasible, it could reduce resource consumption and waste issues.                      | <b>[Management]</b><br>We continue to invest in research on animal and plant resources, collaborate with production, academic, and research institutions to develop new materials and applications, promoting the implementation of circular economy technologies and achieving sustainable circulation.                                         | TSC(cause)                                    |
| Animal Health and Welfare<br>(Custom Topics)    | <b>Potential negative impact on environmental aspect :</b><br>Poor rearing environments can trigger infectious diseases, leading to widespread dead pigs.                                      | <b>[Prevention]</b><br>According to EU Animal Welfare Measures and animal-friendly guidelines, the pig house is designed, and an intelligent management system and automatic feeding system are installed to monitor the health of pigs.                                                                                                         | TSC(cause)                                    |
| Natural Ecosystem Conversion<br>(Custom Topics) | <b>Actual positive impact on environmental aspect :</b><br>Maintaining a stable forest structure and environment contributes to the proliferation of habitat wildlife.                         | <b>[Management]</b><br>Maintaining the existing flatland afforestation environment and ecological conservation areas, and cooperating with the National Ecological Conservation Green Network Project of the Forest District Office to connect adjacent ecological habitats to form an eco-friendly ecological corridor for biological habitats. | TSC(cause)                                    |

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4

Creating Social Value

|                                                |                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                               |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| Food safety<br>(Custom Topics, GRI 416)        | <b>Potential negative impact on social aspect :</b><br>Improper quality management may potentially impact public health.                                                                                                                                                                                                                                                               | <b>[Prevention]</b><br>Actively implementing Food Safety Traceability Management System, conducting quality inspections on all products to ensure compliance with regulatory standards for ingredients and hygiene, and obtaining various food safety certification labels.                                                                                                                                                       | TSC(cause)<br>Suppliers / Contractors<br>(directly linked to) |
| Marketing and Labeling<br>(GRI 417)            | <b>Potential negative impact on social aspect :</b><br>Incomplete product information labeling may not facilitate consumer purchases or may lead to misinformation.                                                                                                                                                                                                                    | <b>[Prevention]</b><br>Actively implementing Food Safety Traceability Management System, conducting quality inspections on all products to ensure compliance with regulatory standards for ingredients and hygiene, and obtaining various food safety certification labels.                                                                                                                                                       | TSC(cause)                                                    |
| Supply Chain Traceability<br>(Custom Topics)   | <b>Potential negative impact on social aspect :</b><br>Without establishing a traceability system, when food safety issues occur, it will be impossible to trace and confirm the source.                                                                                                                                                                                               | <b>[Prevention]</b><br>TSC has independently established Food Safety Traceability Management System (FT) and disclosed it on our official website for consumer inquiries. In addition, we have joined the "TQF ICT Service Platform" and the "Food and Drug Administration Food Traceability Tracking Management Information System," of TFDA thereby constructing a food safety protection network.                              | TSC(cause)<br>Suppliers / Contractors<br>(directly linked to) |
| Social Participation<br>(Custom Topics)        | <b>Actual positive impact on social aspect :</b><br>The business departments and operation branches are distributed through Taiwan, having certain appeal and influence on the public.                                                                                                                                                                                                 | <b>[Management]</b><br>TSC has formulated the Key points of Good-neighborliness Work of Taiwan Sugar Corporation. A budget is prepared every year to assist local government, student clubs, associations (societies), foundations, and other organizations to handle various activities.                                                                                                                                         | TSC(cause)                                                    |
| Local Communities<br>(GRI 413)                 | <b>Potential negative impact on environmental aspect :</b><br>Large scale changes in land use may result in negative environmental or ecological impacts due to related business activities.<br><b>Actual positive impact on social aspect :</b><br>The business departments and operation branches are distributed through Taiwan, having certain appeal and influence on the public. | <b>[Prevention]</b><br>When there are major constructions in the factory area, environmental and ecological assessments are conducted. Coordination meetings are held to communicate effectively with the neighboring residents.<br><b>[Management]</b><br>Using the TSC gas stations as a platform for charitable donations, we collect supplies for vulnerable groups and assist in distributing surplus agricultural products. | TSC(cause)                                                    |
| Supplier Environmental Assessment<br>(GRI 308) | <b>Actual positive impact on social aspect :</b><br>Increase the procurement standards/ conditions and guide suppliers to strengthen their ESG behaviors.                                                                                                                                                                                                                              | <b>[Management]</b><br>In accordance with the Government Procurement Act, TSC will consider incorporating environmental and social criteria into procurement contract requirements in the future, based on policies.                                                                                                                                                                                                              | TSC(cause)<br>Suppliers / Contractors (directly linked to)    |
| Supplier Social Assessment<br>(GRI 414)        |                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                               |

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5

Taking Care of Taiwan Sugar Corporation Partners

|                                                            |                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                   |
|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| Employment Practices<br>(custom topic, GRI 402)            | <b>Actual positive impact on social aspect :</b><br>The clear promotion and career advancement paths facilitate employees in planning their career development.                                                  | <b>[Management]</b><br>The recruitment is based on “the Employment Services Act”, “Labor Standards Act” and “Regulations for the Employment of the Personnel of Business Units Affiliated with the Ministry of Economic Affairs.”                                                                                                                                                                                                           | TSC(caused)                                                       |
|                                                            | <b>Actual negative impact on social aspect :</b><br>The examination system for staff recruitment cannot attract special talents needed for new forms of business.                                                | <b>[Remedy]</b><br>For specialized or technical personnel with special business nature, it is possible to hire them in an open manner as contract employees.                                                                                                                                                                                                                                                                                |                                                                   |
| Employee Diversity and Equal Opportunity (GRI 405)         | <b>Actual positive impact on social aspect :</b><br>Vulnerable or minority groups have ample opportunities to join Taiwan Sugar Corporation's workforce.                                                         | <b>[Management]</b><br>In accordance with the relevant provisions of “People with Disabilities Rights Protection Act” and “Indigenous Peoples Employment Rights Protection Act” to protect equal employment opportunities for vulnerable and related ethnic groups.                                                                                                                                                                         | TSC(caused)<br>Suppliers /<br>Contractors<br>(contributed to)     |
| Freedom of Association and Collective Bargaining (GRI 407) | <b>Actual positive impact on social aspect :</b><br>Integrating employee opinions through the union facilitates smooth labor management communication and enhances employees' sense of belonging to the company. | <b>[Management]</b><br>Viewing employees from the perspective of business partners, TSC collaborates with TSC Federation of Labor Unions by signing collective agreements through negotiation meetings, working together to create the development of the corporation.                                                                                                                                                                      | TSC(caused)<br>Suppliers /<br>Contractors<br>(contributed to)     |
| Forced or Compulsory Labor (GRI 409)                       | <b>Potential negative impact on social aspect :</b><br>Forced labor may be hidden at supplier sites.                                                                                                             | <b>[Prevention]</b><br>The supplier contracts explicitly stipulate the prohibition of forced labor. Once a supplier is found to the event of any human rights violations, such supplier is immediately required to make improvement within a certain time frame and may also be fined for breach of contract. If no improve improvement is made or frequent breach of contract is found, TSC can terminate the contract with such supplier. | TSC(caused)<br>Suppliers /<br>Contractors<br>(contributed to)     |
| Occupational Health and Safety (GRI 403)                   | <b>Actual and Potential negative impact on social aspect :</b><br>Hidden workplace risks in the production process, if left unidentified, can pose a threat to employee safety.                                  | <b>[Prevention]</b><br>Reviewed regularly by the Occupational Safety and Health Committee, various aspects are examined to prevent accidents and illnesses proactively.<br><b>[Remedy]</b><br>Improvement is continuously made through the Plan-Do-Check-Action (P-D-C-A) model so as to achieve zero injuries and diseases.                                                                                                                | TSC(caused)<br>Suppliers /<br>Contractors<br>(directly linked to) |

## 1.2 Corporate Governance

In 2022, the Financial Supervisory Committee (FSC) announced the Corporate Governance 3.0- Sustainable Development Roadmap which centers on the following five major areas, including “Strengthen duties and functions of board to enhance the sustainable value of enterprises,” “Enhance information transparency and promote sustainable operations,” “Strengthen communication with stakeholders and create effective interaction channels,” “Encourage stewardship and align with international norms”, and “Deepen a corporate culture of sustainable governance and provide diversified products.” Although TSC is not a listed company, as a state-owned enterprise, TSC still shoulders the responsibility of cooperating with the government’s policy, and promotes corporate governance in accordance with relevant strategic pillars.

TSC board of directors serves as the highest governance body of the Company, supervising the operation of the business of the management department and responsible for the shareholders and stakeholders. To establish a good corporate governance system, we have set up the Corporate Governance Best Practice Principles for Taiwan Sugar Corporation in accordance with Corporate Governance Best Practice Principles for TWSE/ TPEX Listed Companies established by TWSE and Taipei Exchange. In addition to the compliance with laws and regulations and the provisions of the Articles of Association, an effective corporate governance structure has been established in accordance with the following principles:

- 1 Protect the shareholders’ rights and interests
- 2 Strengthen the functions of the board of directors
- 3 Give full play to the functions of the Audit Committee
- 4 Respect the shareholders’ rights and interests
- 5 Enhance the transparency of information



It is hoped that under the leadership of a competent governance unit that continues to receive education and training for improvement, the operating performance will be improved, bringing good economic performance and corporate development for TSC.



Please visit the TSC’s Sustainable Development Page to download TSC Corporate Governance Regulations.



## 1.2.1 Board of Director Structure

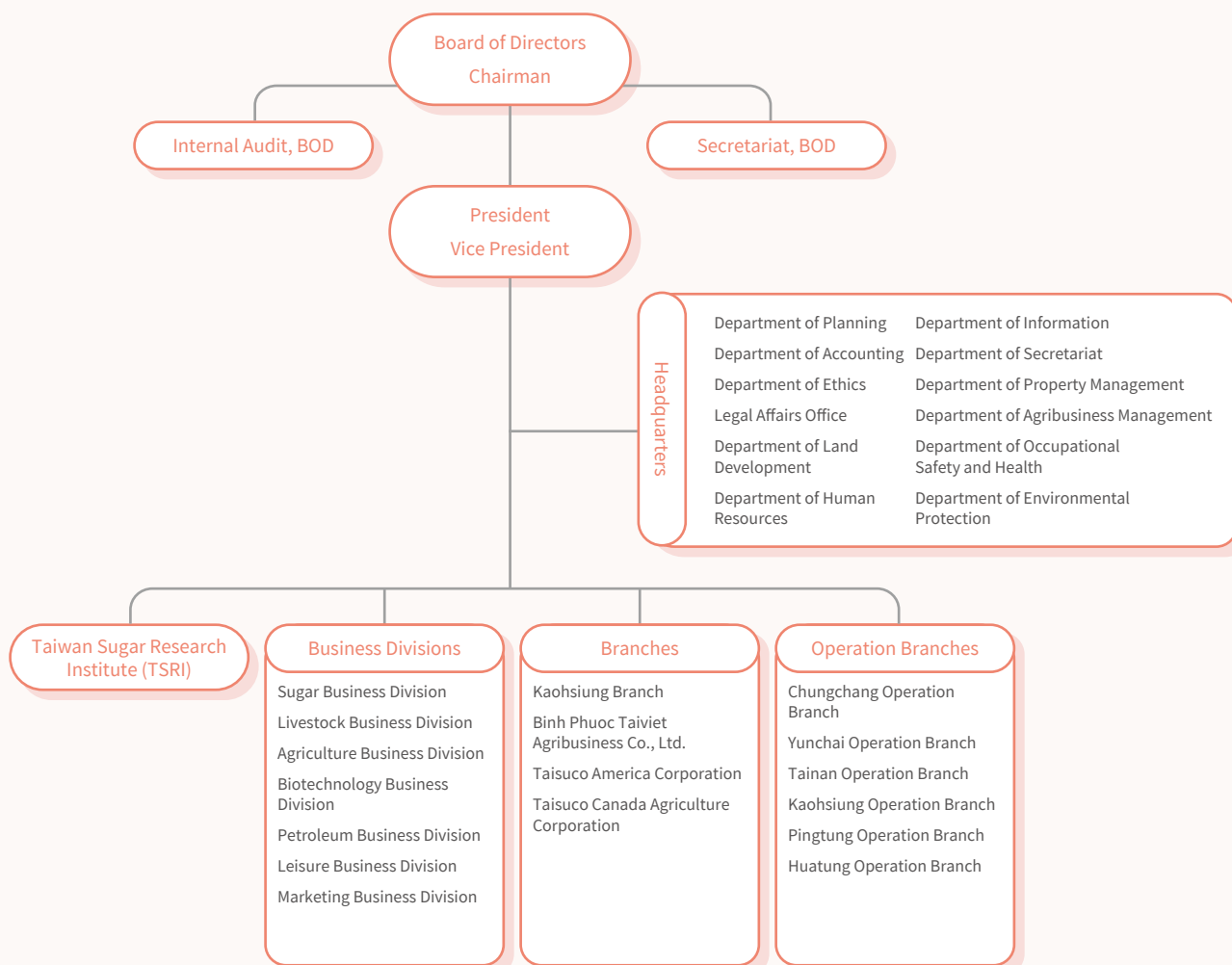
The Board of Directors is the Company's highest governance body. The chairman is also the chairman of the shareholders' meeting and the board of directors and not a member of the management team<sup>NOTE</sup>. The president and the vice presidents assist the chairman. The chairman upholds the resolutions of the board of directors for the overall management of the company's business. The vice presidents assist the president according to the division of business. The concept of corporate governance at TSC is implemented from top to bottom. All the important business decisions are implemented based on the resolutions of the board of directors.

Note:

Former President, Mr. Li-Jen Chen stepped down on February 11, 2025, and the Chairman is currently serving concurrently as the President. To ensure transparency in corporate governance, the Chairman of TSC generally does not concurrently serve as the President to maintain the transparency of corporate governance. If such dual roles occur, it is only as a temporary measure during personnel transitions or handover periods, constituting a short-term arrangement.



### Organizational Structure of TSC



TSC is a state-owned enterprise under the Ministry of Economic Affairs. The Executive Yuan and the Ministry of Economic Affairs originally approved Mr. Ming-Jou Yang to take over as the chairman of the board. His later resignation was approved, and stepped down on November 4, 2024, and his position was taken over by Mr. Chi-Hsiao Liu as the acting chairman on the same day. In the 9th board meeting of the 36th session of board of directors convened on November 29, 2024, Mr. Ming-Chang Wu was elected as Chairman.



### The nomination, criteria, and selection process of board members are as follows

#### ① Directors representing government shares (including labor directors) :

The MOEA assigns the representatives presenting government shares in accordance with the Company Act and the Key Points for the Selection and Appointment in Managers, Directors, and Supervisors of State-owned Enterprises owned by MOEA. In addition, in accordance with Article 35 of the Administrative Law of State-Owned Enterprise, MOEA will assign the labor directors recommended by the labor union. These representatives are all elected in the shareholders' meeting.

#### ② Independent directors:

The criteria and election of independent directors are compliant with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and TSC's Rules Governing the Scope of Powers of Independent Directors. MOEA that has the power for nomination will propose a list of candidates for independent directors, which is reviewed and announced by the board of directors, and submitted to the shareholders' meeting for election.

#### ③ Directors representing:

Directors representing private shareholding are elected in the shareholders' meeting.

TSC's board of directors comprises 15 directors elected in the shareholders' meeting in accordance with the Taiwan Sugar Corporation Procedures for Election of Directors, and as prescribed in Article 14-2 of Securities and Exchange Act, the Company appoints 3 seats of independent directors among directors and the election of independent directors is conducted in accordance with the candidate nomination system in the shareholders' meeting from the roster of nominees. The term of office of the director is 2 years. TSC convened the shareholders' meeting in June, 2024 for the re-election of the 36th session of board of directors whose term of office is from June 14, 2024 to June 13, 2026, with six female directors among them. All directors shall sign the Written Consent to Act as Director, abide by the provisions of Article 23 of the Company Act, and shall exercise the due care of a good administrator in conducting the business operation of the Company.

The board of directors established the Audit Committee that is composed of all independent directors and convened by one of the independent directors by appointment in 2012 to replace the functions of the supervisors. The audit-related operations are handled in accordance with TSC's Audit Committee Charter that are disclosed in the annual reports. In 2014, to complete the supervision functions and strengthen the management functions, the Land Resources Committee and the Business Investment Committee were also established under the board of directors to exercise their powers independently from the Audit Committee. Matters concerning the number of committee members, term of office, powers, rules of procedures, resources the company should provide when exercising their power are all stipulated in the Organization and Key Points for Business Investment Committee of the Board of Director and Organization and Key Points for Land Resources Committee of the Board of Director.



## Diversity of Directors

As prescribed in Article 20 of Corporate Governance Best Practice Principles for Taiwan Sugar Corporation, to achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities, including ability to make operational judgments, ability to perform accounting and financial analysis, ability to conduct management administration, ability to conduct crisis management, knowledge of the industry, an international market perspective, ability to lead, and ability to make policy decisions. Furthermore, TSC implements board diversity, including gender, age, cultural and educational background, professional knowledge, skills, and experience. With the diverse composition, we continue to strengthen corporate governance and operational performance.

As of the end of December 2024, TSC's board of directors comprises 15 directors, including 3 independent directors, 1 representing director, 6 female directors(The ratio of female directors accounts for 40% of the total board of directors.), and 3 representative directors assigned by the trade unions. The requirement that each gender shall account for more than one-third of the board seats has been met.

Board members possess diverse professional backgrounds in the fields of food safety, real estate management, sustainable environment, construction, law, accounting, finance, marketing, agriculture, economic development, urban development, and environmental education. The diversity of expertise complements each other effectively, facilitating the implementation of management and future development strategies.



### Basic information of the BOD members (36th session)

Date of information: December 31, 2024

| Title    | Name                    | Current Position                     | Education                                                                                                                               | Experience                                                                                                                                                                                                                                                                                                                       | Attendance rate in 2024 |
|----------|-------------------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Chairman | Ming-Chang Wu<br>(Male) | Chairman of Taiwan Sugar Corporation | PhD, Postharvest Processing Group, Graduate School of Department of Horticulture and Landscape Architecture, National Taiwan University | President of Best News Biomedical Co., Ltd.; Dean of Institute of Food Safety Management, National Pingtung University of Science and Technology (NPUST); Director of Southern Taiwan Interdisciplinary Center for Innovative Technologies, NPUST; Director of Food Safety Center, NPUST; Dean of College of Agriculture, NPUST. | 100%                    |

## Basic information of the BOD members (36th session)

Date of information: December 31, 2024

| Title                | Name                      | Current Position                                                                                   | Education                                                                      | Experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Attendance rate in 2024 |
|----------------------|---------------------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Independent Director | Rui-Ke Tang (Male)        | Practicing Lawyer                                                                                  | Bachelor of Law, National Chung Hsing University (now Taipei University)       | President of Pingtung Bar Association; Convener of the Election Supervision Group of the Pingtung County Election Commission; Member of the Mandatory Evaluation and Mandatory Mental Illness Community Treatment Review Committee of the Ministry of Health and Welfare; Member of the State Compensation Committee of the Administrative Enforcement Agency, Pingtung Branch, Ministry of Justice; Labor-management mediation committee member of the Bureau of Industrial Park Kaohsiung Branch, MOEA; honorary consulting lawyer for small and medium-sized enterprises; Member of the State Compensation Committee of the Seventh River Branch of the Water Resources Agency, Pingtung County Government Regulatory Committee, Medical Review Committee, Medical Dispute Mediation Committee, and Green Energy Development Management Promotion Committee. | 100%                    |
| Independent Director | Guei-Feng, Chang (Female) | Professor and Dean of the Department of Real Estate Management, National Pingtung University       | PhD in Architecture, National Cheng Kung University                            | Director of the Center for Sustainable Built Environment Research, National Pingtung University, and Director of the Urban and Rural Development Division, Pingtung County Government                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 100%                    |
| Independent Director | Ting-Ting Lai (Female)    | Attorney at PROTECT STANCE Law Firm<br>Representative Accountant at PROTECT STANCE Accounting Firm | Bachelor of Law, Department of Law, College of Law, National Taiwan University | Director of Tainan City Japanese Association, member of the International Affairs Committee of the National Lawyers Federation, member of the International Exchange Committee of the Tainan Bar Association, lawyer of Jianye Law Firm                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 100%                    |
| Director             | Li-Jen Chen (Male)        | President of Taiwan Sugar Corporation                                                              | Master's Degree, Dept. of Land Affairs, National Chengchi University           | Vice President of Taiwan Sugar Corporation; Director of the Property Operation Dept. of Taiwan Sugar Corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 100%                    |
| Director             | Chung-Yi Hu (Male)        | Deputy Minister, Ministry of Agriculture, Executive Yuan                                           | PhD in Agricultural Economics, University of Tokyo, Japan                      | Director-General of the Agricultural and Food Department of the Ministry of Agriculture, Director-General of the Agricultural and Food Department of the Council of Agriculture, Executive Yuan, Secretary to the Chief of the Council of Agriculture, Executive Yuan, Director of the Counseling Department, Director of the Planning Department                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 100%                    |



### Basic information of the BOD members (36th session)

Date of information: December 31, 2024

| Title    | Name                    | Current Position                                                                                         | Education                                                                                                                                                                                                                                        | Experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Attendance rate in 2024 |
|----------|-------------------------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Director | Tsu-Feng Tseng (Male)   | Distinguished Visiting Professor of the College of Construction, Feng Chia University                    | PhD in Architecture, University of Darmstadt, Germany                                                                                                                                                                                            | Professor of Dept. of Architecture, National University of Kaohsiung; Municipal Advisor of Kaohsiung City Government; Member of the Executive Yuan Research, Development and Evaluation Committee; Member of the National Park Planning Committee, Ministry of the Interior; President of DDAD-Taiwan, German Academic Exchange Service; Honorary Representative of the German Institute in Taiwan in Kaohsiung; CEO of the "Kaohsiung Think Tank" convened by Mayor Chen Chi-Mai; President of Takao Green Association for Ecology and Humane Studies; Vice President of Administration, National Kaohsiung University; Member of Kaohsiung City Government Land Planning Review Committee | 100%                    |
| Director | Cheng Hsien Yu (Male)   | Chairman of Kao-Yuan Vocational High School of Technology & Commerce, Chairman of Ba Gua Liao Foundation | Dept. of International Trade, Feng Chia University, Master's degree of Institute of Management Science, I-Shou University, PhD candidate of the Institute of Science Education and Environmental Education, National Kaohsiung Normal University | General Convener of the Religious Affairs Committee of the Democratic Progressive Party, Deputy Convener of the Sports Development Committee of the Executive Yuan, Chairman of TSC, Interior Minister, Kaohsiung County Magistrate, Legislator                                                                                                                                                                                                                                                                                                                                                                                                                                             | 93.3%                   |
| Director | Fan-Yi Li (Female)      | Deputy Director-General of Dept. of Accounting, Central Bank of the Republic of China                    | Master of Accounting Institute, University of Illinois                                                                                                                                                                                           | Accountant of Dept. of Accounting, Central Bank of the Republic of China                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 100%                    |
| Director | Ching-Hui Chao (Female) | Deputy Mayor of Tainan City Government                                                                   | PhD, Institute of China and Asia-Pacific Studies, Sun Yat-sen University                                                                                                                                                                         | Chairperson of Tainan Art Museum; Director-General of Department of Information & International Relations, Tainan City Government; Chairman of the Tainan City Government Research, Development and Assessment Committee; Head of the Tainan Metropolitan News Group of Liberty Times; Adjunct Assistant Professor, University of Tainan                                                                                                                                                                                                                                                                                                                                                    | 100%                    |
| Director | Feng-Lan Yin (Female)   | Director of Information and International Affairs Department, Pingtung County Government                 | Master of EMBA, National Pingtung University of Science and Technology                                                                                                                                                                           | Director of Dept. of Administration, Research and Evaluation, Pingtung County Government, Director of Tourism and Broadcasting Department of Pingtung County Government, Director-General of the Industrial Development & Investment Promotion Committee of Pingtung County, staff of Jia-Chyuan Su County Magistrate's Office, Social worker of Pingtung County Government, Reporter of Taiwan Daily, Reporter of the Commons Daily.                                                                                                                                                                                                                                                       | 100%                    |

## Basic information of the BOD members (36th session)

Date of information: December 31, 2024

| Title                                      | Name                                                                | Current Position                                                                    | Education                                                                                 | Experience                                                                                                                                                                    | Attendance rate in 2024 |
|--------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Labor Director                             | Pi-Yu Huang (Female)                                                | Head of Accounting Team of TSC Employee Welfare Committee                           | Master's of Financial Management, National Kaohsiung University of Science and Technology | Director of TSC Federation of Labor Unions, President of TSC Tainan City Corporate Union                                                                                      | 100%                    |
| Labor Director                             | Wen-Lin Luo (Male)                                                  | Product Manager, Storage and Sales Unit, Sugar Workshop of Huwei Sugar Factory, TSC | Dept. Of Administration, National Open University                                         | Labor Director and Executive Director of TSC Federation of Labor Unions, President of Yulin Trade Union of TSC, Convenor of Supervisory Committee of Yulin Trade Union of TSC | 100%                    |
| Labor Director                             | Yi-Min Hu (Male)                                                    | General administrative manager, General Affairs Dept., Tainan Operation Branch      | Graduated from the Civil Engineering Dept., Nan Jeon University of Science and Technology | Secretary of Shanhua Enterprise Trade Union, Operation Branch of TSC, Chief of Land Section, Shanhua Assets Division, Operation Branch of TSC                                 | 100%                    |
| Director Representing Private Shareholders | Jian -Ting Chen, Representative of Anqun Investment Co., Ltd (male) | Representative of Anqun Investment Co., Ltd                                         | Master of Business Management, University of California                                   | Director of American Chamber of Commerce Southern Taiwan                                                                                                                      | 100%                    |

Note:

Proxy attendance is also included in the board attendance rate.



Please refer to Annual Report to General Meeting for 2025 (the 114th year of the ROC) (data of the year 2024) for relevant personnel changes of the board of directors.



The board meeting minutes are disclosed under the "Information of Board of Directors" in the Corporate Governance Section of TSC's website. For the powers of each committee of the board of directors, please refer to "Functional Committees" in the Corporate Governance Section.



## ► Directors' Training

In addition to possessing integrity, diligence, and extensive relevant business experience, members of the board of directors are committed to faithfully executing their duties and practicing good governance. Directors choose to participate in continuing education courses related to corporate governance, such as finance, risk management, business, commerce, accounting, law, or corporate sustainable development, to fulfill their obligations as responsible stewards and managers. According to the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", core and professional courses in relation to corporate governance are arranged for directors to participate in so as to improve their professional knowledge for the effective operation of the board of directors. In 2024, TSC directors participated in corporate governance topic related education course in accordance with the Continuing Education Plan for Directors of TSC. New directors are advised to receive 12 hours of training in the year when they take office, and the re-appointed directors are advised to receive 6 hours of training. In 2024, 7 new directors and 9 continuing ones should receive a total of 138 hours of training. All directors have reached the required hours of training this year, with a total of 145 training hours.

Furthermore, to obtain real-time information of systematic courses on corporate governance, we have applied for the membership in professional training institutions such as the Taiwan Corporate Governance Association to provide training related information for our directors to refer to. The secretarial unit of the board will assist the directors with the registration of courses. This can help the directors enhance their professional knowledge and improve the operation efficiency of the board.

## ► Avoidance of Conflict of Interest

The Article 7.4.15 of "Directions for the Operation and Management of Board Meetings" stipulates that "For any proposal in which a Director or the legal person he or she represents is an interested party, the Director shall explain the important aspects of his/her interest at the Board meeting. When his/her interest is likely to compromise the interest of the Company, the Director shall not participate in the discussion and voting on the proposal and the Director shall abstain himself or herself from discussion and voting on the proposal and cannot exercise the voting right for and on behalf of another Director. Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter." The notices of Board and committee meetings are all added with matters of avoidance of conflict of interest. For 2024 BOD resolutions, directors who have an interest in the matters of the agenda items shall evade themselves in accordance with the company's regulations governing internal control.

When members of TSC deal with suppliers, investors, creditors, competitors and accountants, a supervision mechanism for the implementation of integrity and ethical values has been established. The Company has an internal control system of "Management of related party transactions" as the supervision mechanism to control the behavior of related parties. Transactions with related parties are all handled in accordance with the main points of the provisions and matters of major transactions are disclosed in the notes in the financial statements.

## 1.2.2 Performance Evaluation

### ► Agenda Review

TSC divides the responsibilities of the board of directors and the management department according to the Detailed Charts of Hierarchical Responsibilities, and in accordance with the Key Points for Management of Operation of Board Meeting, items to be reported or discussed in the board meeting should be signed and then obtain the approval from the chairman of the board before being proposed to the board. When making a proposal, the responsible unit

should prepare the TSC Board Meeting Proposal Paper and attach sufficient meeting materials before sending them to the Secretariat of BOD for acceptance. Such proposal shall be approved by the chairman before being included in the agenda of the board meeting. However, for urgent or routine proposals, they are signed and together with the submission of the proposal paper to the chairman. After the approval is obtained from the chairman, if such proposal belongs to the matters within the function or power of the functional committees, they shall be submitted to the committees for deliberation before being submitted to the board of directors for approval.

All the information concerning the proposals reviewed in the committees is available in the Company's electronic meeting system for all directors to refer to at any time. The minutes of each committee meeting are forwarded to the directors participating in the committee meeting, and it is also necessary to put those who do not participate one copy so that all directors can understand relevant information concerning proposals, and the efficiency of board meetings can also be improved.

TSC's Board of Directors meets once a month in principle to review matters submitted to the board by management. A total of 15 board meetings were held in 2024 (the average attendance rate of directors was 99.69%). The personnel of the relevant departments attended the board meetings to make explanatory statements depending on the details of the meeting agenda, enabling sufficient time and opportunities for explanation and communication with the board. In 2024, the Board of Directors reviewed a total of 198 cases, included 123 cases concerning policies, economic, environmental and social issues. For the economic, environmental and social issues aroused from the operating activities, the board of directors authorizes the high-level management to handle related issues, and the handling status shall be reported to the board of directors when necessary. Regarding the board resolutions, the tracking report on the resolutions of the board in the previous month shall be presented in accordance with the Key Points of Operation and Management of Board Meetings. If the case cannot be closed, it shall continue to be followed up and reported to the board of directors on a quarterly basis. In addition, the progress of major events and obstacles encountered shall also be submitted and reported to the Business Investment Committee on a quarterly basis. All major proposals of the Company are communicated with the directors by phone or in person in advance. When necessary, directors are arranged to make inspections and explain in details to the managerial department to facilitate thorough communication among directors, ensuring in-depth understanding of the proposals.

### Types of the 198 proposals reviewed in TSC Board in 2024

| Routine      | Political     | Economic | Environmental and Social | Personnel   | Project Report | Revision or Addition of Internal Control Regulation | Shareholders' Meeting Related |
|--------------|---------------|----------|--------------------------|-------------|----------------|-----------------------------------------------------|-------------------------------|
| 50 proposals | 123 proposals |          |                          | 7 proposals | 8 proposals    | 6 proposals                                         | 4 proposals                   |

## Directors' Remuneration

TSC is a state-owned enterprise. The remuneration of the directors is paid according to Paragraph 2, Article 15 of the Articles of Incorporation, "Standards for Remuneration of Directors and Managers Determined by the Competent Authority." Therefore, the "Remuneration Committee" is not set up. In addition to the independent director's monthly payment of concurrent serving of NTD 30,000, the remainders are all paid in accordance with the "List of Monthly Payment of the Directors and Supervisors of the Ministry of Economic Affairs." Full-time personnel receive a monthly living subsidy of NTD 14,400 and a part-time work allowance of NTD 10,400. Part-time personnel receive a monthly part-time allowance of NTD 10,400, and there are no other additional remuneration or bonuses. The salary and bonuses of the chairman, president and vice presidents are paid according to the "Guidelines for the Management of Employment Expenses of the Business Units Affiliated with the MOEA." Since the compensations of the board of directors are handled in accordance with relevant laws and regulations as well as operating norms and standards, the current remuneration of the board members is relatively less correlated with the sustainability performance of TSC.



## Board Assessment

### Third-party Evaluation:

As a state-owned enterprise and not a TWSE/TPEX listed company, the Corporate Governance Evaluation Index announced by Securities & Futures Institute does not apply to the evaluation of governance performance of TSC. However, MOEA has commissioned external impartial entities in recent years to conduct corporate governance system evaluations for its affiliated businesses annually. In 2024, TSC accepted the Department of State-owned Enterprise Affairs of MOEA entrusted Taiwan Association of Board Governance (TABG) to conduct evaluation of the corporate governance system, and the design of the evaluation content referred to the OECD Guidelines on Corporate Governance of State-Owned Enterprises, as well as important domestic corporate governance related norms, such as the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies, Key Points of Government Internal Control and Supervision Operations, Regulations Governing Procedure for Board of Directors Meetings of Public Companies, Board self-evaluation or peer evaluation reference examples and so on were referred to and six major aspects were formulated, including the “Purpose of the state-owned enterprises and the role of the government,” “Market competition environment of state-owned enterprises,” “Fair treatment of stakeholders”, “Information disclosure, transparency and accountability,” “Composition and responsibilities of the board of directors,” and “Sustainable development,” with a total of 46 evaluation indicators. Additionally, in 2024, four additional open-ended questions were added during interviews, primarily focusing on the actual implementation and effectiveness of carbon reduction and sustainable development initiatives by the company in 2024. The evaluation includes 60% of written documents review and 40% on-site visit, and the evaluation result was “Excellent.” The suggestions in the report are used as reference for the company’s corporate governance system and operational performance evaluation.

### Internal Performance Evaluation:

Annual self-assessment and evaluation are carried out for the chairman and president according to the “Regulations for Performance Evaluation of State-Run Enterprises” and “Guidelines for the Evaluation of the TSC’s Board of Directors.” The assessment of other independent directors and directors is carried out according to the “Guidelines for Appointment of Directors and Supervisors and Other Important Duties by Ministry of Economic Affairs and its Affiliates”. The results of self-assessment and evaluation of the board members are submitted and reported to the Board of Directors at the beginning of each year to enhance the effectiveness and efficiency of the Board. Assessment of board performance should be carried out at least once a year, and the results should be reported to the board meeting convened. In the first quarter of the following year, and they should also be disclosed on TSC’s official website.

The results of the 2024 board performance evaluation were reported to the board of directors on January 23, 2025. The results of the evaluation of the board of directors: There were a total of 45 evaluation items, and the evaluation results were “Outstanding.” Results of board member performance evaluation: there were 23 evaluation items in total, and the evaluation result showed “Excellent.” The results of the evaluation of the functional committees: Evaluated a total of 24 items, and the evaluation results was “Excellent.”

The results of the performance evaluation of the board of directors and functional committees of TSC were “Excellent”. In particular, the overall performance evaluation of the board of directors reaching “Excellent” increased by 33% compared with 2023, indicating that the board of directors and its committees operate under a sound governance structure with outstanding performance. Each director diligently fulfills his/her respective duties, contributing valuable insights and expertise. The assessment outcomes are disclosed on TSC’s official website and the annual report.



Please see the Board of Directors Performance Evaluation Form under the “Information of Board of Directors” in the Corporate Governance Section of TSC’s website.

## 1.2.3 Risk Management Mechanism

### ► Risk Management Policy

Risk management is an important part of the sustainable management of an enterprise. To manage the risks faced by each unit of our company's operations and reduce losses caused by risks, we have established the "The Key Points for Risk Assessment and Management." Its contents encompass risk management policies, the establishment of Taiwan Sugar Corporation Risk Management Promotion Committee, Internal operational procedures and public opinion as reflected in the media and press coverage. The annual evaluation and management of potential risks by each unit based on its operating environment and industry changes. This includes the identification and management mechanisms of various potential risks such as natural disasters and the supply and safety of raw materials for major products like sugar and feed. We will continue to optimize our risk management mechanisms to create a high-quality operational environment, minimize or avoid the occurrence of risks, and achieve our corporate sustainability goals.

#### ► Risk Management Policy

- 1 Management for reduced operational risk to achieve the sustainable development of the company.
- 2 Conduct comprehensive risk management and implement the operating procedures.
- 3 Enhance risk management capabilities and reduce the threat of operational risk.
- 4 Formulate relevant risk management strategies for residual risks that remain above tolerable levels even after risk mitigation measures have been implemented.

### ► Risk Management Organization

To implement and assist each unit with the promotion of risk management operations, TSC established the Risk Management Promotion Committee, with the chairman serving as the steering committee, the president as the chairman of the committee, the vice president of the Business of the Department of Planning as the vice chairman, and all the vice presidents, the first-level supervisors of all departments (excluding the Internal Inspection Office) as the committee members. Additionally, a certain number of consultants or expert scholars may be hired when necessary.

#### ► The missions of the Risk Management Promotion Committee include the followings

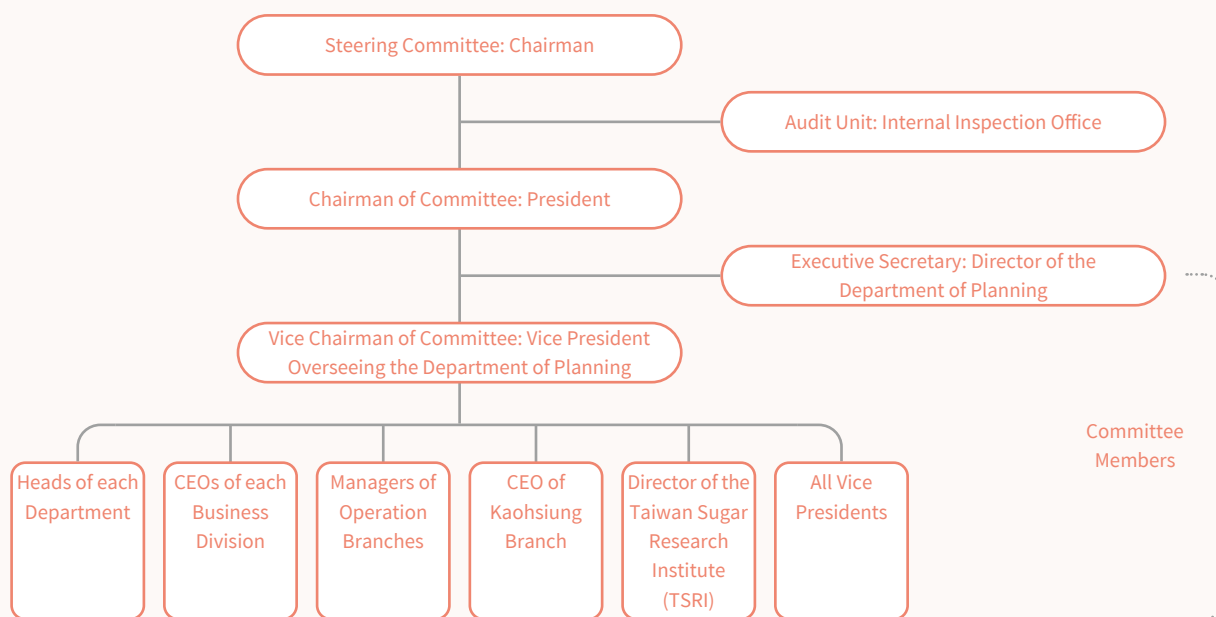
- 1 Establishing business risk management policies and review their applicability.
- 2 Implementing an internal control system related for risk management and conducting regular reviews of related business risk items, impact assessments, and management countermeasures.
- 3 Supervising the implementation of the risk management of business items belonging to (or controlled by) the committee and make proper adjustment and revision of the risk management measures.
- 4 Other business matters related to risk management.



The director of the Department of Planning concurrently serves as the executive secretary, handling the convening of committee meetings, recording, and other related business. The Internal Inspection Office, BOD is in charge of on-site audits of the appropriateness of the risk management system. As the routine annual audits are conducted across all departments, the execution of relevant operations is included in the scope of audit. Any deficiencies in the internal control system or irregularities identified have been truthfully documented in the on-site audit reports, and following proper reporting and approval procedures, have been subject to ongoing quarterly follow-up until closure.



### Organizational Structure of Risk Management Promotion Committee



**Note:**

1. The heads of the departments of the Headquarters do not include the Chief Auditor.
2. The director of the Department of Planning concurrently serves as the executive secretary.
3. After a risk event occurs, depending on the degree of subsequent impact and according to the type of the incident, the unit where the risk occurs should initiate the risk management handling and notification and other relevant corresponding matters.

## ► Risk Management Implementation and the Responsibilities of Departments

Each unit plans and reviews the risk management implementation status on a yearly basis in accordance with the Key Points for Risk Assessment and Management. Every unit should review the risk items of the management business of the current year at the end of every year, and in addition to reviewing the implementation effectiveness of risk management for potential events of losses, business processing analysis (BPA) for the management business in the following year should be carried out, the potential risks shall be listed, the source of events shall be confirmed, and the likelihood of occurrence and the degree of impact of various potential risk items (including common risk events and important risk matters for each department) shall be evaluated as well as set. Cost-effective planning and four risk management strategies should be put into consideration, namely the Risk Aversion, Risk Reduction, Risk Tolerance, and Risk Transfer. Based on the business responsibility of each unit, the risk assessment information identified every year is sent to the Department of Planning, and then to the heads of the departments of the Headquarters for opinions based on the business attributes. After collecting and amending the opinions, they are reported to the president for approval, followed by implementation.

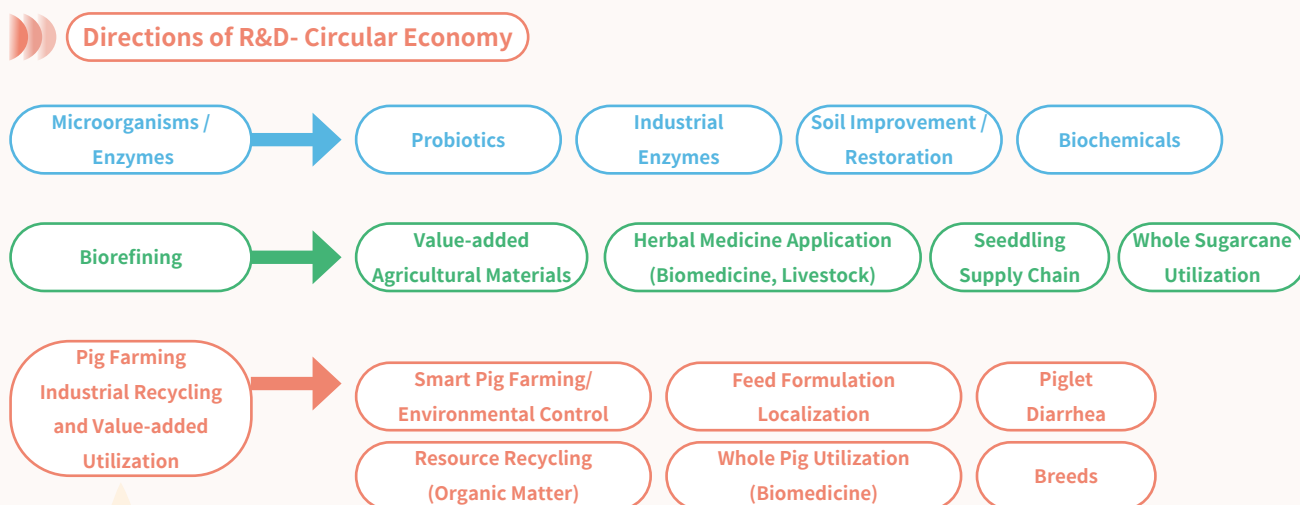
In addition to the risk assessment every year, the heads of the units should conduct simulation drills or tests on a regular basis or occasionally to confirm the effectiveness of relevant control mechanisms when risks occur, and pay close attention to the changes in the risk, make timely assessment and management of the risks. In addition, the competent business units of the Headquarters should make regular or occasional inspection of the handling of risk management of each unit depending on the nature of the business. For matters to be improved, counseling is provided for improvement and tracking is conducted. Furthermore, education and training, organizational learning or on-site drills regarding risk management and crisis handling are organized as needed to establish professional techniques for risk management and crisis handling and improve crisis prevention and handling as well as response capabilities. Continuous review, rolling discussions, and adjustment of the effectiveness and suitability of risk management mechanisms for different business are continuously conducted through the PDCA process.

## ► Other support mechanisms of risk management

The scope of the company business is very extensive, so various select committees have been established for various business attributes, such as the Quality Management Committee, Occupational Safety and Health Committee, Environmental Protection Committee, Information Security Committee, Labor-Management Meeting, and Integrity Report. Regular meetings are convened to eliminate or reduce the occurrence and level of impact of risk events. In addition, high-level “decision-making meeting” and the company-wide monthly “business briefing” are held regularly to solve problems concerning business operations or disputes in a timely manner.

## 1.2.4 Research and Development Management

In order to pursue sustainable innovation with higher quality and service, TSC has set up a research and development business management and control organization which is the Research and Development Committee whose chairman is the president with 1-2 deputy chairmen, 19 to 35 committee members, 1 executive secretary and 2-3 secretaries. Its main tasks include the development of R&D policies, R&D budget management and implementation, research program management, the application and follow-up of R&D results. Through regular R&D business integration meetings, various units involved in R&D can quickly resolve issues and problems they have faced, coordinate R&D resources across units and improve research energy.



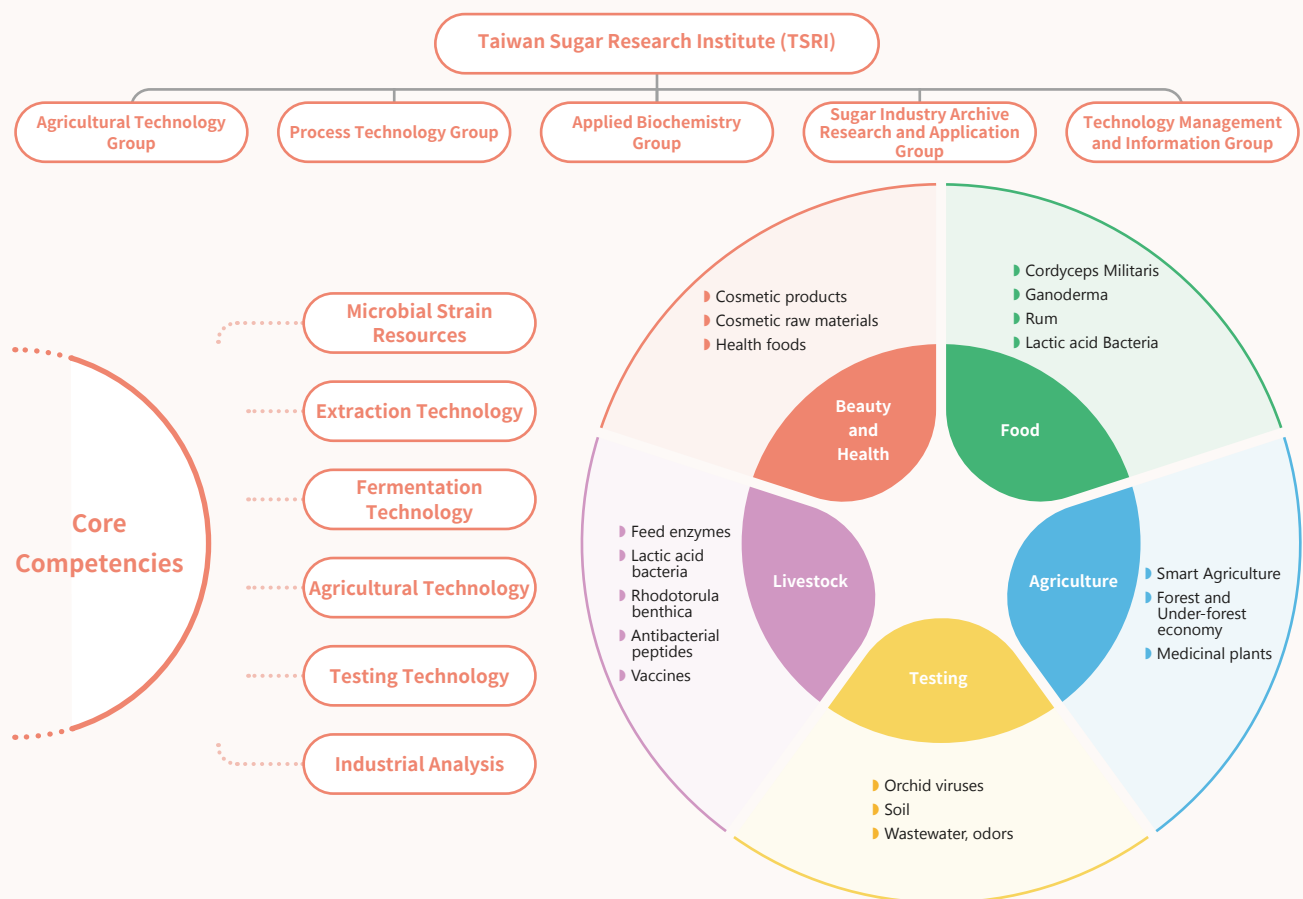


## ► Taiwan Sugar Research Institute (TSRI) and Biotechnology Business Division

Taiwan Sugar Research Institute (TSRI) was originally the “Taiwan Sugar Experiment Station” established during the Japanese occupation, with more than 100 years of history. As TSC has transformed from a “pure sugar production and sales business” to a comprehensive business entity covering multiple business units, TSRI has also shifted its focus to biotechnology and the R&D of medical plants. In recent years, to align with the trend of net-zero emissions, it has actively invested in related studies on smart agriculture, circular economy and others.

To focus more on the development of health foods, functional drinks, and beauty care products, TSC established the Biotechnology Business Division in 2003, which is equipped with equipment for microbial fermentation, natural product extraction, and product packaging. Under the joint efforts with TSRI, currently, 10 products with 12 health functions have obtained health food certification, 12 raw materials have obtained INCI (International Nomenclature of Cosmetic Ingredients) certification, and have won relevant awards, such as SNQ (Symbol of National Quality), Excellence in Aquaculture and Products, Biotechnology and Medicine Care Quality Award, and Taiwan Circular Economy Award.

Starting from April 1, 2025, for the division of labor of each group to stay closer to the overall research direction, the names of organizations are adjusted into the following ones based on the attributes of the tasks. The three technical groups, namely the “Agricultural Technology Group”, “Process Technology Group”, and the “Applied Biochemistry Group”, that are organized based on technical expertise and execute cross-functional and product development tasks through close interdepartmental collaboration. In addition, the “Sugar Industry Archive Research and Application Group” has been added to be in charge of inventorying and collecting cultural assets, create digital archives, developing educational programs, and designing cultural and creative products. There is also a “Technology Management and Information Group” (formerly the Carbon Reduction and Industrial Information Group) in charge of technology management services, providing research-related services such as providing industrial information, intellectual property management, market research, and technology transfer, and it also serves as a window for the communication between TSRI and other internal and external units of TSC.



## Intellectual Property Rights (IPR) Management Plan

In the context of sustainable development and circular economy, TSC's accumulated technologies for fermentation and extraction over such a long period of time have an increasing important role. These technologies can be applied in the fields of waste/by-product conversion and recycling, production of biodegradable agents and materials, synthetic biology and new product development, environmental pollution control and so on, helping to realize the highly efficient use of resources and reduce waste, and create a novel and eco-friendly production model.

As an academic research unit recognized by the Ministry of Education, TSRI is not only a powerful source of technology for TSC to become a benchmark enterprise in health and green industries, its related research results are also of great significance to the transformation of agriculture and the development of circular economy in Taiwan. From the standpoint of protecting national intellectual property rights and the corporate interests, TSC introduced the Taiwan Intellectual Property Management System (TIPS) from 2009, and description of this system is as follows.

### 1. Intellectual Property Rights (IPR) Management Plan

TSC respects the intellectual property rights (IPR) of others and also strives to protect the IPR owned by the company. Under this principle, the internal control system of Guidelines for Intellectual Property Rights Management, and businesses related to patent, trademark, copyright, variety rights and trade secrets have to be compliant with this system to exert their effects and ensure the rights and interests of the company. Moreover, every year, the representatives of TSRI participate in the verification of Taiwan Intellectual Property Management System (TIPS) on behalf of the company to confirm the implementation status and appropriateness of the company's relevant systems. In addition, to enhance our associates' IPR knowledge and strengthen the concept of trade secrets, we will continue to carry out relevant education and training courses in 2024.

### 2. Implementation Situation

TSC submitted and reported to the board regarding the IPR strategies and management system as well as the possible IPR risk and countermeasures in the 25th board meeting of the 35th session of board of director convened on April 26, 2024.

TSC has introduced the TIPS system for 16 years. Through implementing the TIPS System and the management framework in accordance with the spirit of PDCA of TIPS, and improvement is constantly reviewed. Through the establishment of the TIPS System, various units of TSC have acquired the IPR protection concept.

There were no cases of infringement of other patents or intellectual property rights at TSC in 2024. The list of intellectual property and results in recent years is as follows.

| Year | Invention Patent |          | Internal Research Results |                                           |
|------|------------------|----------|---------------------------|-------------------------------------------|
|      | Submitted        | Approved | SOPs of the Process       | Technology Transfer to Business Divisions |
| 2022 | 1                | 0        | 14                        | 2                                         |
| 2023 | 0                | 0        | 18                        | 1                                         |
| 2024 | 0                | 0        | 13                        | 2                                         |

Note :

1. This table shows data based on the overall data of TSC.
2. SOP refers to those of formula, process, testing methods, etc. developed in the laboratory stage.
3. Technology Transfer Division" refers to projects for which research outcomes have been validated by TSRI and subsequently transferred to other business divisions of TSC for trial production.



## 【Special Column】

### Agribusiness Science & Technology Innovation Awards

TSC was honored with Ministry of Agriculture’s 9th Agribusiness Science & Technology Innovation Awards with its three innovative technologies “composite xylanase”, “feather-hydrolyzing enzymes”, and “phytase feed enzymes” with the other three winners.

This award not only demonstrates TSRI’s R&D capabilities from microbial strains library, fermentation optimization to trial production, but also shows the strength of TSC in successfully developing safe and effective domestically-produced feed additives as viable alternatives to imported products, effectively improving the productivity in the livestock industry while contributing to potential pathways for environmental sustainability.

| Category / Description      | Main Functions                                                                                                                                                                                                                                                                                                                                                                                                          | Benefits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Composite Xylanase          | It enhances feed energy conversion, enabling a shift toward low-protein and high-fiber feed formulations.                                                                                                                                                                                                                                                                                                               | Reducing odor emissions in livestock housing and helps lower overall feed costs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Feather-Hydrolyzing Enzymes | Making a breakthrough in the technical challenges of high-temperature, high-pressure cooking processes and transformed the quality and appearance of feather meal, increasing its digestibility from 40%-60% to over 85%.<br>To reduce the dependence on traditional feed ingredients such as soybeans, corn, and fish meal, thereby avoiding competition with human food sources and helping protect marine resources. | Creating a new protein industry value chain. In aquatic applications, it can be used as growth promotor and replace 10%-30% of fish meal protein; in the application of young livestock and poultry, it can be used as high-quality protein and replace 20%-50% of fermented soybean powder and fish meal protein.<br>To solve the problem of “high price and poor quality” of fish meal, and preliminary estimates show that this technology can increase the output value of Taiwan’s agricultural waste by approximately 6.7 times, reaching NTD 2.8 billion. |
| Phytase Feed Enzymes        | To assist in the release of phosphorus in feed ingredients and help livestock use it effectively to promote growth, reducing the need for additional inorganic phosphorus.                                                                                                                                                                                                                                              | To replace the use of inorganic phosphorus, providing a forward-looking solution to the problem of depletion of phosphate mining by 2050, which not only saves costs but also contributes to environmental sustainability.                                                                                                                                                                                                                                                                                                                                       |

The “Agribusiness Science & Technology Innovation Awards” aims to recognize outstanding achievements in agricultural technology and highlight those who serve as exemplary models for learning. TSC’s three award-winning technologies are mainly used in feed additives for the poultry and livestock industry. The combined use of the three can provide rich carbohydrates and high-quality protein, reduce the addition of inorganic phosphorus, improve feed utilization, reduce 30% of feeding costs, and make concrete contributions to the effective use of resource recycling, net zero carbon reduction and carbon sink increase. In the future, TSC will continue to uphold the strong R&D capabilities and the spirit of constant innovation to lead the nation in advancing sustainable agriculture.



## 1.3 Implementation of Integrity Management

The investors and the industry chain are attaching more importance to issues related to governance, environment, and social sustainability. To have proper communication with the stakeholders, TSC has established multiple communication channels and continuously enhanced the transparency of corporate information disclosure. TSC operates in accordance with all laws and regulations in economic, environmental, and social aspects and strengthens the corporate business and the employees' code of conduct through the internal control system and education & training on the basis of compliance. External donations or sponsorships are handled in accordance with relevant laws and regulations and internal regulations to prevent the incident of offering or accepting a bribe and illegal political contributions. Anti-corruption assessment is conducted through the Department of Ethics on a regular basis to improve the anti-corruption management measures. In 2024, TSC did not engage in any public policy lobbying or political donation and was not involved in any legal actions related to anti-competitive behavior, anti-trust and monopolistic conduct.

### 1.3.1 Internal Control Management

The Taiwan Sugar Corp. Internal Control System and related regulatory documents are formulated in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and the "Key Points for Implementation of Internal Inspection of Public Institutions Affiliated to the Ministry of Economic Affairs", and implemented to promote the company's sound management. The Internal Inspection Office of the Board of Directors assists the board of directors and managers with the examination and review of the deficiencies in the internal control system and the evaluation and efficiency of the operations in accordance with the above-mentioned standards and implementation key points, and timely suggestions will be provided at any time.

Under the trend of digital transformation, the Internal Inspection Office of the Board of Directors has proposed the Digitalized Self-Assessment Program for the Internal Control System. From 2023 to 2024, TSC has trained a total of 502 employees. Through the company's internal NAS cloud management, each unit can systematically save self-assessment work data and implement a self-monitoring mechanism. In addition to improving overall work efficiency, it is estimated to save approximately 42,000 sheets of paper each year (based on the estimate of 14,000 control operations of TSC's self-assessment, and each item requires no less than 3 supporting documents as prescribed by regulations).

In addition, the staff in Internal Inspection Office of the Board of Directors have a number of international and domestic professional certificates and qualifications of Certified Internal Auditors (CIA), CCSA (Certification in Control Self-Assessment), Lead Auditor (Information Security Management Systems), International Certified CAATs Practitioner (ICCP), Jacksoft Certified CAATs Practitioner (JCCP), Procurement Professional (basic) Qualification, etc. The auditors will demonstrate a proactive attitude toward adapting to technological changes and engaging in continuous learning to enhance the professional standard of internal auditing.

To respond to changes in the internal and external environment in a timely manner and ensure that the design and implementation of the internal control system are continuously effective, TSC added 2, revised 66, and abolished 6 internal control system documents in 2024. The implementation of the internal control system is also included in the annual work assessment project to promote the self-management of each unit and implement the self-supervision mechanism. In addition, the Internal Inspection Office of the Board of Directors has completed on-site audits of 19 internal units in accordance with the 2024 internal audit plan, and has carried out special audits and irregular audits of related businesses. After the audit results are reviewed by the head of the company, in addition to informing the audited units to make improvements within a specified period, they will also be delivered to the independent directors for review in accordance with regulations. As of the end of 2024, a total of 1,186 improvements and suggestions have been proposed, and subsequent quarterly follow-ups will be conducted until the improvements is fully implemented.



The Chief Auditor attends the monthly board meetings to understand the board's decisions on organizational and control matters and reports on audit work. At the same time, to strengthen communication with independent directors, the Chief Auditor reports on audit work to the Audit Committee on a regular basis each year.

## ► Anti-Corruption and Whistleblower Protection Policies

All TSC employees abide by the "Ministry of Economics Employee Integrity and Ethics Rules." To guide the behavior of personnel in accordance with ethical standards and ensure that the company's activities are in line with social norms, we have also established the "Codes of Ethical Conduct of TSC," which applies to TSC personnel, including directors (including independent directors) and managers (including the president, vice presidents and directors of various units). The implementation of this code is reported to the board of directors annually in October by Department of Human Resources in collaboration with Department of Ethics, aimed at reducing the likelihood of fraud occurrences.

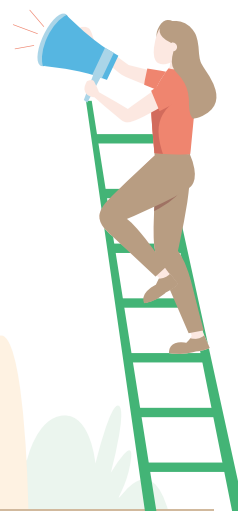
To maintain employees' integrity and discipline, additional guidelines such as the "Employees Normal-Time and Project Evaluation Guidelines," "Working Rules for Practitioners," "Service Guidelines for Practitioner," and "Practice Guidelines for Corporate Governance" are stipulated. We allow practitioners to understand the company's code of conduct by the internal network, posting propaganda of laws and implementing education and training. Reports of corruption cases are handled by the independent ethics personnel of each unit or designated personnel assigned by the unit. In addition, there are designated phoneline, mailbox, fax number, and email address set up to provide channels for reporting.

We ensure the confidentiality of reported cases to encourage our employees or the public to report on illegality or violations so as to prevent malpractice and urge relevant units to make improvement in a timely manner. TSC has established the Key Points for the Implementation of Confidentiality of Whistleblowing Cases in the internal control system in accordance with the Personal Information Protection Act, the Anti-Corruption Informant Rewards and Protection Regulation, Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and TSC's Code of Ethical Conduct, which serve as the basis for the establishment of an operation process for each unit to handle whistleblowing cases with the principles of confidentiality, legality, rationality, promptness, certainty, and prudence. The aforementioned Key Points were renamed as the "Implementation of Confidentiality of Whistleblowing Cases and Whistleblower Protection" in November 2023, with additional content related to whistleblower protection.

In accordance with the "Act of the Establishment and Management of the Government Employee Ethics Units and Officers," ethics units were established in the headquarters and various units to regularly review integrity risks and fulfill the functions of promoting benefits and eliminating malpractices. In 2024, a total of 15 integrity reports were held. Additionally, various reporting channels have been established, such as dedicated reporting mail box, reporting hotlines, and fax lines, for the public to report grievances and petitions. This information is made publicly available in bidding notice and the official website of Taiwan Sugar Corporation.



|                      |                                                                    |
|----------------------|--------------------------------------------------------------------|
| Reporting email      | <a href="mailto:ethics@taisugar.com.tw">ethics@taisugar.com.tw</a> |
| Reporting hotline    | 06-3378682                                                         |
| Reporting fax number | 06-3378519                                                         |



## ► Anti-corruption Risk Assessment and Education

To implement the early warning of anti-corruption and corruption risk management behavior, Department of Ethics conducted a corruption-related risk assessment for 17 units under it in 2024, which accounted for 100% of the Company's total number of business locations. The risk profile of the organization is examined one by one (including incidents and personnel), and the risk responses and improvement shall be researched and proposed while the agency integrity risk assessment report shall be written. It is indicated in the risk report that no major corruption cases occurred at TSC in 2024.

In order to publicize anti-corruption policies and related procedures, the Department of Ethics and Ethics Offices of all units involved enabled the Company's employees to understand relevant anti-corruption regulations and make anti corruption efforts by multi-advocacy methods such as organizing the relevant anti-corruption education and training, holding a workshop of manufacturers, inviting experts and scholars to give special lectures, issuing and disseminating documents and using electronic information equipment for the internet advocacy and questionnaire surveys.

In addition to promoting laws related to the Sunshine Act in 2024, prosecutors from local prosecutors' offices in various counties and cities were invited to give lectures and organize anti-corruption promotion activities including "Procurement Illegality and Case Sharing", "The Legal Status of Employees in State-Owned Enterprises under Criminal Law", "Government Procurement Regulations and Case Analysis", "Gas Station-Related Violation Cases", "Anti-Corruption Rule of Law Workshop" and "Integrity Risks and Anti-Corruption Ethics Standards for Employees in State-Owned Enterprises in Business Operations". A total of 31 sessions were held, with a total of 1,244 participants (including 34 senior executives). Through case analysis, participants understood relevant laws and regulations, strengthened their awareness of anti-corruption, and built consensus on anti-corruption.

The monthly anti-corruption e-magazine for Integrity at TSC is sent to all employees via email. The contents include Publicity Rule of Law, Ethics Guidelines for Employees Belonging to Ministry of Economic Affairs, Maintenance of Official Secrets Advocacy, Consumer Protection Advocacy, and Anti-fraud Advocacy to help the employees establish the correct legal understanding.

In summary, anti-corruption policies have been communicated to 100% of employees and senior executives. In addition, 100% of the board members (15 people) have received anti-corruption training in 2024, with continuous plans for future sessions. To establish a proper anti-corruption management model for the supply chain, when conducting various procurement tenders, we also outline anti-corruption communication and whistleblowing channels in the contract bidding guidelines to inform bidders. Anti-corruption policy communication has been completed with 100% of business partners.



### Integrity and Anti-Corruption Advocacy

TSC's Integrity Platform integrates "Corporate Services," "Institutional Procurement," "Administrative Transparency," "Promotion of Anti-corruption Laws and Regulations," "Advocacy Films for Anti-corruption," "Anti-corruption Hotline" and other theme-specific sections to enhance communication between the public and private sectors, strengthen the supervision of major project procurement cases, streamline administration for the convenience of the people, promote anti-corruption and anti-bribery, corporate integrity and regulatory compliance, and provide channels for reporting corruption to firmly reject corruption. Policies against corruption have been communicated to all our business partners.





## 1.3.2 Compliance and Information Disclosure

### ► Compliance

TSC products must comply with local regulations and customer requirements, including Act Governing Food Safety and Sanitation, Health Food Control Act, Pharmaceutical Affairs Act, Food Administration Act, Organic Agricultural Product and Organic Agricultural Processed Product Certification Management Regulations. In 2024, there were no social and economic violations of product health and safety, service information and labeling, marketing communications and voluntary codes<sup>Note</sup>. However, there were 21 instances of fines ranging from NTD 500 to NTD 600,000 for environmental, food labeling, and occupational safety incidents.

Note: Regarding the definition of material fines related to company operations were given in accordance with Chapter II Material Information, Article 4, Paragraph 1, Subparagraph 26, Item C of Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities dated on December 16, 2024, where the administrative fines for one single event have accumulated to NTD 1 million or more.

#### Summary of 2024 Violations and Penalties

| Item | Type                                                | Explanation of Regulatory Violations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Details of Penalty                                      | Improvement Measures                                                                                                      |
|------|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| 1    | <b>【 Social 】</b><br>Occupational Safety and Health | On August 9, 2024, inspectors from Occupational Safety and Health Center Southern District carried out an on-site inspection of the equipment in the explosion-proof areas at the Xinying alcohol workshop under the Biotechnology Business Division. It was found that installation specifications of some equipment (such as fire detectors and junction boxes) did not comply with the "Article 177, Paragraph 1, Item 3 of the Regulations for the Occupational Safety and Health Equipment and Measures", and therefore were punished for violating the "Article 6, Paragraph 1 of the Occupational Safety and Health Act.  | ► A fine of NTD 60,000                                  | 1. The deficiencies in the offending areas were immediately corrected.<br>2. Improvement completed on September 24, 2024. |
| 2    | <b>【 Environment 】</b><br>Waste                     | On February 26, 2024, the Public Health Bureau of Tainan City Government cross-checked with the Resource Circulation Administration Ministry of Environment's Industrial Waste Declaration and Management Information System and found that the Xinying Fertilizer Plant in Tainan District received a total of 10 waste recycling forms in 2023, but 6 of them failed to complete waste recycling operations within 30 days, in violation of Article 36, Paragraph 1 of the Waste Disposal Act and Article 29, Paragraph 1 of the Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste. | ► A fine of NTD 6,000<br>► 1-hour Environmental Lecture | Strengthen education and training.                                                                                        |

## Summary of 2024 Violations and Penalties

| Item | Type                                      | Explanation of Regulatory Violations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Details of Penalty                                                                                                | Improvement Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3    | <b>[ Society ]</b><br>Fire Safety         | On March 7, 2024, the Tainan City Fire Department inspected the Xinying alcohol workshop under the Biotechnology Business Division. The "indoor storage place" did not comply with the "Fire Services Act" and the "Standards for Establishing Places for Manufacturing, Storing, Processing Public Hazardous Substances and Flammable Pressurized Gases, and Regulations on Safety Control of such Places", and it was required to make improvements before September 7, 2024; however, the Fire Department conducted an on-site inspection on October 4, 2024. Since the improvement of the "indoor storage place" and "general processing place" was not completed within the deadline, it was reported for the second time and the deadline for improvement was April 4, 2025. | <ul style="list-style-type: none"> <li>▶ A fine of NTD 80,000</li> <li>▶ A fine of NTD 110,000</li> </ul>         | <p>The Biotechnology Business Division applied to the Tainan City Government Fire Bureau for the establishment of an indoor storage area by upgrading and adapting existing equipment and was approved. The improvement work is carried out as follows:</p> <ol style="list-style-type: none"> <li>1. The waste barrel tank removal work has been completed.</li> <li>2. The general treatment site improvement project has also been completed and is undergoing acceptance.</li> <li>3. After the second public bidding for the indoor storage site improvement work, the improvement project was successfully awarded and the construction period is 6 months from the start date.</li> </ol>                                                                                      |
| 4    | <b>[ Environment ]</b><br>Air Pollution   | Environmental Protection Bureau of Changhua County found that your company was operating a sugarcane harvester on Lot No. 205, Xingtang Section, Erlin Township, Changhua County, performing crop harvesting operations, which resulted in the generation of significant particulate pollutants dispersed in the air, and no control measures were taken during the operation. This was a violation of Article 32, Paragraph 1, Item 1 of the Air Pollution Control Act.                                                                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>▶ A fine of NTD 150,000</li> <li>▶ 2-hour Environmental Lecture</li> </ul> | <ol style="list-style-type: none"> <li>1. The harvester sprinkles water while harvesting.</li> <li>2. Start harvesting from the wind direction so that the unharvested sugarcane in the opposite direction can block the dust.</li> <li>3. When the raw sugarcane harvesting work starts, the local air quality is currently monitored daily. When the air quality index (AQI) exceeds the standard, the harvesting is immediately stopped or the harvesting is moved to another area.</li> <li>4. Increase the cutting height at the base of the sugarcane to reduce the disturbance of the soil by the sugarcane knife.</li> <li>5. Slow down the speed of the harvester and turn off the second air blower at the same time to effectively reduce the flying of debris.</li> </ol> |
| 5    | <b>[ Environment ]</b><br>Water Pollution | The Shanhua Sugar Factory is engaged in the sugar manufacturing industry. After checking the application for the establishment of a wastewater treatment dedicated unit/dedicated personnel, it was found that the dedicated personnel agent, Huang, withdrew from the insurance and resigned, and the Refinery failed to reapply to the municipal, county (city) competent authorities for approval within 15 days from the date of change as required.                                                                                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>▶ A fine of NTD 10,000</li> <li>▶ 1-hour Environmental Lecture</li> </ul>  | <ol style="list-style-type: none"> <li>1. When an employee resigns, the HR department is also requested to notify the Quality Inspection and Environmental Protection Division, which will then review whether the resigning employee is an environmental protection specialist or agent.</li> <li>2. Review every quarter whether there have been any changes (retirement) in the environmental protection specialists and agents related to air, water and waste within 3 months, and identify changes in advance.</li> </ol>                                                                                                                                                                                                                                                       |



## Summary of 2024 Violations and Penalties

| Item | Type                                      | Explanation of Regulatory Violations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Details of Penalty                                       | Improvement Measures                                                                                                                                                                                                                                                                                                                                                                                                |
|------|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6    | <b>【 Social 】</b><br>Food Safety          | The outer packaging of TSC's "Fried Pork Fiber for Children" stated that milk calcium/wolfberry extract/oat fiber DHA were added, yet the nutrition label did not indicate the content of the above nutrients. This violated Article 22, Paragraph 3 of the Act Governing Food Safety and Sanitation, and therefore was fined in accordance with Article 47, Paragraph 8 of the same Act.                                                                                                                                                                                                                                                         | ▶ A fine of NTD 30,000                                   | We have notified competent health authorities in accordance with Regulations of recall and destruction for food and related products, and 429 cans have been recalled and taken off the shelves for correction. The finished products in stock have been suspended from shipment and the empty cans in stock all had their nutrition labels corrected and printed stickers pasted on the iron cans before shipment. |
| 7    | <b>【 Environment 】</b><br>Water Pollution | The wastewater treatment process of our Wanxing pig farm is inconsistent with the contents of the permit documents, which violates Article 14, Paragraph 1 of the Water Pollution Control Act.                                                                                                                                                                                                                                                                                                                                                                                                                                                    | ▶ A fine of NTD 60,000<br>▶ 2-hour Environmental Lecture | Remove pipelines that do not comply with the license document.                                                                                                                                                                                                                                                                                                                                                      |
| 8    | <b>【 Environment 】</b><br>Waste           | The storage containers, facilities and locations of the sludge produced by our Douliu breeding farm were not properly handled in accordance with regulations, and were reused on their own. This violated Article 31, Paragraph 1, Item 2 of the Waste Disposal Act, Article 36, Paragraph 1 of the same Act, Article 6, Paragraph 1, Item 4 of the Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste, Article 10, Paragraph 1 of the same Act, Article 39, Paragraph 1 of the same Act, Article 3, Paragraph 2 of the Regulations on the Reuse of Agricultural Waste, and Article 52 of the same Act. | ▶ A fine of NTD 24,000<br>▶ 4-hour Environmental Lecture | The actual output has been reported for storage, the sludge name has been marked at the storage location, canvas has been covered on the sludge and trenches have been dug to prevent water infiltration.                                                                                                                                                                                                           |
| 9    | <b>【 Environment 】</b><br>Water Pollution | Our Huwei pig farm has not completed the application for approval of a resource treatment ratio of livestock manure and urine of at least 5% of the total wastewater generated, violating Article 18 of the Water Pollution Control Act and Article 46-1 of the Water Pollution Control Measures and Test Reporting Management Regulations.                                                                                                                                                                                                                                                                                                       | ▶ A fine of NTD 13,503<br>▶ 2-hour Environmental Lecture | The resource utilization rate of livestock wastewater has reached 5%.                                                                                                                                                                                                                                                                                                                                               |

## Summary of 2024 Violations and Penalties

| Item | Type                                      | Explanation of Regulatory Violations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Details of Penalty                                                                                               | Improvement Measures                                                            |
|------|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| 10   | <b>[ Environment ]</b><br>Water Pollution | Our Douliu Breeding Farm received an on-site inspection from the Environmental Management Administration of the Ministry of Environment on June 19, 2024. During the inspection, samples were collected on-site and the pH value of the wastewater discharged from the outlet was tested. The test results showed that the average pH value was 5.3 (limit 6-9), which did not meet the discharge water standards and violated Article 7, Paragraph 1 of the Water Pollution Control Act and Article 2, Paragraph 1, Subparagraph 1, Item 8 of the Effluent Standards.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>▶ A fine of NTD 6,000</li> <li>▶ 1-hour Environmental Lecture</li> </ul>  | The entire wastewater treatment process meets the effluent discharge standards. |
| 11   | <b>[ Environment ]</b><br>Water Pollution | <p>The company's Nanshalun pig farm set up an agent to take over the wastewater treatment business due to the transfer of the wastewater specialist, but failed to report in writing to the municipal and county (city) authorities within 15 days as required. This violated Article 21, Paragraph 2 of the Water Pollution Control Act and Article 19, Paragraphs 1 and 2 of the Employment Management Regulations of Wastewater Treatment Dedicated Units or Personnel, and Article 48, Paragraph 3 of the Water Pollution Control Act.</p> <p>The company's Nanshalun pig farm is an animal husbandry (non-herbivorous animals) and has a wastewater (sewage) discharge permit issued by the Environmental Protection Bureau of the Tainan City Government. The maximum approved wastewater volume is 540.4 CMD, and a Class B wastewater treatment specialist should be set up. Upon investigation, it was found that the specialist of our Livestock Business Division (Nanshalun pig farm), Yang, was transferred, and the original agent, Pan, was assigned to operate the wastewater treatment system. The agency period lasted for more than 15 consecutive days. The company did not report in writing to the municipal and county (city) authorities within 15 days after the fact occurred.</p> | <ul style="list-style-type: none"> <li>▶ A fine of NTD 10,000</li> <li>▶ 1-hour Environmental Lecture</li> </ul> | The change of wastewater specialist personnel at the site has been completed.   |



### Summary of 2024 Violations and Penalties

| Item | Type                                      | Explanation of Regulatory Violations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Details of Penalty                                                                                            | Improvement Measures                                                            |
|------|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| 12   | <b>【 Environment 】</b><br>Water Pollution | Our company's Nanshalun pig farm is an animal husbandry business (non-herbivorous animals) and has obtained a wastewater (sewage) discharge permit for surface water bodies issued by the Environmental Protection Bureau of the Tainan City Government. The maximum approved wastewater volume is 540.4 CMD, and a Class B wastewater treatment specialist should be appointed. Upon investigation, it was found that Agent Pan of our company's Animal Husbandry Division (Nanshalun pig farm) had been acting for more than three months, and our company had not completed the approval and appointment of a qualified waste (sewage) water treatment specialist of the same level or above within fifteen days before the expiration of the agency period. | <ul style="list-style-type: none"><li>▶ A fine of NTD 10,000</li><li>▶ 2-hour Environmental Lecture</li></ul> | The change of wastewater specialist personnel at the site has been completed.   |
| 13   | <b>【 Environment 】</b><br>Water Pollution | On July 16, 2024, our Huwei pig farm was inspected by the Yun County Environmental Protection Bureau. It was found in the on-site inspection that the discharge water temperature was 39.2 degrees (the limit is below 38 degrees). A group of water samples were taken at the discharge port for testing. The test results did not meet the discharge water standards (suspended solids: test value:1060mg/L; standard value: 150/L; chemical oxygen demand: 762; standard: 600g/L), violating Article 7, Paragraph 1 of the Water Pollution Control Act.                                                                                                                                                                                                      | <ul style="list-style-type: none"><li>▶ A fine of NTD 50,400</li><li>▶ 2-hour Environmental Lecture</li></ul> | The entire wastewater treatment process meets the effluent discharge standards. |

## Summary of 2024 Violations and Penalties

| Item | Type                                    | Explanation of Regulatory Violations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Details of Penalty                                                                                                | Improvement Measures                                                                                                                                                                               |
|------|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 14   | <b>[ Environment ]</b><br>Air Pollution | The renovation project of our Nanjing pig farm violated the Management Regulations for Construction Project Air Pollution Control Facilities: Article 6 Construction site perimeter: The fence set up at the construction site perimeter did not cover the entire construction site area, and 4 demerit points were recorded; Article 7 Material stacking: Failure to adopt one of the following facilities as required, such as covering with dust shield, dust screen or regular spraying with chemical stabilizers, and 10 demerit points were recorded Article 8 Vehicle route: Failure to adopt control facilities on the vehicle route from the car wash facility to the major roads, and 10 demerit points were recorded; Article 9 Exposed surface: The control area did not cover 90% for Type 1 construction projects, and the regular spraying of chemical stabilizers, compaction of the ground and watering, installation of automatic sprinkler equipment, or sprinkling in accordance with Article 9, Paragraph 2 of the Management Regulations are adopted, but the spraying area, amount or frequency is insufficient, which affects the prevention effect, and 4 demerit points were recorded. Article 10 Construction site entrances and exits: When vehicles leave the construction site, the vehicle body and tires are not effectively cleaned, and the mud adheres to the surface or causes the road surface color difference at the construction site entrances and exits and their extended roads, 4 demerit points were recorded; Article 11 Structure: The outer edge of the construction frame (scaffolding) of the construction project structure is not covered with dust shield or dust screen, or automatic sprinkler equipment is not installed on the structure, 10 demerit points were recorded; the total number of demerit points was 42. | <ul style="list-style-type: none"> <li>▶ A fine of NTD 150,000</li> <li>▶ 2-hour Environmental Lecture</li> </ul> | The violations of Air Pollution Control Act have been improved, and the promotion of air pollution management measures for construction sites has been strengthened at construction site meetings. |



### Summary of 2024 Violations and Penalties

| Item | Type                                    | Explanation of Regulatory Violations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Details of Penalty                                                                                             | Improvement Measures                                                                                                                                                                               |
|------|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 15   | <b>【 Environment 】</b><br>Air Pollution | The renovation project of our Lucao pig farm violated the Management Regulations for Construction Project Air Pollution Control Facilities: Article 6 Construction site perimeter: The fence set up at the construction site perimeter did not cover the entire construction site area, and 4 demerit points were recorded; Article 7 Material stacking: The dust shield and dust screen did not completely cover the stacked materials or were damaged, affecting the control effect, and 4 demerit points were recorded; Article 8 Vehicle path: The steel plates paved on the vehicle path from the construction site or the car wash facility to the main road were not tightly fitted, affecting the control effect, and the coarse grading or granular paving thickness of the vehicle path from the construction site or the car wash facility to the main road was not insufficient, affecting the prevention effect, 4 demerit points were recorded; Article 10 Construction site entrance and exit: the vehicle body and tires were not effectively cleaned when leaving the construction site, and the mud adhered to the surface or caused the road surface color difference at the construction site entrance and exit and their extended roads, 4 demerit points were recorded; Article 17 Dust dispersibility operation: the water volume of the pressurized water spraying facility was insufficient or the water was not sprayed continuously, affecting the prevention effect, 4 demerit points were recorded; Article 18 Monitoring video records: records were not made in accordance with the monitoring instrument items and frequency regulations in Appendix 4 of the Management Regulations or the records were not kept for one month for reference, 4 demerit points were recorded; the total number of demerit points was 24. | <ul style="list-style-type: none"><li>▶ A fine of NTD 100,000</li><li>▶ 2-hour Environmental Lecture</li></ul> | The violations of Air Pollution Control Act have been improved, and the promotion of air pollution management measures for construction sites has been strengthened at construction site meetings. |

## Summary of 2024 Violations and Penalties

| Item | Type                                    | Explanation of Regulatory Violations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Details of Penalty                                                                                                | Improvement Measures                                                                                                                                                                               |
|------|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 16   | <b>[ Environment ]</b><br>Air Pollution | The Pingtung County Government's Environmental Protection Bureau dispatched personnel to the contracted "Agricultural Circulation Pig Farm Renovation Investment Plan Phase II Turnkey Project (Siling No. 2 Pig Farm)" for an on-site inspection. The project was not carried out in accordance with the Management Regulations for Construction Project Air Pollution Control Facilities for Construction Projects, including the failure to cover the soil piles in accordance with regulations, the road pavement was not cleaned, and the tires of vehicles were not cleaned when leaving the construction site, resulting in mud and sand being carried out, causing color differences on the road surface. The cumulative demerit points amounted to 12, which violated Article 23, Paragraph 2 of the Air Pollution Control Act, in accordance with Article 62, Paragraph 1, Clause 4 and Article 85 of the same law.                                                                                                                                                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>▶ A fine of NTD 100,000</li> <li>▶ 2-hour Environmental Lecture</li> </ul> | The violations of Air Pollution Control Act have been improved, and the promotion of air pollution management measures for construction sites has been strengthened at construction site meetings. |
| 17   | <b>[ Environment ]</b><br>Air Pollution | TSC conducted the contracted "Agricultural Recycling Pig Farm Reconstruction Investment Plan Phase II Turnkey Project (Daxiang No. 1 Farm)" at Land Lot No. 957, Daxiangying Section, Fangliao Township, Pingtung County. After the Pingtung County Government Environmental Protection Bureau went to the construction site for an on-site inspection, it was found that the project was not carried out in accordance with the Management Regulations for Construction Project Air Pollution Control Facilities for Construction Projects, including the insufficient coarse grading or granular thickness of the paving path and the paving surface was not cleaned, which affected the control effect. The specifications of the car wash station set up at the entrance and exit of the construction site did not meet the requirements of Appendix 3 of the Management Measures, and the tires of the vehicles were not cleaned when leaving the construction site, resulting in mud and sand being carried outside, causing color differences on the road surface. The total number of demerit points is 12, which has violated Article 23, Paragraph 2 of the Air Pollution Control Act. according to Article 62, Paragraph 1, Item 4 and Article 85 of the same Act. | <ul style="list-style-type: none"> <li>▶ A fine of NTD 150,000</li> <li>▶ 2-hour Environmental Lecture</li> </ul> | The violations of Air Pollution Control Act have been improved, and the promotion of air pollution management measures for construction sites has been strengthened at construction site meetings. |



## Summary of 2024 Violations and Penalties

| Item | Type                                      | Explanation of Regulatory Violations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Details of Penalty                                       | Improvement Measures                                                                                                                                                                                                                                                                                  |
|------|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 18   | <b>【 Environment 】</b><br>Waste           | The land lot No. 623-2 and 651 in Zhonglin Section, Neipu Township, Pingtung County, owned by TSC was inspected by personnel sent by the Environmental Protection Bureau of Pingtung County Government. It was found that a large amount of general waste such as plastic baskets, plastic boxes, styrofoam boxes, plastic bowls were piled on site and weeds were over 50 cm long, affecting environmental hygiene, violating Article 11, Paragraph 1 of the Waste Disposal Act. In addition, the Company only made a verbal agreement with the lessee and there was no actual lease contract. Therefore, TSC should be responsible for cleaning up the on-site environment as the landowner. Moreover, TSC did not provide the lessee information it claimed before the deadline given by the Environmental Protection Bureau of Pingtung County for comments. | ▶ A fine of NTD 1,200                                    | The contract between TSC and the lessee is an indefinite term. In this case, the Environmental Protection Bureau has issued fines to both the lessee and the company. The lessee has paid the fine and is cleaning up the waste. The Company has filed an appeal with the Pingtung County Government. |
| 19   | <b>【 Environment 】</b><br>Water Pollution | TSC's Jianshanpi Resort, operates an amusement park (area) and has obtained a wastewater (sewage) storage permit from the Environmental Protection Bureau of the Tainan City Government. The on-site wastewater treatment equipment is operating normally. During an inspection of the wastewater treatment facilities, it was discovered that there was a leak between the tank body and the drain valve of the sludge drying bed, causing wastewater to leak onto the ground. No maintenance or preventive measures were taken.                                                                                                                                                                                                                                                                                                                                | ▶ A fine of NTD 12,000<br>▶ 2-hour Environmental Lecture | After replacing the pipes and repairment, there was no more water leakage between the drying bed trough and the drain valve.                                                                                                                                                                          |
| 20   | <b>【 Environment 】</b><br>Water Pollution | TSC's Jianshanpi Resort, operates an amusement park (area) and has obtained a wastewater (sewage) storage permit from the Environmental Protection Bureau of the Tainan City Government. The on-site wastewater treatment equipment is operating normally. During the inspection of the wastewater treatment facilities, it was found that the water inlet valve of the activated carbon adsorption tower (T04-30) was not opened, so that the wastewater could not enter the activated carbon adsorption tower. The operation was not in accordance with the registration matters.                                                                                                                                                                                                                                                                              | ▶ A fine of NTD 30,000<br>▶ 2-hour Environmental Lecture | After dispatching personnel for adjustment, normal operations have been restored.                                                                                                                                                                                                                     |

## Summary of 2024 Violations and Penalties

| Item | Type                                    | Explanation of Regulatory Violations                                                                                                                                                                                                                                                                                       | Details of Penalty  | Improvement Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 21   | <b>[ Environment ]</b><br>Air Pollution | The vehicles passing the Sun Moon Lake Air Quality Maintenance Zone announced by the Nantou County Government had been manufactured for more than two years and did not have a record of passing the exhaust inspection within the previous year, which violated Article 40, Paragraph 3 of the Air Pollution Control Act. | ▶ A fine of NTD 500 | When diesel trucks deliver goods in the Sun Moon Lake Air Quality Maintenance Area, they were fined because the vehicles have been manufactured for more than two years and did not have a record of passing the exhaust inspection in the previous year.<br>Currently, they have participated in the self-management exhaust inspection of passenger and freight industries in Nantou County to meet the fifth phase of emission standards, which remains valid until March 6, 2026. |

Note: Note: In 2023, as in this year, no major violations occurred. However, there were still 15 cases involving penalties ranging from NTD 3,000 to NTD 150,000 related to environmental protection, food labeling, and occupational safety. The total amount of fines was NTD 1,494,502.

## Information Transparency and Stakeholder Participation

Information disclosure is an important responsibility of corporate management. In order to quickly convey important information about TSC to the public and internal organizations, the company has established a highly efficient communication system, set the "Directions for Online Filing", with designated personnel responsible for the collection and disclosure of TSC Information and exposed information on corporate governance on MOPs and the TSC website. There are also response measures for emergencies, such as the setting of "Disasters Emergency Response Guidelines" and "Operation Guidelines for Rapid Reporting Procedures for Various Disasters and Emergency Events" have been established. When news is required to be released for major disasters and emergencies, it will be signed by the unit and approved by the president, and the information will be emailed to all directors. The designated spokesperson shall make uniform external explanations and reply or take the initiative to convene a press conference to ensure timely disclosure of information that may affect the decisions of shareholders and stakeholders.

In addition, all the information concerning the operation status and remunerations of the board of directors and the Audit Committee, environmental protection, social services, public welfare and good neighborliness, safety and health, customer services and other fulfillment of social responsibility, as well as information concerning interest rates, exchange rate changes, and inflation is all disclosed in the Annual Report.

TSC has been making efforts to improve information transparency and enhance communication with stakeholders. Therefore, in March 2025, the corporate rating was upgraded by Taiwan Ratings to long-term "twAA" and short-term "twA-1+", with a "stable" outlook. Furthermore, the rating among global debtors in financial constitution is rated as "extremely robust".





To strengthen the bilateral communication with our stakeholders, and to respect the rights and interests of the stakeholders, TSC has implemented various measures as follows :

▶ Face-to-face meeting:

For proposals they are interested in, shareholders can come to the Headquarters to have a face-to face opinion exchange with the chairman or relevant supervisors on the first Monday of every month.

▶ Regular shareholders' meeting:

To ensure the right of participation and power of decision of shareholders, a regular shareholders' meeting is held once a year. In addition to reporting on the operating results of the previous year and future strategies, matters for ratification and discussions on major proposals are also reported. Shareholders' questions are also answered in a timely manner.

▶ Proceedings of Shareholders' meetings:

The proceedings of the shareholders' meetings are recorded as required. Relevant information is uploaded to the MOPs and TSC's official website for shareholders' reference.

▶ Labor Director:

Representatives assigned by trade unions appointed by the Ministry of Economic Affairs act as labor directors and participate in corporate governance.

▶ Employee Participation:

Labor-management meetings (a total of 69 meetings were held in 2024), Employees' Welfare Committee meetings, Occupational Safety and Health Committee, and meetings of the "Employees' Retirement Funds Management Committee" and "Labor Retirement Reserve Supervisory Committee" are regularly convened.

## ▶ Customer Privacy

Taiwan Sugar Corporation has formulated the "Taiwan Sugar Corporation Management Points for Personal Data Protection", established a "Personal Data Protection Promotion and Implementation Team", and compiled "Manual for Personal Data Protection" in accordance with the "Personal Data Protection Act", "Personal Data Protection Act Enforcement Rules" and "Taiwan Sugar Corporation Management Points for Personal Data Protection". In 2023, the "Management Points for Personal Data Protection" Operation Form 9.1 Supervision Report Record Form was revised to add a reporting mechanism within 24 hours of receiving a report or becoming aware of a major personal data leakage case, in order to improve the effectiveness of the management of negative impacts related to customer privacy.

To prevent personal data from being stolen, altered, damaged, lost or leaked, on April 15, 2024, a circular was issued to each unit in accordance with the provisions of 7.4.2 of the "Taiwan Sugar Corporation Management Points for Personal Data Protection" to designate a personal data file security maintenance person to handle the maintenance of personal data file security; and it is stipulated that each unit shall regularly conduct personal data file inventory operations, perform audit operations based on the "Personal Data Security Audit Checklist" and other personal data file security maintenance measures on a yearly basis. In addition, in January 2024, a coordinated training "Personal Data File Security Audit Practice" was held, in March, personnel were sent to participate in the "2024 Personal Data Protection Education and Training for Supervisory Personnel in the Industry" of the Energy Administration of the Ministry of Economic Affairs, and in July, the "2024 TSC Personal Data Protection Implementation Group Meeting" was held.

To help strengthen the personal data security awareness of the supply chain and improve personal data security management measures, the "Personal Data Protection Contract Clauses (contract template)" of Taiwan Sugar Corporation was revised in 2023 for reference when various units inside and outside the company sign contracts with manufacturers involving personal data protection items. In July 2024, assistance was provided to the Product Marketing Division and the Secretariat, followed by the Planning Division in August and the Product Marketing Division again in December, in conducting on-site personal data protection audits of outsourced vendors. A total of four vendors were audited, and all audit results complied with the Company's Personal Data Protection Guidelines. In 2024, the company did not experience any incidents of customer privacy infringement or loss of customer data.



# CHAPTER 2

Sustainability Aspect

## Building

## Climate Resilience

|                                                                             |     |
|-----------------------------------------------------------------------------|-----|
| 2.1 Task Force on Climate-related Financial Disclosures (TCFD) .....        | 070 |
| 2.2 Net Zero Transition Strategy .....                                      | 089 |
| 【Special Column】 The Opening of Taisugar Carbon Sink Education Center ..... | 096 |
| 2.3 Green Production .....                                                  | 097 |



## Material Topics

☒ achieve
 ☐ unaccomplished

Energy, Climate Adaptation and Resilience, GHG Emissions, Water and Effluents, Air Pollutant Emissions, Waste

## 2024 Goals and Achievements

- ☒ The annual water saving target of Dalin Biotechnology Factory is 200 metric tonnes.
  - ▶ In 2024, the Dalin Biotechnology Plant achieved an annual water savings of approximately 224 metric tonnes.
- ☒ The wastewater reuse and recovery rate of the Dalin Biotechnology Factory is 90%.
  - ▶ The wastewater reuse and recovery rate of the Dalin Biotechnology Factory was 90.50% in 2024.



SDG 6.3

- ☒ To continuously promote the installation of solar PV equipment for rooftops, ground-mounted, detention ponds and unfavorable farming land.
  - ▶ In 2024, the installation of 1.25MW was completed. The cumulative installation of solar photovoltaic facilities has reached 543.64MW, including 17.08MW of rooftop equipment, 99.95MW of floating PV energy generation equipment (detention ponds), 426.61MW of ground-mounted (including low-fertility agricultural land).
- ☒ To continue the promotion of energy conservation movement and the development of renewable energy.
  - ▶ In 2024, a total of 10.6378 GWh of electricity was generated using biogas (excluding certificates) and agricultural waste resources such as bagasse.
- ☒ The domestic orchid greenhouse heat pump installation project is expected to cover an area of 15,743 square meters.
  - ▶ The area of greenhouses in the Orchid Farm equipped with heat pumps in 2024 is 15,743m<sup>2</sup>
- ☐ Diversified energy supply is a concrete action for TSC gas stations to achieve net zero emissions. In 2024, it is planned to launch 18 rapid charging service stations for electric vehicles at the existing gas stations.
  - ▶ As of the end of 2024, 11 electric vehicle fast charging stations have been installed at existing gas stations, and 69 battery swap stations have been set up. Starting from July 1, 2023, the government implemented a new regulation requiring newly installed EV charging stations to obtain VPC certification, resulting in the failure to achieve the charging station installation target in 2024. TSC expects to complete it in 2025.



SDG 7.2

- ☒ To continue to study the recycling of agricultural waste and develop recycling businesses in different fields.
  - ▶ As of the end of 2024, 8,118 metric tonnes of discarded oyster shells were made into oyster shell powder.
  - ▶ The percentage of waste recycling reached 99.38%, a 0.07% increase compared with 2023(99.31%).



SDG 12.6

- ☒ To organize a total of 400 sessions of green meetings<sup>Note</sup>.
  - ▶ Organized a total of 528 sessions of green meetings.
- ☒ To continue the promotion of energy conservation and carbon reduction measures.
  - ▶ Promoting energy conservation and carbon reduction has resulted in approximately 56,587.824GJ of energy savings and a reduction of about 3,517.24 metric tonnes of CO<sub>2</sub>e emissions.
- ☒ Moderate retention of forest trees will be maintained to continuously create habitat and ecological environments, providing functions of habitat, forage, and ecological corridor for wildlife. In addition to applying for ecological incentives from the Forestry and Nature Conservation Agency, we also applied for the Reforestation and Afforestation Carbon Sequestration Project to obtain reduction credits.
  - ▶ In 2024, TSC continued to cultivate trees and cooperate with the Pingtung Branch of Forestry and Nature Conservation Agency in the "Carbon Sink Project Demonstration Area in the Core Management Area of the Linhoulin Forest Park". The 20-year project is expected to achieve a total reduction of 3,722 metric tonnes. However, the cooperation project has been suspended due to the amendment of the "Regulations for Greenhouse Gas Emission Offset Management" to the "Regulations for Voluntary Emission Reduction Project Management" and the insufficient capacity of domestic inspection agencies.
- ☒ Xiaogang Plant is expected to reduce its greenhouse gas emissions to below 62,000 metric tonnes of CO<sub>2</sub>e in 2024.
  - ▶ In 2024, the greenhouse gas emissions from the Xiaogang Plant of the Sugar Business Division were approximately 60,435 metric tonnes of CO<sub>2</sub>e.



SDG 13.2

## Note :

"Green meetings" refers to conducting meetings via video conferencing instead of in-person gatherings, thereby reducing carbon emissions from personnel transportation. The total mileage (round trip) of the 528 video conferences was 388,210.4 kilometers. According to the carbon footprint emission coefficient of private gasoline passenger cars inquired from the Carbon Footprint Information Platform (0.115kgCO<sub>2</sub>e/passenger-kilometer), the total carbon emissions were reduced by approximately 44.64 metric tonnes of CO<sub>2</sub>e.



## Material Topics

✓ achieve □ unaccomplished

Energy, Climate Adaptation and Resilience, GHG Emissions, Water and Effluents, Air Pollutant Emissions, Waste

### 2025 Goals

- ▶ The renovation project of a total of 13 pig farms under the Agricultural Circulation Pig Farm Renovation Investment Plan strives to be completed by the end of June, 2025. The new pig farms will upgrade the wastewater treatment equipment of traditional pig houses to improve treatment efficiency. After the reconstruction of the pig farms, the amount of wastewater per pig per day will be reduced by 50%.
- ▶ To achieve the target of wastewater recovery rate (R2) at 77%.
- ▶ To achieve a 6% resource recovery rate for livestock manure.

SDG 6.3



- ▶ It is planned to apply for biomass renewable energy certificates for bagasse boiler and power generation facilities in 2025, and it is expected that up to 12,800 renewable energy certificates can be obtained and sold.
- ▶ It is expected that the 9,484m<sup>2</sup> greenhouse heat pump project in Wushulin Orchid Nursery and Dalin Orchid Nursery will be completed in 2025.
- ▶ It is expected that 21 stations and 46 guns electric vehicle fast charging piles will be installed at existing gas stations.
- ▶ In 2025, the capacity of solar photovoltaic installations will be increased by 8.48MW (if the original planned installation schedule is affected by factors beyond the control of the company, the target installation capacity may be adjusted as appropriate).

SDG 7.2



- ▶ Currently, in addition to industrial and feed uses, TSC Biomaterial Factory is expected to complete the fertilizer registration change in 2025 to expand the fertilizer market, with the goal of increasing oyster shell powder sales by 25%.
- ▶ To achieve a 92% waste-to-resource conversion rate.

SDG 12.6



- ▶ To organize a total of 450 sessions of green meetings.
- ▶ To continue the promotion of energy conservation and carbon reduction measures.
- ▶ Moderate retention of forest trees will be maintained to continuously create habitat and ecological environments, providing functions of habitat, forage, and ecological corridor for wildlife. In addition to applying for ecological incentives from the Forestry and Nature Conservation Agency, we will also apply for the Reforestation and Afforestation Carbon Sequestration Project to obtain reduction credits.
- ▶ Xiaogang Plant is expected to reduce its greenhouse gas emissions to below 59,000 metric tonnes of CO<sub>2</sub>e in 2025.
- ▶ Xiaogang Plant of Sugar Business Division is expected to submit the application of Self-determined Reduction Plans in 2025, and if approved, it will be eligible for preferential carbon fee rates.

SDG 13.2



### Medium- and Long-term Objectives

- ▶ To create a zero wastewater discharge model and fully introduce the circular economy into the pig farming industry for sustainable development.

SDG 6.3



- ▶ To continue to take inventory of the rooftop and ground-mounted solar PV facilities on the roofs of buildings and on low-fertility agricultural land, TSC aims to achieve a self-installed solar capacity of 864.24 MW by 2027.
- ▶ By 2030, a total of 37 locations with 92 fast EV charging nozzles are planned to be installed at existing gas station sites.

SDG 7.2



- ▶ Actively promote the circular economy and reduce waste generation.
- ▶ The number of fines for stationary pollution sources exceeding the emission standards is 0.
- ▶ To continue to maintain the effectiveness of the environmental management system of Xiaogang Plant.
- ▶ To continue to maintain the existing air pollution control equipment at Shanhua Sugar Factory and Huwei Sugar Factory, and evaluate new boilers and new combustion technologies to reduce pollutant emissions and improve combustion efficiency.
- ▶ Continuously update and maintain Xiaogang Plant's relevant air pollution control equipment to ensure that emission concentrations meet regulations.

SDG 12.6





## Material Topics

☒ achieve
 ☐ unaccomplished

Energy, Climate Adaptation and Resilience, GHG Emissions, Water and Effluents, Air Pollutant Emissions, Waste

## Medium-and Long-term Objectives

- ▶ To continue the upgrading of equipment for efficiency improvement to save energy and reduce carbon emissions.
- ▶ Evaluate the application of emission source greenhouse gas capture (absorption, storage) technology to implement carbon reduction.
- ▶ To invest in forest carbon sinks and biogas carbon credits, with a target of acquiring 20,000 metric tonnes of carbon credits by 2040.

SDG 13.2



Science has proven that the impact of climate change is already quite urgent. The climate issue has attracted great international attention. Countries have successively put forward declarations and actions for "net zero emissions by 2050". In response to the global net zero trend, Taiwan officially released the "Taiwan's Pathway to Net-Zero Emissions in 2050" in March 2022. It will use the four major transformation strategies of "energy", "industry", "life" and "society", and the two major governance foundations of "scientific and technological R&D" and "climate legislation", supplemented by "12 key strategies", to formulate an action plan to implement the goal of net zero transformation.

In addition, the government announced the "2050 Net Zero Transformation Phase Goals and Actions" and announced at the end of the year that the country's net GHG emissions in 2030 should be reduced to "28±2% of the 2005 base year emissions", an increase of 5 percentage points compared to the national self-determined contribution target of "24%±1%" announced in 2022.

As a state-owned enterprise, and with the goal of "Becoming a benchmark enterprise in health and green industries in Asia-Pacific Region", TSC cannot be absent from our country's net zero action. In addition to making climate-related financial disclosures, after the government announced the "Taiwan's Pathway to Net-Zero Emissions in 2050", TSC first merged the original Energy Sustainability Team and the Environmental Sustainability Team into the Environmental Sustainability and Net Zero Team, and established a cross-departmental task force "Net Zero Working Group" to formulate Taiwan Sugar's 2050 net zero emission path and goals. For details on TSC's carbon reduction strategy, please refer to "**2.2 Net Zero Transformation Strategy**" section of this Report.

## 2.1 Task Force on Climate-related Financial Disclosures (TCFD)

In the core business of TSC, agriculture and livestock business both belong to biological industries. The company's main niche, "land," belongs to an immovable resource. High temperatures, droughts, and floods caused by climate change will directly impact TSC's biological and land assets. Meanwhile, the threat of extreme weather also facilitated the consensus between the public and the governments. In order to alleviate global warming, relevant laws and regulations have been established, and this change also directly brings risks or opportunities to enterprises.

To work in line with the government's energy transformation policy of Net Zero by 2050, TSC initiated a research project entitled Strategic Evaluation and Suggestions on the Net-Zero Transformation of Taiwan Sugar Corporation. TSC has taken the inventories of its resources of net-zero emission pathway from the perspectives of policies, regulations, and technological feasibility. In addition, we also referred to the Task Force on Climate-Related Financial Disclosures (TCFD) announced by Financial Stability Board (FSB) and the four core elements of information disclosure, namely Governance, Strategy, Risk Management, and Metrics and Targets, for the establishment of the climate change governance framework, identification of material risks and opportunities that may be caused to operations, proposals for relevant corresponding strategies, and establishment of climate-related metrics and targets that can be continuously managed.

In August 2023, TSC responded to the TCFD initiative by signing up as TCFD Supporters. At same year, we completed our first "TSC Climate-Related Financial Disclosure Report" for internal reference. To continuously enhance corporate resilience in response to climate change, TSC plans to complete its second TCFD report in 2025, as part of our commitment to taking action to mitigate global warming.

In response to the international trend of financialization of sustainable information, the Financial Supervisory Commission has formulated a phased plan for the introduction of the international sustainability disclosure standards IFRS S1/S2 for domestic enterprises. The current regulations apply to TWSE/TPEX listed companies and will be implemented between 2026 and 2028 based on the size of capital. There are no specific requirements for public companies. As a state-owned and public company, Taiwan Sugar Corporation has added its budget to the sustainability disclosure items in accordance with regulations and disclosed climate-related information in its annual report to shareholders. The introduction of international sustainable disclosure standards will also be handled in accordance with the planning schedules of relevant competent authorities and in accordance with legal requirements.

### Core Elements of Recommended Climate-Related Financial Disclosures



#### ► Governance

The organization's governance around climate-related risks and opportunities

#### ► Strategy

The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

#### ► Risk Management

The processes used by the organization to identify, assess, and manage climate-related risks

#### ► Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities

## 2.1.1 Governance Structure and Capacity for Climate Change Issues

TSC has established the "Corporate Sustainable Development Committee" and the "Net Zero Working Group" to oversee and promote climate change and carbon reduction net zero related initiatives

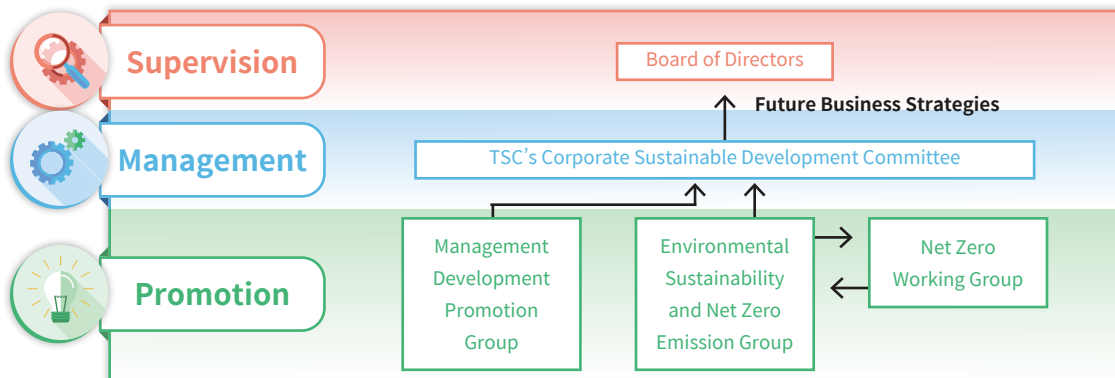
The "TSC Corporate Sustainable Development Committee" has been set up to establish relevant procedural documents, with the president serving as the chairperson and the chairman as the steering member attending committee meetings on behalf of the board of directors. The committee is composed of first-level supervisors, under which establishes the Environmental Sustainability and Net Zero Task Force, whose main tasks include handling the environmental protection policy, GHG control and carbon footprint certification and the promotion and revision of relevant businesses; establishing the environmental accounting system and environmental policies of the Company and be responsible for the revision of the ESG performance indicators; assisting all district offices with the promotion of biodiversity management; assisting all units with the GHG inventory, GHG reduction and carbon footprint certification businesses; assisting all units with the setting of work plans for energy conservation, water conservation and renewable energy utilization; handling the Company's comprehensive educational training in terms of environmental sustainability, energy conservation, renewable energy utilization, and carbon reduction; setting the Company's schedule for net-zero, assisting all units (including district offices) with the formulation of work plans for carbon reduction and carbon sequestration offset, and implementing various execution plans.



The Net Zero Working Group is a cross-departmental task force, convened by the President, promoting the net zero carbon reduction business, conducting independent GHG inventory and review, while also handling ISO 14064-1:2018 GHG external verification, and setting carbon reduction targets and strategies based on the inventory results.

The assessment of climate-related risks and opportunities and the setting of corresponding strategies discussed among all units in the Corporate Sustainable Development Committee and Net-Zero Task Force are merged into the future business strategy in the future, and will be submitted to the board meeting for review every year.

### TSC's Climate-Related Governance Structure Diagram



Starting from June 2024, each unit evaluated the likelihood and level of impact of climate-related risks opportunities based on its business responsibilities, and submit the evaluation results to the Department of Planning for summary; on August 8, the Department of Planning reported the evaluation results to the President and Vice President, and the identification of major risks and opportunities was completed after discussion at the meeting; on August 26, the "Results of TCFD Major Risk and Opportunity Identification and Subsequent Evaluation Briefing Meeting" was held again. Each unit were requested to formulate subsequent strategic directions and related financial assessments, and complete the overall plan by the end of 2024.

Two of TSC's board members possess a sustainability-related background, with areas of expertise in eco-cities, eco-communities, sustainable housing and green buildings. A total of five directors participated in courses on Net zero carbon emissions, Net-zero layout, Carbon trading, Renewable Energy Certificates (RECs) and green electricity trading, and Carbon management organized by Chinese National Association of Industry and Commerce, Taiwan (CNAIC), Taiwan Corporate Governance Association, Securities and Futures Institute, with a total of 18 training hours.

In 2024, TSC organized "Education and Training on TCFD Disclosure and Implementation" and "TCFD Project Workshop" to expand the professional knowledge of senior executives and strengthen the company's effectiveness of TCFD promotion. In addition, we also organized "Keynote Speech on Corporate Internal Carbon Pricing", "Analysis of International Climate Governance and Carbon Asset Management Strategies", and "Workshop on Carbon Rights Operation Concept" for in-depth analysis of the concept and application of carbon pricing in response to domestic and international trends. A total of 412 people participated in the above courses, with a total of 1,774 training hours. Units and employees also participated in physical or online training on low-carbon living, net zero emissions, carbon management courses and carbon rights related courses, with 279 participants and 451 training hours.

## 2.1.2 Climate-Related Risk and Opportunity Management

### Climate-related Risks and Opportunities Management System

Taiwan Sugar Corporation has established "Key Points of Risk Assessment and Management", and the content covers risk management policies, the establishment of a "Risk Management Promotion Committee", and regular assessment and control of potential risks conducted by each unit based on its operating environment, industrial changes, internal operating procedures, and public opinion from newspaper and media. Please refer to "**1.2.3 Risk Assessment and Management**" in this Report for details on Taiwan Sugar Corporation's risk management.

### Identification and Management of Climate-Related Risks and Opportunities

TSC officially imported the framework of Task Force on Climate-related Financial Disclosures (TCFD) in 2021. In accordance with the four major aspects of governance, strategy, risk management, and indicators and goals, and with reference to the existing risk management measurement standards, the climate-related risk and opportunity assessment scale has been defined, and climate-related risk identification and assessment as well as the climate change response structure have been established.

The Department of Planning, the organizer of Business Development Promotion Group under the Corporate Sustainability Committee is responsible for convening meetings for the identification and assessment of climate-related risks and opportunities. Guidelines for Risk Assessment was referred to for the identification and assessment of the climate-related risk matrix to define risk levels. The results of the climate change risk and opportunity identification and assessment will be reviewed by the President. The annual results are submitted to the Corporate Sustainability Committee and the progress is reported at the meeting of the Net-Zero Task Force.

#### Identification process of climate change risks and opportunities





## Climate-related Risks and Opportunities Management Process

TSC has implemented the following management processes in response to the identified high-impact climate-related risks and opportunities.

### Climate-related Risks and Opportunities Management Process

#### Risk management method selection and implementation:

Each department is required to access the likelihood and level of impact of identified potential risk events. In addition, consideration of cost-effectiveness and prioritization, planning and execution of various risk treatment strategies, namely the four fundamental approaches, including risk avoidance, risk reduction, risk acceptance, and risk transfer, shall be carried out.

- ▶ Risk Avoidance: Those with high probability of occurrence and high impact of potential loss events.
- ▶ Risk Mitigation: Those with high probability of occurrence and low impact of potential loss events.
- ▶ Risk Acceptance: Those with low probability of occurrence and low impact of potential loss events.
- ▶ Risk Transfer: For risk transfers implemented through insurance, procedures shall be handed in accordance with insurance-related regulations by the Secretariat.

#### Regularly review and revise risk management:

In addition to conducting risk assessments annually in accordance with the "Key Points of Risk Assessment and Management", each unit supervisor should, as necessary, conduct regular or irregular simulation drills or tests to confirm the effectiveness of relevant control mechanisms when risks occur. They should also pay attention to changes in risks at any time and assess and manage risks in a timely manner.

#### Supervision, audit and tracking of risk management:

The business supervisory units of the General Management Office shall regularly or irregularly audit the risk management status of each unit based on the needs of the nature of the business they manage, and provide guidance for improvement and list and track matters that need improvement; and, as necessary, conduct education and training related to risk management and crisis management, organize learning or field drills as needed, establish professional risk management and crisis management skills, and enhance crisis prevention and response capabilities.

## 2.1.3 Climate-related Risk and Opportunity Strategy

### Climate-related Scenario Resilience Assessment

TSC sets scenarios based on the two risk types of transition and physical risks and climate opportunities recommended by TCFD. Since climate-related risks and opportunities will affect future strategies and financial planning, the Company adopted the worst-case scenario of global warming from the IPCC's Sixth Assessment Report to analyze and assess the resilience of its climate strategies.

## List of Usage Scenarios of TSC's Climate-Related Risk Assessment

| Types of climate related risks and opportunities                                          | The scenario for the Company to assess risks and strategies                                                                                                                 | Scenarios                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Transition Risks</li> <li>Opportunities</li> </ul> | <ul style="list-style-type: none"> <li>1.5° C Scenario</li> <li>Taiwan's Pathway to Net Zero Emissions in 2050</li> <li>Nationally Determined Contributions(NDC)</li> </ul> | <p>Human-induced global warming has already increased by over 1.0° C compared to pre-industrial levels. If the warming continues at its current pace, the Earth's average temperature could rise by 1.5° C between 2030 and 2052. TSC's climate-related risk and opportunity assessment scenario aligns with our country's goal of limiting the temperature increase to no more than 1.5° C compared to pre-industrial levels. Achieving this goal requires global action to halve global carbon emissions by 2030 and achieve net zero carbon emissions by no later than 2050.</p> <p>Under the global trend of stepping toward net-zero emissions by 2050, Taiwan government also released the Taiwan's Pathway to Net-Zero Emissions in 2050 in March, 2022. This 2050 net-zero emissions pathway is based on the four major transition strategies of "Energy Transition," "Industrial Transition," "Lifestyle Transition," and "Social Transition," as well as the two governance foundations of "Technology R&amp;D" and "Climate Legislation" to highly control the GHG emissions. The Ministry of Environment announced at the end of 2024 that the country's net GHG emissions in 2030 should be reduced to "28±2% of the 2005 base year emissions", an increase of 5% from the National Determined Contribution (NDC) target of "24%±1%" announced by the National Development Council in 2022, which may have possible operational impact on the Company and its value chain.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <ul style="list-style-type: none"> <li>Physical Risks</li> </ul>                          | <p>The Highest Emissions Scenario (SSP5-8.5) in IPCC's Sixth Assessment Report</p>                                                                                          | <p>The assessment scenario adopted by our company aligns with the worst-case global warming scenario outlined in the IPCC AR6. Under the scenario of extremely high GHG emissions (SSP5-8.5), climate change would lead to intensified changes in future average temperature, extremely high temperature, total annual rainfall, annual maximum one day rainfall intensity, annual maximum consecutive dry days, and intensified change in the proportion of strong typhoons, which may have operational impact on the Company and its value chain. This scenario includes:</p> <ol style="list-style-type: none"> <li>1. The average temperature in mid and late 21st century may rise by over 1.8° C and 3.4° C. It is estimated that the temperatures across Taiwan will continue to increase in the future.</li> <li>2. In the future extreme high temperature events, the number of days with high temperatures above 36° C will increase in various places. Under the worst scenario (SSP5-8.5), the number of such days will increase by approximately 8.5 days and 48.1 days in the mid and late 21st century respectively.</li> <li>3. It is estimated that the total annual rainfall in Taiwan will increase in the future. Under the worst scenario (SSP5-8.5), the average annual total rainfall will increase by approximately 15% and 31% in the mid and late 21st century respectively.</li> <li>4. The maximum one-day heavy rainfall intensity in Taiwan shows an increasing trend. The average annual maximum one-day heavy rainfall intensity will increase approximately by 20% and 41.3% in the mid and late 21st century respectively.</li> <li>5. The annual maximum number of consecutive rainless days has a trend of increase. The average increase rate is about 5.5% and 12.4% in mid and late 21st century respectively.</li> <li>6. The number of typhoons affecting Taiwan in mid to late 21st century will decrease by 15% and 55%, the proportion of strong typhoons will increase by 100% and 50%, while the change rate of typhoon rainfall will increase by 20% and 35%, respectively.</li> </ol> |



## Results of Climate Change Risks and Opportunities Identification

In alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), TSC has identified 19 climate-related risk issues across its business units—comprising 5 physical risks and 14 transition risks—as well as 16 climate-related opportunity issues. Each issue was assessed based on its likelihood of occurrence and potential impact, and evaluated across short-, medium-, and long-term timeframes. A risk and opportunity matrix was developed using a three-point scale. Through this process, the company identified 3 material climate-related transition risks, 1 material physical risk, and 5 material climate-related opportunities.

### TSC's Climate-Related Risk Matrix—Short term

|                                              |                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                            |                                                                                                                                                                          |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Major (3)                                    | -                                                                                                                                                                                                                                                                                                                                  | -                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>Increased Cost of Raw Materials</li> <li>Extreme Weather Events such as Typhoons and Floods</li> </ul>                            |
| Moderate (2)                                 | <ul style="list-style-type: none"> <li>Shifts in Consumer Preferences</li> <li>Changes in Precipitation Patterns (Drought)</li> </ul>                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>Substitution of Existing Products with Lower Emissions Options</li> <li>Increase in Purchased Electricity Prices</li> </ul>                         | <ul style="list-style-type: none"> <li>Increase in Greenhouse Gas (GHG) Emission Pricing (Carbon Fees)</li> </ul>                                                        |
| Minor (1)                                    | <ul style="list-style-type: none"> <li>Mandates on and Regulation of Products and Services</li> <li>Exposure to Litigation</li> <li>Unsuccessful Investment in New Technologies</li> <li>Changing Customer Behavior</li> <li>Stigmatization of Sector</li> <li>Increased Stakeholder Concern</li> <li>Rising Sea Levels</li> </ul> | <ul style="list-style-type: none"> <li>Costs to Transition to Lower Emissions Technology</li> <li>Rising Mean Temperatures</li> <li>Increase in the Number of Extreme Heat Days</li> </ul> | <ul style="list-style-type: none"> <li>Enhanced Emissions-reporting Obligations</li> <li>Impact of the National Policy on Electrification of Government Fleet</li> </ul> |
| Potential Impact<br>Likelihood of Occurrence | Unlikely (1)                                                                                                                                                                                                                                                                                                                       | Likely (2)                                                                                                                                                                                 | Very Likely (3)                                                                                                                                                          |

### TSC's Climate-Related Risk Matrix—Medium term

|                                              |                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                          |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Major (3)                                    | -                                                                                                                                                                                                                                                                   | -                                                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>Increased Cost of Raw Materials</li> <li>Extreme Weather Events such as Typhoons and Floods</li> </ul>                            |
| Moderate (2)                                 | -                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>Substitution of Existing Products with Lower Emissions Options</li> <li>Increase in Purchased Electricity Prices</li> <li>Shifts in Consumer Preferences</li> <li>Changes in Precipitation Patterns (Drought)</li> <li>Changing Customer Behavior</li> </ul> | <ul style="list-style-type: none"> <li>Increase in Greenhouse Gas (GHG) Emission Pricing (Carbon Fees)</li> </ul>                                                        |
| Minor (1)                                    | <ul style="list-style-type: none"> <li>Mandates on and Regulation of Products and Services</li> <li>Exposure to Litigation</li> <li>Unsuccessful Investment in New Technologies</li> <li>Stigmatization of Sector</li> <li>Increased Stakeholder Concern</li> </ul> | <ul style="list-style-type: none"> <li>Costs to Transition to Lower Emissions Technology</li> <li>Rising Mean Temperatures</li> <li>Increase in the Number of Extreme Heat Days</li> <li>Rising Sea Levels</li> </ul>                                                                               | <ul style="list-style-type: none"> <li>Enhanced Emissions-reporting Obligations</li> <li>Impact of the National Policy on Electrification of Government Fleet</li> </ul> |
| Potential Impact<br>Likelihood of Occurrence | Unlikely (1)                                                                                                                                                                                                                                                        | Likely (2)                                                                                                                                                                                                                                                                                          | Very Likely (3)                                                                                                                                                          |

### TSC's Climate-Related Risk Matrix—Long term

|                                              |                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Major (3)                                    | -                                                                                                                                                                                                      | -                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>Increase in Greenhouse Gas (GHG) Emission Pricing (Carbon Fees)</li> <li>Increased Cost of Raw Materials</li> <li>Extreme Weather Events such as Typhoons and Floods</li> <li>Substitution of Existing Products with Lower Emissions Options</li> </ul> |
| Moderate (2)                                 | -                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Mandates on and Regulation of Products and Services</li> <li>Changing Customer Behavior</li> <li>Increase in Purchased Electricity Prices</li> <li>Changes in Precipitation Patterns (Drought)</li> <li>Shifts in Consumer Preferences</li> </ul> | -                                                                                                                                                                                                                                                                                              |
| Minor (1)                                    | <ul style="list-style-type: none"> <li>Exposure to Litigation</li> <li>Unsuccessful Investment in New Technologies</li> <li>Stigmatization of Sector</li> <li>Increased Stakeholder Concern</li> </ul> | <ul style="list-style-type: none"> <li>Costs to Transition to Lower Emissions Technology</li> </ul>                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Enhanced Emissions-reporting Obligations</li> <li>Impact of the National Policy on Electrification of Government Fleet</li> <li>Rising Mean Temperatures</li> <li>Rising Sea Levels</li> <li>Increase in the Number of Extreme Heat Days</li> </ul>     |
| Potential Impact<br>Likelihood of Occurrence | Unlikely (1)                                                                                                                                                                                           | Likely (2)                                                                                                                                                                                                                                                                               | Very Likely (3)                                                                                                                                                                                                                                                                                |



### Description of Identified Major Climate-Related Risks

| Sorting | Name of Climate-related Risk                                                       | Boundary of Risk Impact on Operational Model and Value Chain |                             |            | Time Interval |             |           |
|---------|------------------------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------|------------|---------------|-------------|-----------|
|         |                                                                                    | Upstream                                                     | TSC                         | Downstream | Short term    | Medium term | Long term |
| Risk 1  | 【Transition Risks】 Increase in Greenhouse Gas (GHG) Emission Pricing (Carbon Fees) | ●                                                            | Sugar Business Division     |            | ●             | ●           | ●         |
| Risk 2  | 【Transition Risks】 Substitution of Existing Products with Lower Emissions Options  |                                                              | Petroleum Business Division | ●          |               |             | ●         |
| Risk 3  | 【Transition Risks】 Increased Cost of Raw Materials                                 | ●                                                            | Livestock Business Division | ●          | ●             | ●           | ●         |
| Risk 4  | 【Transition Risks】 Extreme Weather Events such as typhoons and Floods              |                                                              | All the Operating Bases     |            | ●             | ●           | ●         |



### TSC's Climate-Related Opportunities Matrix—Short term

|                                                   |                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                 |                                                                        |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Major (3)                                         | -                                                                                                                                                                                                                                                                                                                                                   | -                                                                                                                                                                               | ▶ Participation in Renewable Energy Projects                           |
| Moderate (2)                                      | <ul style="list-style-type: none"> <li>▶ Use of More Efficient Production Processes</li> <li>▶ Move to More Efficient Buildings</li> </ul>                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>▶ Access to New Markets</li> <li>▶ Leveraging Public Sector Incentive Programs</li> </ul>                                                | ▶ Transition to Low-carbon Energy and Improvement of Energy Efficiency |
| Minor (1)                                         | <ul style="list-style-type: none"> <li>▶ Adoption of Incentive-based Policies</li> <li>▶ Adoption of New Technologies</li> <li>▶ Shift toward Decentralized Energy Generation</li> <li>▶ Expansion of Low Emission Goods and Services</li> <li>▶ R&amp;D and Innovation of Products or Services</li> <li>▶ Shift in Consumer Preferences</li> </ul> | <ul style="list-style-type: none"> <li>▶ Adoption of more Efficient Modes of Transport</li> <li>▶ Recycling and Reuse</li> <li>▶ Reduced Water Usage and Consumption</li> </ul> | ▶ Participation in Carbon Market                                       |
| Potential Impact<br>/<br>Likelihood of Occurrence | Unlikely (1)                                                                                                                                                                                                                                                                                                                                        | Likely (2)                                                                                                                                                                      | Very Likely (3)                                                        |

### TSC's Climate-Related Opportunities Matrix—Medium term

|                                              |                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                            |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Major (3)                                    | -                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>Access to New Markets</li> </ul>                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>Transition to Low-carbon Energy and Improvement of Energy Efficiency</li> <li>Participation in Renewable Energy Projects</li> </ul> |
| Moderate (2)                                 | -                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>Use of More Efficient Production Processes</li> <li>Recycling and Reuse</li> <li>Move to More Efficient Buildings</li> <li>Adoption of New Technologies</li> <li>Expansion of Low Emission Goods and Services</li> <li>Leveraging Public Sector Incentive Programs</li> </ul> | <ul style="list-style-type: none"> <li>Participation in Carbon Market</li> </ul>                                                                                           |
| Minor (1)                                    | <ul style="list-style-type: none"> <li>Adoption of Incentive-based Policies</li> <li>Shift toward Decentralized Energy Generation</li> <li>R&amp;D and Innovation of Products or Services</li> <li>Shift in Consumer Preferences</li> </ul> | <ul style="list-style-type: none"> <li>Adoption of more Efficient Modes of Transport</li> <li>Reduced Water Usage and Consumption</li> </ul>                                                                                                                                                                         | -                                                                                                                                                                          |
| Potential Impact<br>Likelihood of Occurrence | Unlikely (1)                                                                                                                                                                                                                                | Likely (2)                                                                                                                                                                                                                                                                                                           | Very Likely (3)                                                                                                                                                            |

### TSC's Climate-Related Opportunities Matrix—Long term

|                                              |                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                           |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Major (3)                                    | -                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Transition to Low-carbon Energy and Improvement of Energy Efficiency</li> <li>Participation in Renewable Energy Projects</li> <li>Access to New Markets</li> </ul> |
| Moderate (2)                                 | -                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>Use of More Efficient Production Processes</li> <li>Recycling and Reuse</li> <li>Move to More Efficient Buildings</li> <li>Adoption of New Technologies</li> <li>Expansion of Low Emission Goods and Services</li> <li>Leveraging Public Sector Incentive Programs</li> </ul> | <ul style="list-style-type: none"> <li>Participation in Carbon Market</li> </ul>                                                                                                                          |
| Minor (1)                                    | <ul style="list-style-type: none"> <li>Adoption of Incentive-based Policies</li> <li>Shift toward Decentralized Energy Generation</li> <li>R&amp;D and Innovation of Products or Services</li> <li>Shift in Consumer Preferences</li> </ul> | <ul style="list-style-type: none"> <li>Adoption of more Efficient Modes of Transport</li> <li>Reduced Water Usage and Consumption</li> </ul>                                                                                                                                                                         | -                                                                                                                                                                                                         |
| Potential Impact<br>Likelihood of Occurrence | Unlikely (1)                                                                                                                                                                                                                                | Likely (2)                                                                                                                                                                                                                                                                                                           | Very Likely (3)                                                                                                                                                                                           |



## Description of Identified Major Climate-Related Opportunities

| Sorting       | Name of Climate-related Opportunities                                                              | Boundary of Opportunities Impact on Operational Model and Value Chain |                                                                                                                          |            | Time Interval |             |           |
|---------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|------------|---------------|-------------|-----------|
|               |                                                                                                    | Upstream                                                              | TSC                                                                                                                      | Downstream | Short term    | Medium term | Long term |
| Opportunity 1 | 【Climate-Related Opportunity】 Transition to Low-carbon Energy and Improvement of Energy Efficiency | ●                                                                     | Sugar Business Division<br>Biotechnology Business Division<br>Agriculture Business Division<br>Leisure Business Division |            | ●             | ●           | ●         |
| Opportunity 2 | 【Climate-Related Opportunity】 Participation in Carbon Market                                       |                                                                       | Department of Environmental Protection                                                                                   | ●          |               |             | ●         |
| Opportunity 3 | 【Climate-Related Opportunity】 Access to New Markets                                                |                                                                       | Sugar Business Division                                                                                                  | ●          | ●             | ●           | ●         |
| Opportunity 4 | 【Climate-Related Opportunity】 Leveraging Public Sector Incentive Programs                          |                                                                       | Sugar Business Division                                                                                                  |            | ●             | ●           | ●         |
| Opportunity 5 | 【Climate-Related Opportunity】 Participation in Renewable Energy Projects                           | ●                                                                     | Department of Environmental Protection                                                                                   | ●          | ●             | ●           | ●         |

## Description and Financial Assessment of Climate-Related Risks and Opportunities Response Strategies

**Risk 1 【Transition Risks】 Increase in Greenhouse Gas (GHG) Emission Pricing (Carbon Fees)+**

**Opportunity 1 【Climate-Related Opportunity】 Transition to Low-carbon Energy and Improvement of Energy Efficiency +**

**Opportunity 4 【Climate-Related Opportunity】 Leveraging Public Sector Incentive Programs**

## Risk Scenarios and Strategic Responses

Taiwan's National Development Council officially announced the "Taiwan's Pathway to Net-Zero Emissions in 2050 and Strategy Overview", and "Climate Change Response Act" (hereinafter referred to as the Climate Act) passed its third reading the following year. Article 4 clearly included the 2050 net-zero GHG emissions target into the act. The three sub-laws of the carbon fee were announced, officially entering the era of carbon pricing. Carbon fees will be collected from businesses with a total annual greenhouse gas emissions of more than 25,000 metric tonnes of CO<sub>2</sub>e at a single site starting in 2026, and the charging threshold may be lowered to 12,000 metric tonnes of CO<sub>2</sub>e in the future. The "Carbon Fee Collection Rate" was announced in October 2024. The general rate is NTD 300/metric tonne of CO<sub>2</sub>e, and the charged emissions = (annual emissions - 25,000 metric tonnes of CO<sub>2</sub>e). The rate will be gradually increased in the future, and it is expected to be adjusted to NTD 1,800/metric tonne of CO<sub>2</sub>e after 2031.

Our Sugar Business Division is one of the first to be levied carbon fees. In response to the increasingly stringent trend of levying carbon fees on enterprises, the Xiaogang Plant of the Sugar Business Division has adopted 【Opportunity 1: Transition to Low-carbon Energy and Improvement of Energy Efficiency】 as its strategy and has successively implemented equipment efficiency plans including converting oil-fired boilers to natural gas ones and establishing a new oil extraction plant at the Xiaogang Plant to reduce the financial cost risks brought by carbon fees.

In addition, according to the "Specified Targets for GHG Reduction for Carbon Fee Collection" and "Management Measures for Self-determined Reduction Plans", those who take specific reduction measures and can effectively reduce greenhouse gas emissions and reach the "specified targets" of the central competent authority can submit "Self-determined Reduction Plans" to apply for approval of "preferential rates". The Sugar Business Division of our company will use 【Opportunity 4: Leveraging Public Sector Incentive Programs】 as a strategy to apply for a "Self-determined Reduction Plan" to reduce the carbon fee rate and reduce the financial cost risks brought by the carbon fee.

| Description of the Financial Impacts Resulting from Risk Exposure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                  |
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| Current                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | According to the "Regulations Governing the Collection of Carbon Fees ", the government will start collecting carbon fees in 2026. Therefore, there was no cash outflow from operating activities in 2024 due to the increase in cost incurred by the collection of carbon fees. |
| Short term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | With a carbon fee rate of NTD 300 /metric tonne of CO <sub>2</sub> e, it is expected that in 2026, due to the collection of the 2025 carbon fee, there will be an increase in operating cash outflows due to the cost of expenses.                                               |
| Medium term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | With the carbon fee rate to be raised to NTD 300/metric tonne of CO <sub>2</sub> e, it is expected that in 2027-2030, due to the collection of the 2026-2029 carbon fee, there will be an increase in operating cash outflows due to the cost of expenses.                       |
| Long term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | With the carbon fee rate to be raised to NTD 1,800/metric tonne of CO <sub>2</sub> e, it is expected that in 2031-2040, due to the collection of the 2030-2039 carbon fee, there will be an increase in operating cash outflows due to the cost of expenses.                     |
| Note:<br>The calculation basis for the current, short, Medium and long term carbon fee collection is based on the GHG emissions of TSC's Xiaogang Plant in 2021. If no countermeasures are taken, it is estimated that GHG emissions in 2025 will reach 85,020 metric tonnes of CO <sub>2</sub> e.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                  |
| Explanation of Strategic Response to Financial Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                  |
| <p>Based on the 2021 greenhouse gas (GHG) emissions from the Xiaogang Plant of the Sugar Business Division, Risk 1 【Transition Risks】 Increase in Greenhouse Gas (GHG) Emission Pricing (Carbon Fees) is expected to raise the Company's annual costs in both the short and medium term prior to the implementation of mitigation measures. In the long term, the imposition of carbon fees is also projected to result in increased annual costs for Taiwan Sugar Corporation (TSC).</p> <p>After implementing 【Opportunity 1: Transition to Low-carbon Energy and Improvement of Energy Efficiency】 , and 【Opportunity 4: Leveraging Public Sector Incentive Programs】 , which leverages public sector incentive programs, the Company anticipates a shift in impact. Although these initiatives will incur capital expenditures and associated depreciation costs, they are expected to generate cost savings through reduced energy expenses and lower carbon fee obligations. Consequently, in the short and medium term, the Company's annual cost impact will shift from an increase to a net decrease, with similar results expected in the long term.</p> <p>All capital and operational cash outflows across these periods will be financed through TSC's internal funds. While these expenditures will have a minor impact on operations and cash flows, the effect is considered negligible. The initiatives are not expected to have a significant impact on financing availability or the cost of capital.</p> |                                                                                                                                                                                                                                                                                  |

| Risk 2 【Transition Risks】 Substitution of Existing Products with Lower Emissions Options                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| Risk Scenarios and Strategic Responses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p>According to "Taiwan's Pathway to Net-Zero Emissions 2050 and Strategy Overview" announced by National Development Council, the vehicle electrification strategy includes increasing the market share of electric vehicles; for large buses, the goal of full electrification of urban buses will be achieved by 2030, and subsidies for vehicle purchases, batteries and charging equipment will be provided to operators through special projects. The annual sales volume of new electric passenger cars will reach 30%, 60% and 100% of the annual sales volume of all passenger cars by 2030, 2035 and 2040 respectively. The annual sales volume of new electric motorcycles will account for 35%, 70% and 100% of the annual sales volume of all motorcycles by 2030, 2035 and 2040 respectively. According to the Ministry of Transportation and Communications' "Key Strategic Action Plan for Carbon-free and Electric Vehicles", the penetration rate of electric passenger cars will be: 1.4% in 2025; 7.3% in 2030; 20.3% in 2035; and 43.2% in 2040.</p> <p>Under the national policy of electrification of vehicles, TSC expects that the sales revenue of gasoline and diesel of the Petroleum Business Division will gradually decrease in the short, medium and long term, resulting in a decrease in profits. The Company will outsource the installation of charging stations as a response measure to increase revenue and profits.</p> |



| Description of the Financial Impacts Resulting from Risk Exposure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | The revenue and profit of gasoline and diesel of the Company's Petroleum Business Division have not yet been impacted by the Government's "Electrification Strategy". The operating cash flow from gasoline and diesel revenue in 2024 increased and the gross profits were also higher than those in 2023.                                                                                             |
| Short term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | According to the Ministry of Transportation and Communications' "Key Strategic Action Plan for Carbon-free and Electric Vehicles", the penetration rate of electric passenger cars is expected to be 1.4%. TSC's gross profit will decrease in 2026 compared to 2023 due to the decrease in operating cash flow from gasoline and diesel revenue.                                                       |
| Medium term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | The penetration rate of electric passenger cars is expected to reach 7.3% by 2030. From 2027 to 2030, based on the gross profit level in 2026, a yearly gross profit decline rate of 1.825% (i.e., $7.3\% \div 4$ ) is applied. As a result, the Company's gross profit will decrease in 2030 compared to 2023 due to the decrease in operating cash flow from gasoline and diesel revenue.             |
| Long term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | The penetration rate of electric passenger cars is expected to reach 20.3% by 2035. From 2031 to 2035, based on the gross profit level in 2026, a yearly gross profit decline rate of 2.6% (i.e., $(20.3\% - 7.3\%) \div 5$ ) is applied. As a result, the Company's gross profit will decrease in 2035 compared to 2023 due to the decrease in operating cash flow from gasoline and diesel revenue.   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | The penetration rate of electric passenger cars is expected to reach 43.2% by 2040. From 2036 to 2040, based on the gross profit level in 2026, a yearly gross profit decline rate of 4.58% (i.e., $(43.2\% - 20.3\%) \div 5$ ) is applied. As a result, the Company's gross profit will decrease in 2040 compared to 2023 due to the decrease in operating cash flow from gasoline and diesel revenue. |
| <p>Note:</p> <p>The increase or decrease in gross profit (sales revenue - the cost of purchasing oil from CPC) generated by gasoline and diesel revenue in the current, short, medium and long term is estimated based on the operating cash flow gross profits of gasoline and diesel revenue of the Company's Petroleum Business Division in 2023. The expected impact on the availability of financing and the cost of funds will not be significant.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                         |
| Explanation of Strategic Response to Financial Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>Based on the 2023 gross profit of the Petroleum Business Division, Risk 2 【Transition Risks】 Substitution of Existing Products with Lower Emissions Options due to the government's transportation electrification policy—is expected to impact gasoline and diesel revenue and gross profit (i.e., sales revenue minus procurement cost from CPC Corporation). Compared to the 2023 profit level, this transition is projected to result in annual gross profit reductions over the short, medium, and long term. As a response, the Company has adopted a strategy of outsourcing the installation of EV charging stations. This approach entails no capital expenditure-related cash outflows under investing activities, nor operational cash outflows related to charging infrastructure costs, thereby partially offsetting gross profit losses across all timeframes. The policy is not expected to have a significant impact on financing availability or the cost of capital.</p> |                                                                                                                                                                                                                                                                                                                                                                                                         |

### Risk 3 【Transition Risks】 Increased Cost of Raw Materials

#### Risk Scenarios and Strategic Responses

Scientists point out that rising global temperatures, changes in rainfall patterns, and human-caused GHG emissions have led to higher concentrations of carbon dioxide at the Earth's surface. These changes will make corn more difficult to grow in tropical regions. If effective countermeasures are not taken, by 2050, climate change will cause global food production capacity to drop by 5% to 30%, which will in turn create the risk of rising raw material costs for the Company. Statistics on the average corn futures prices from 2015 to 2024 show that, excluding the excessive cost fluctuations caused by the epidemic and war from 2021 to 2023, corn futures prices have grown by about 2% each year. Since feed factories purchase corn in the form of futures, it is estimated that the future use cost will increase by 2% each year with the rice in futures price. Starting from 2025, the feed factory of the Livestock Business Division is expected to purchase 100,000 metric tonnes of corn each year.

TSC adopts the strategy of "replacing corn with "white rice (purchased from the Agriculture and Food Agency) as feed" to cope with the risk of rising corn costs, with a replacement rate of 10% (due to the consideration that the nutrients are not exactly the same, it cannot be completely replaced). On the other hand, when the cost of feed rice as a substitute is not enough to offset the increase in corn costs, we will "adjust the selling price" to offset the increased feed costs to maintain the existing profits.

| Description of the Financial Impacts Resulting from Risk Exposure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | In 2024, the price of corn, the main raw material, has not yet impacted the cost of the Company's Livestock Business Division, so there is no cash outflow from operating activities due to the increase in raw material costs caused by the increase in corn prices.                                              |
| Short term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Due to climate change, in the future, the price of corn, the main raw material, is estimated to increase by 2% with the futures price compared with the previous year. Therefore, in 2026, compared with 2024, the increase in the procurement costs of corn will generate cash outflow from operating activities. |
| Medium term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | In the future, the price of corn, the main raw material, is estimated to increase by 2% with the futures price compared with the previous year. Therefore, in 2030, compared with 2024, the increase in the procurement costs of corn will generate cash outflow from operating activities.                        |
| Long term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | In the future, the price of corn, the main raw material, is estimated to increase by 2% with the futures price compared with the previous year. Therefore, in 2040, compared with 2024, the increase in the procurement costs of corn will generate cash outflow from operating activities.                        |
| <p>Note:</p> <p>Due to increased costs of purchasing corn, cash outflows from operating activities in the short, medium and long term will be paid with the Company's own funds, which will not have impacts on the operations and will not cause cash flow risks. The expected impact on the availability of financing and the cost of funds will not be significant.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                    |
| Explanation of Strategic Response to Financial Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                    |
| <p>Risk 3 【Transition Risks】 Increased Cost of Raw Materials are expected to impact the procurement cost of corn and profitability in the Livestock Business Division. Compared to 2023, this risk is projected to lead to increased annual costs over the short, medium, and long term. As a mitigation measure, the Company has adopted the use of rice (procured from the Agriculture and Food Agency) as a substitute for corn in feed, along with price adjustments for its products. This strategy involves no capital expenditure-related cash outflows under investing activities and no additional operating cash outflows related to raw material replacement. As a result, the impact of rising material costs has not affected annual profitability during the short-, medium-, or long-term periods. This risk is not expected to significantly affect financing availability or the cost of capital.</p> |                                                                                                                                                                                                                                                                                                                    |

| Risk 4 【Transition Risks】 Extreme Weather Events such as Typhoons and Floods                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| Risk Scenarios and Strategic Responses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>According to the National Science and Technology Council and the Ministry of Environment's "Climate Change in Taiwan: National Scientific Report 2024: Phenomena, Impacts and Adaptation- Science Highlights of Chapters 1 to 3" briefing, Page 48: In the future, the number of typhoons affecting Taiwan each year may decrease, with 4 to 5 typhoons occurring most frequently per year, 3 to 4 in the middle of the 21st century, and 1 to 2 at the end of the 21st century. Based on this estimate, the probability of typhoons occurring each year is &gt;60%, with 4 typhoons occurring each year in the short and medium term and 3 typhoons occurring each year in the long term.</p> <p>In addition, according to the worst-case scenario (SSP5-8.5) of the IPCC Sixth Assessment Report, in the middle of the 21st century, the number of typhoons affecting Taiwan will decrease by about 15%, the proportion of strong typhoons will increase by about 100%, and the typhoon rainfall change rate will increase by about 20%. Based on this strong typhoon ratio, the estimated degree of damage will be 100% from 2025 to 2030 (the same as the current situation). In the worst-case scenario, the intensity of Taiwan's maximum one-day rainstorm has a trend of increase. The average annual maximum one-day rainstorm intensity will increase by about 20% and 41.3% in the middle and late 21st century respectively.</p> <p>TSC adopts the strategy of "purchasing typhoon and flood insurance" to transfer risks in order to reduce the risk of increased disaster costs caused by extreme weather events such as typhoons and floods. However, based on past claims experience, the objects eligible for typhoon and flood insurance claims account for approximately 20% of the disaster loss amount reported by Taiwan Sugar Corporation.</p> |





### Description of the Financial Impacts Resulting from Risk Exposure

|             |                                                                                                                                                                |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current     | In 2024, the Company's cash outflow from operating activities increased due to losses caused by extreme weather such as typhoons, floods and torrential rains. |
| Short term  | In 2026, the Company's cash outflow from operating activities increased due to losses caused by extreme weather such as typhoons, floods and torrential rains. |
| Medium term | In 2030, the Company's cash outflow from operating activities increased due to losses caused by extreme weather such as typhoons, floods and torrential rains. |
| Long term   | In 2040, the Company's cash outflow from operating activities increased due to losses caused by extreme weather such as typhoons, floods and torrential rains. |

#### Note:

Cash outflows from operating activities resulting from losses caused by extreme weather such as typhoons, floods and torrential rains in the current, short, medium and long term will be paid with the Company's own funds. The expected impact on the availability of financing and the cost of funds will not be significant.

### Explanation of Strategic Response to Financial Impact

**Risk 4 【Transition Risks】** Extreme Weather Events such as Typhoons and Floods may cause disaster-related losses and lead to increased expenses for the Company. Compared to 2023, these events are expected to result in higher annual costs over the short, medium, and long term. To mitigate this risk, the Company has adopted a risk transfer strategy by purchasing typhoon and flood insurance. Insurance premiums are paid during each period, and compensation is received when applicable. Nonetheless, the overall financial impact is expected to be an increase in annual costs across all timeframes. This risk is not anticipated to significantly affect the availability of financing or the cost of capital.

### Opportunity 1 【Climate-Related Opportunity】 Transition to Low-carbon Energy and Improvement of Energy Efficiency

#### Opportunity Scenarios and Strategic Responses

In response to the international trend of net zero emissions and to achieve the national net zero emission target by 2050, the Ministry of Economic Affairs has not only continued to increase the efficiency standards of public equipment to prevent inefficient equipment from entering the market; it has also provided guidance to large energy users to meet the annual average electricity saving requirement of 1%. In addition to reviewing and improving the target in a timely manner, it has also proposed a 2x2 net-zero transition structure of "Low carbon-Zero carbon" and "Energy-Industry". The industrial sector will take "reducing emissions first, then net zero emissions" as the promotion strategy. The main promotion measures are as follows:

- (1) Accelerate the replacement of industrial equipment: including process improvement and equipment replacement, waste heat and waste cold recovery technology application, and gradually introduce new equipment and innovative energy-saving technologies.
- (2) Energy saving and digitalization: including the establishment of a smart energy management system, the introduction of a smart energy monitoring system, and the use of digital management technology to reduce CO<sub>2</sub>e emissions.

In the short term, the main focus is on expanding the use of natural gas and biomass fuels. In the long term, it is stepping toward 100% use of green electricity and carbon-free energy applications. The three main promotion measures are as follows:

- (1) Natural gas: expand the use of natural gas in general boilers, promote the use of natural gas in steam and power boilers, natural gas + carbon capture and storage, and purchase carbon-neutral natural gas.
- (2) Biomass energy: including expanding the use of biomass fuels in the cement and paper industries.
- (3) Green electricity: encouraging companies to achieve RE100 Targets.

TSC's Biotechnology Business Division has adopted energy-saving measures such as replacing diesel-fired boilers with natural gas boilers and installing inverters and small air compressors. The Leisure Business Division has adopted energy-saving measures such as updating lighting equipment and updating energy-saving air-conditioning equipment. The Agriculture Business Division has adopted strategies such as adding heat pump systems to heating equipment to obtain financial opportunities for energy conservation and reducing GHG gas emissions.

### Explanation of Strategic Response to Financial Impact

TSC is implementing measures of Opportunity 1 【Climate-Related Opportunity】 Transition to Low-carbon Energy and Improvement of Energy Efficiency In the Biotech Business Division, fuel oil-fired boilers have been converted to natural gas, and energy-saving equipment such as variable-frequency drives and small-scale air compressors has been installed. In the Leisure Business Division, energy efficiency is being enhanced through the replacement of LED lighting and energy-efficient air conditioning systems. In the Precision Agriculture Business Division, heat pump systems have been installed to supplement existing heating equipment, thereby reducing energy costs.

Overall, this opportunity is expected to result in annual cost reductions over the short, medium, and long term. All capital and operational cash outflows related to these measures will be funded through TSC's internal resources, with no adverse impact on operations or cash flow risks. The opportunity is not expected to significantly affect financing availability or the cost of capital.

## Opportunity 2 [Climate-Related Opportunity] Participation in Carbon Market

### Opportunity Scenarios and Strategic Responses

Taiwan's carbon trading has entered a new era with the first batch of domestic reduction project quotas on sale. The price of each metric tonne of reduction project ranges from the maximum NTD 4,000 to the lowest NTD 2,500, far higher than the carbon fee starting price of NTD300 per metric tonne of CO<sub>2</sub>e. The Ministry of Environment pointed out that the six reduction project quotas that have been applied for and put on the market are all traded in a fixed-price manner, including the China Steel Corporation's Energy-Saving Offset Project for Hot Charging of Slabs or Billets into Furnaces, the Use of High-efficiency Light Sources in the Taipei 101 Parking Lot, the Hanbo Agricultural Renewable Energy Project, the Hanbo Biogas Power Generation of the Phase III Agricultural and Livestock Wastewater Treatment Plant Project, the Chi Mei Corporation's Replacement of Heavy Oil with Natural Gas Offset Project, and the Han-cheng Bus Traffic Company's Electric Bus Offset Project. The total amount of quotas put on the market is 6,080 metric tonnes of CO<sub>2</sub>e, with prices ranging from NTD 2,500 to NTD 4,000 per metric tonne of carbon dioxide equivalent. In 2023, the Ministry of Environment issued the "Regulations for Voluntary Emission Reduction Project Management" in accordance with the Climate Change Response Act to continue the offset projects. In addition to the experience of implementing the offset projects in the past and the principles of international review, it also simplified the administrative procedures to improve efficiency and take into account the quality of the reduction results. As of April 2025, a total of 16 applications for voluntary emission reduction projects have been registered and approved. To enable the reduction quotas to be provided to businesses as greenhouse gas increments or deductions for carbon fees, the Ministry of Environment issued the "Management Measures for the Auction and Transfer of Reduction Quotas" and officially commissioned the Carbon Exchange in September of the same year to build a "Domestic Reduction Quotas Trading Platform" to handle the reduction quota trading and auction business to complete the country's carbon pricing mechanism. The Company adopts a strategic approach to secure financial opportunities by undertaking a research project to apply for voluntary carbon reduction programs, including forest carbon sinks under the Erlin project and investments in biogas-related initiatives.

The Company adopts a strategic approach to secure financial opportunities by undertaking a research project to apply for voluntary carbon reduction programs, including forest carbon sinks under the Erlin project and investments in biogas-related initiatives.

### Explanation of Strategic Response to Financial Impact

TSC is implementing measures of Opportunity 2 [Climate Opportunity] Participation in the Carbon Trading Market by leveraging forest carbon sinks and biogas-related emission reduction credits. Although initial investments will increase costs related to research and personnel, revenue is expected to be generated through the sale of emission reduction credits, with an estimated price of NTD 300 to NTD 320 per metric tonne in the short to medium term. Overall, this opportunity is projected to result in a slight annual decrease in profit during the short and medium term.

Starting from 2031, the price per metric tonne of emission reduction credits is expected to rise to NTD 1,200, leading to annual profit increases in the long term—specifically in 2034, 2037, and 2040.

There will be no capital expenditure-related cash outflows during any period. Operational cash outflows associated with this initiative will be funded through TSC's internal resources, with no impact on operations and no cash flow risks.

## Opportunity 3 [Climate-Related Opportunity] Access to New Markets

### Opportunity Scenarios and Strategic Responses

To promote the use of renewable energy, increase energy diversification, improve energy structure, reduce GHG emissions, improve environmental quality, drive related industries and promote national sustainable development, Taiwan passed the "Renewable Energy Development Act" in 2009 and the "Implementation Regulations Governing Renewable Energy Certificates" in 2017. Renewable energy refers to energy generated by solar energy, biomass energy, geothermal energy, ocean energy, wind power, non-pumped hydropower, or other energy sources recognized as sustainable by the central competent authority. Among them, biomass energy refers to energy generated by direct use or treatment of agricultural and forestry plants, biogas and domestic organic waste. Renewable energy certificates (RECs) refer to certificates issued by the issuing unit after the inspection of renewable energy power generation equipment and power generation verification. If the applicant's power generation equipment meets the requirements after on-site inspection by the certificate center, the applicant will be issued a certificate equipment inspection report and the power generation equipment will be registered as a certified equipment. The certificated electricity volume for independent direct supply and self-generation for self-use shall be accumulated from the date when the power generation equipment is verified for compliance. The certificate transfer shall be based on a single certificate. The transferee shall first obtain an account on the National Renewable Energy Certificate Center platform. The transferor shall submit an application to the National Renewable Energy Certificate Center digitally and attach a transfer application form and transfer documents for the Certificate Center to log in. The National Renewable Energy Certificate Center may disclose the relevant transfer information on the Certificate Center platform.

According to the "Implementation Regulations Governing Renewable Energy Certificates", the agricultural waste biomass power generation facilities at our Shanhua and Huwei Sugar Factories can apply for renewable energy certificates, which is our strategy to enter the new renewable energy certificate trading market.

**Explanation of Strategic Response to Financial Impact**

TSC is implementing measures of Opportunity 3 **【Climate-Related Opportunity】** Access to New Markets through its biomass energy generation facilities at the Shanhua and Huwei Sugar Factories, which are eligible to apply for Renewable Energy Certificates (RECs). Although the initiative will incur initial costs such as consultancy fees and administrative expenses for the application process, it is expected to generate revenue from the sale of biomass green electricity certificates, with each REC estimated to be priced at NTD 3,000.

Overall, this opportunity is projected to increase the Company's annual profits starting in 2025, with positive impacts sustained over the short, medium, and long term. There will be no capital expenditure-related cash outflows during these periods. All related operational expenses will be funded through TSC's internal resources, with no impact on business operations or cash flow risks.

**Opportunity 5 **【Climate-Related Opportunity】** Participation in Renewable Energy Projects****Opportunity Scenarios and Strategic Responses**

In response to the international trend of carbon reduction, to enhance Taiwan's energy independence and to improve the quality of people's living environment in Taiwan, the government launched energy transition scheme in May 2016, with the policy goal of "reducing coal power generation, increasing gas power generation, and developing green energy and non-nuclear", fully outlining the path and strategy for the development of Taiwan's renewable energy. The policy clearly sets the target of 29 GW (1 billion watts) of renewable energy installation capacity by 2025, with solar PV (20 GW) and offshore wind power (5.6 GW) as the main axes of promotion. At the same time, it actively planned forward-looking energy development (such as geothermal, biomass, ocean energy, hydrogen energy, etc.), and amended the "Renewable Energy Development Act" in 2019 and 2023 respectively, optimizing and promoting the legal environment to ensure stable power supply, take into account the reduction of air pollution and carbon reduction, and accelerate Taiwan's vision of achieving net zero transformation. To implement energy transformation, in recent years, the government and the private sector have made full efforts to diversify the development of renewable energy, and have achieved considerable results in stable power supply, green power construction and air pollution improvement. In the future, we will continue to pursue the well-defined pathways for achieving renewable energy targets, maximize the development of solar PV installations, offshore wind power, and emerging green energy sources. At the same time, we will combine measures such as diversified energy storage and strengthening the resilience of the power grid to ensure the timely and high-quality realization of the 29 GW policy target by 2025, thereby achieving the broader goal of energy transition.

TSC's renewable energy strategy involves leasing land to solar power partners, from which we generate revenue development royalties (rental income) + operating royalties (revenue sharing), and solar power sales revenue, including both self-built and co-developed projects.

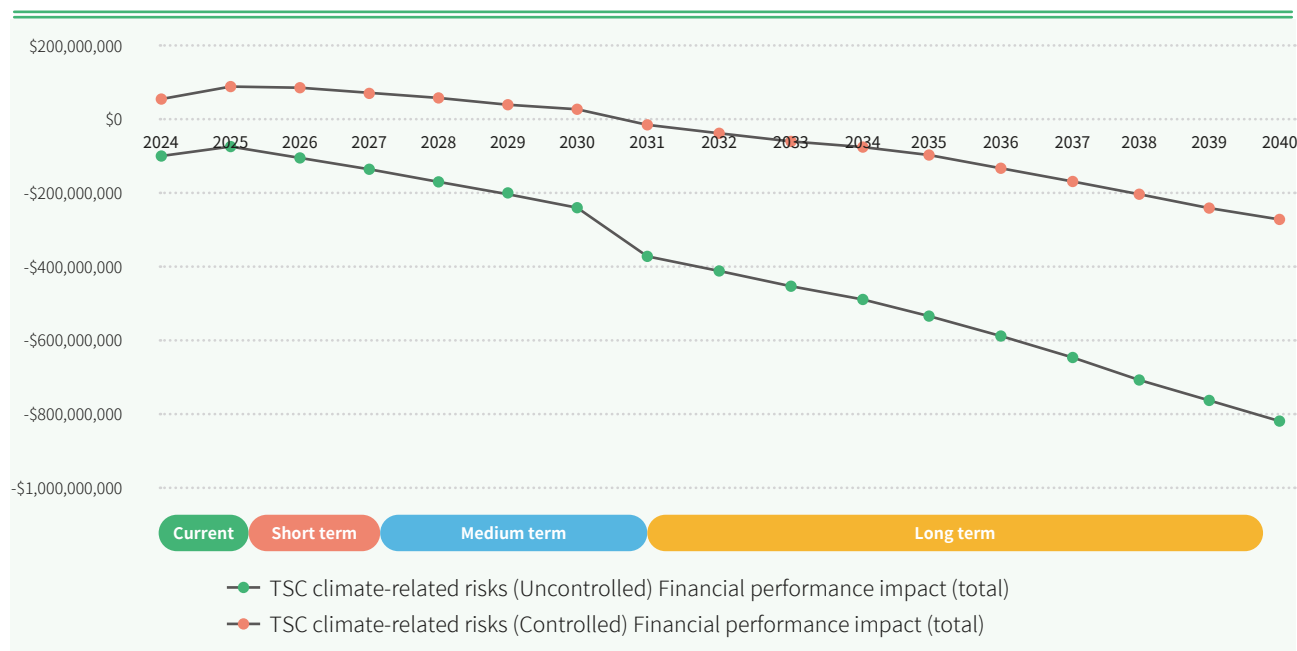
**Explanation of Strategic Response to Financial Impact**

TSC is implementing measures of Opportunity 5 **【Climate-Related Opportunity】** Participation in Renewable Energy Projects by leasing land to solar photovoltaic (PV) partners and earning development rights royalties, in addition to revenue from solar power sales through both self-built and co-developed PV installations. While this initiative will incur additional costs—such as land value taxes, personnel expenses, revenue-sharing with co-development partners, and depreciation and maintenance costs for self-built systems—it will generate multiple income streams, including rental and development royalties, profit-sharing royalties, and solar power feed-in tariff (FIT) revenues.

Taking into account a projected annual 1% decline in solar PV generation, this opportunity is expected to contribute to annual profit increases for the Company beginning in 2024, and continuing over the short, medium, and long term. All related expense outflows will be funded through TSC's internal resources, with no adverse impact on operations and no cash flow risks.

## Comprehensive Financial Assessment of Climate-related Risks, Opportunities, and Strategic Responses

### Summary Diagram of Climate-related Change Impacts on Financial Performance (pre/post mitigation) across Current, Short-, Medium-, and Long-term Horizons



TSC has identified the following climate-related risks:

Risk 1 【Transition Risks】 Increase in Greenhouse Gas (GHG) Emission Pricing (Carbon Fees)

Risk 2 【Transition Risks】 Substitution of Existing Products with Lower Emissions Options

Risk 3 【Transition Risks】 Increased Cost of Raw Materials

Risk 4 【Transition Risks】 Extreme Weather Events such as Typhoons and Floods

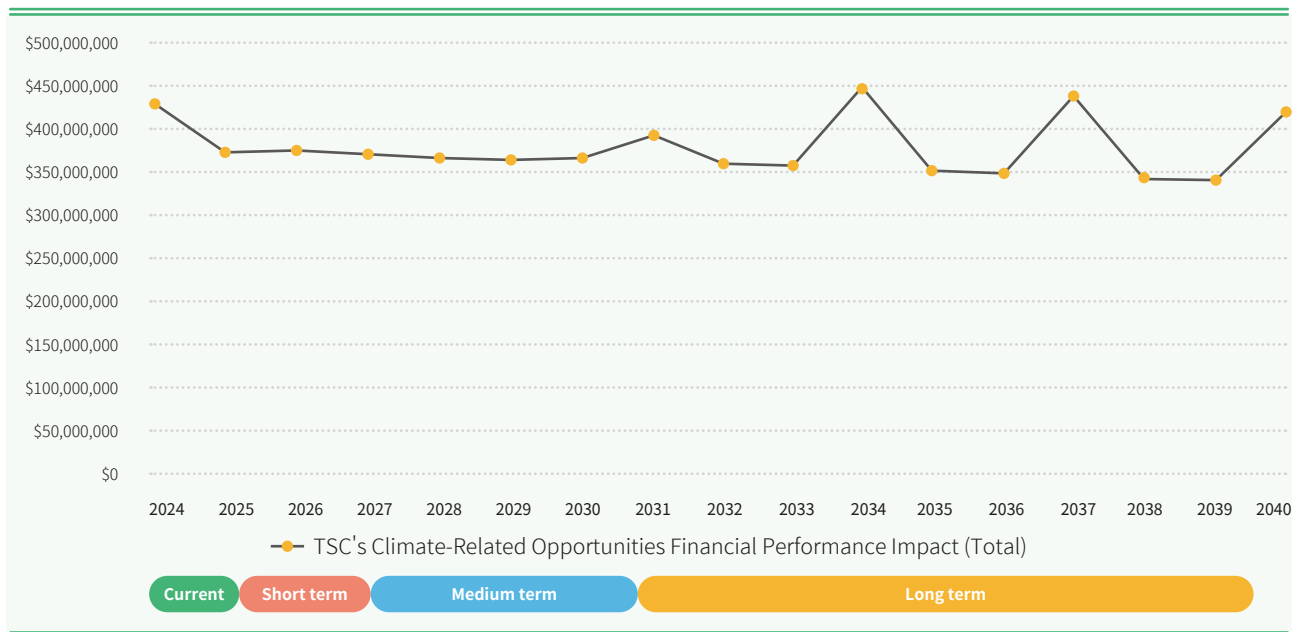
Under the Company's strategic control measures, the overall financial performance impact of these risks in the short and medium term has shifted from negative to positive. In the long term, the financial impact of these risks is mitigated, resulting in a reduced level of financial loss due to the implementation of effective control strategies.

Note:

In the Financial impact (NTD/year), the mark, "-" means decrease while "+" means increase in operating profits.



### TSC's Climate-Related Opportunities: Current, Short-, Medium-, and Long-term Financial Performance (Profitability) Impact Diagram and Combined Explanation



Taiwan Sugar Corporation (TSC) has identified the following climate-related opportunities:

Opportunity 1 【Climate-Related Opportunity】 Transition to Low-carbon Energy and Improvement of Energy Efficiency

Opportunity 2 【Climate-Related Opportunity】 Participation in Carbon Market

Opportunity 3 【Climate-Related Opportunity】 Access to New Markets

Opportunity 5 【Climate-Related Opportunity】 Participation in Renewable Energy Projects

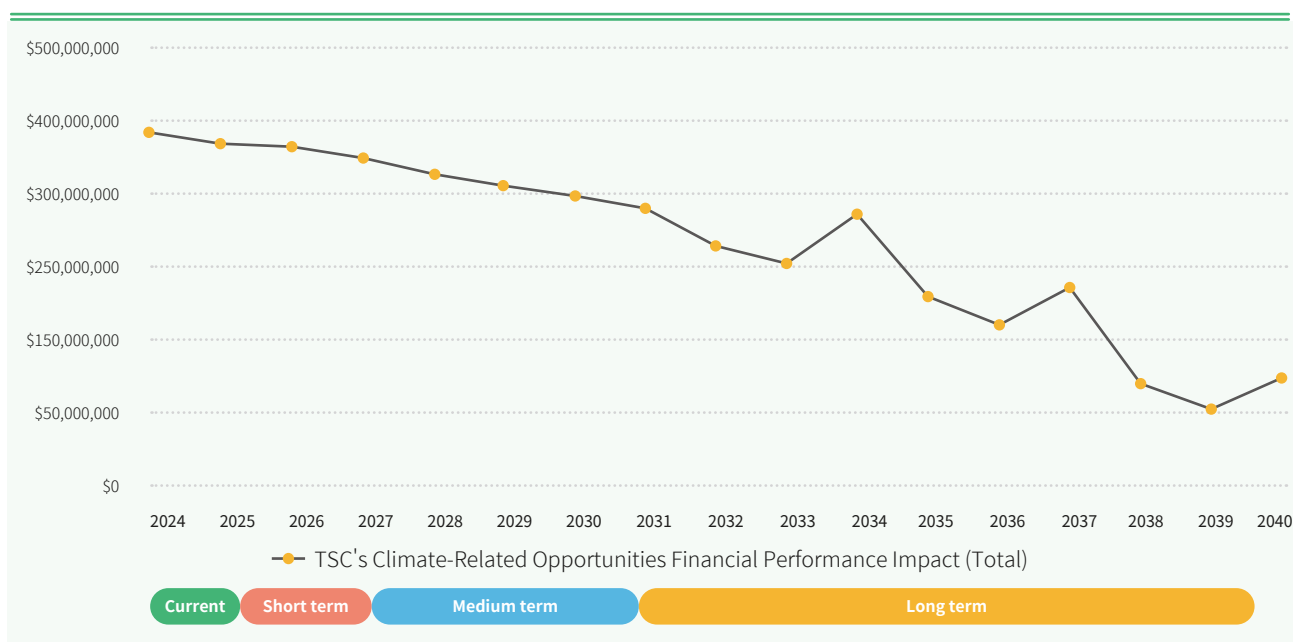
Overall, these opportunities are expected to generate positive financial performance impacts in the short, medium, and long term.

Note:

In the Financial impact (NTD/year), the mark, "-" means decrease while "+" means increase in operating profits.



## TSC's Climate-Related Risk and Opportunities: Current, Short-, Medium-, and Long-term Financial Performance (Profitability) Impact Diagram and Combined Explanation



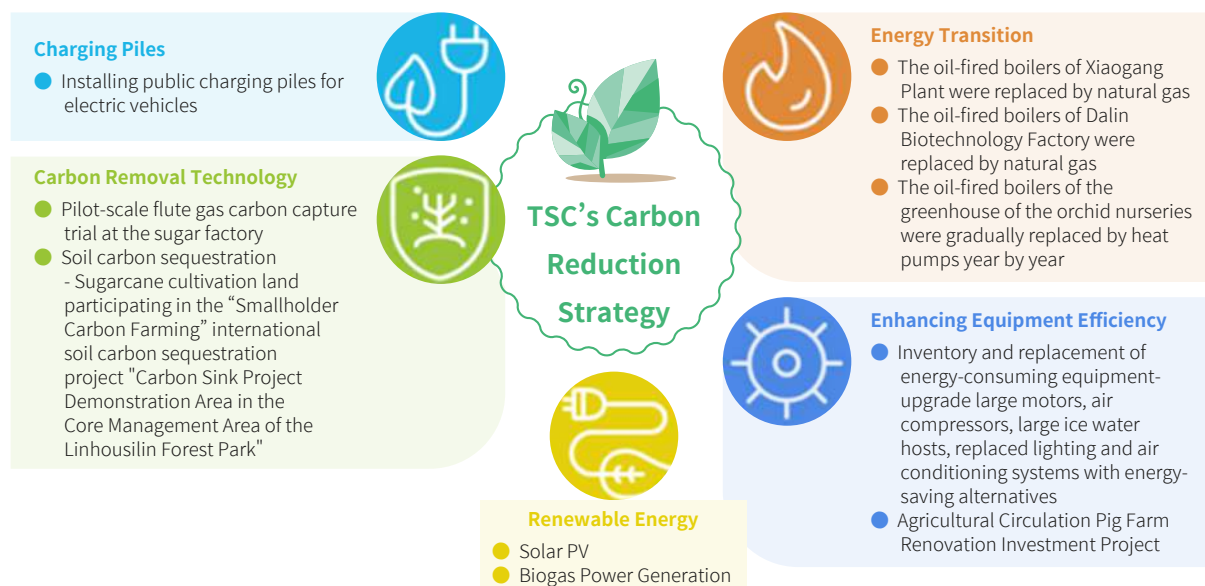
TSC has assessed its climate-related risks and opportunities, and the resulting financial performance impacts are positive across the short, medium, and long term.

Note:

In the Financial impact (NTD/year), the mark, "-" means decrease while "+" means increase in operating profits.

## 2.2 Net Zero Transition Strategy

TSC stays close and follows the 2050 Net Zero Policy, and has implemented GHG inventory and identified the internal units with large carbon emission volumes. Among them, the main carbon emitters are the Livestock Business Division and the Sugar Business Division, and are therefore prioritized as the targets for carbon reduction and energy conservation improvement. Since the transformation involves major capital expenditures and long-term business directions for the company, we are concurrently assessing our agricultural strengths and biological resources while closely monitoring the evolution of relevant regulatory frameworks. In light of the immature state of many enabling technologies, verification standards, and business models, we engage Taiwan Sugar Research Institute (TSRI) to assess the feasibility of implementing various emerging carbon reduction technologies. Five strategic pathways have been outlined so far, including energy conversion, improving equipment efficiency, renewable energy, negative emission technology, and charging piles.





## 2.2.1 Energy Transition

With its clear vision of “Becoming a benchmark enterprise in health and green industries in Asia-Pacific Region”, TSC invested in the development of renewable energy very early on and has been increasing the area of solar energy installations year by year in response to Taiwan's 2050 Net Zero Emissions Goal.

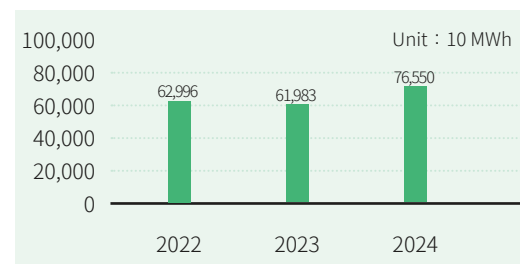
### Solar Power Generation Project

TSC actively cooperated with the government's energy transition policy and made use of the Company's existing land resources to promote the construction of “solar PV systems”. The rooftops of buildings, unsuitable land for cultivation, idle land in closed factories and detention ponds will be leased to solar energy developers through tender procedures. These areas are used for the installation of rooftop, ground-mounted, and floating solar PV systems to enhance spatial utility. In particular, for the rooftop and small-scale land-based systems, developers are responsible for the installation and maintenance of the PV facilities, which are then leased to TSC to accelerate the development process. According to statistics, 543.64MW of solar PV facilities have been built in 2024, including 17.08MW of rooftop, 99.95MW of water-based (detention pond) and 426.61MW of ground-based (including unsuitable land for cultivation); it is estimated that the total new capacity in 2025 will be 8.48MW (subject to actual adjustment).

#### Solar Power Generation Efficiency

|                                                               | 2022    | 2023   | 2024   |
|---------------------------------------------------------------|---------|--------|--------|
| Total Equipment Capacity Accumulated to the Current Year (MW) | 334.05  | 542.39 | 543.64 |
| Total Power Generation (10 MWh)                               | 62,996  | 61,983 | 76,550 |
| Increase/Decrease Ratio                                       | 172.08% | -1.61% | 23.50% |

#### Total Solar Power Generation



Work in Line with the Government's Energy Transformation Policy of Net Zero by 2050  
TSC aims to achieve a self-installed solar capacity of 864.24 MW by 2027.



Ground-type solar PV (Gukeng, Yunlin)



Roof-type solar PV (Yulin Huwei Rice Mill)

## Use the Waste Agricultural Resources to Generate Power to Step Toward Green Independence

Driven by the long-standing commitment to circular resource use, TSC began investing in agricultural waste resource power generation many years ago, including sugarcane bagasse cogeneration and pig manure and urine biogas power generation. The total power generation in 2024 reached 10.6378 GWh, which is equivalent to reducing Category 2 GHG emissions by approximately 5,042.32 metric tonnes of CO<sub>2</sub>e (the GHG emission coefficient referred to the 2024 electricity carbon emission coefficient announced by the Energy Administration of the Ministry of Economic Affairs at 0.474 kgCO<sub>2</sub>e/kWh). This not only aligns with the government's circular economy policy direction, but also serves as a model for transition within the agricultural and livestock sectors, positioning TSC as an industry leader.

### Generate Biogas Electricity from Pig Manure

Livestock Business Division uses anaerobic digestion of pig manure and urine to generate biogas for power generation. In 2024, the total power generation of biogas power generation equipment was 703.5 MWh, all of which was sold to Taiwan Power Company. The power generation in 2024 was lower than that in 2023 (903.7 MWh) due to the promotion of the Agricultural Circulation Pig Farm Renovation Investment Project. The pig farms are currently under reconstruction. Currently, biogas power generation is mainly generated by the Dong Hai Fang Agricultural Circulation Park. Because biogas contains acidic and corrosive gases, its power generation conditions are more stringent. The biogas generator set in the park has been put into production since 2019. Considering that the equipment has been in use for more than 5 years, it affects the power generation. After mid-July 2024, maintenance was carried out, and the downtime is longer, resulting in a decrease in biogas power generation in 2024 compared to 2023.

### Generate electricity through cogeneration using surplus bagasse from sugar production

Huwei and Shanhua Sugar Factories of the Sugar Business Division make use of the remaining bagasse for power generation for their own use, generating 9.9343 GWh of electricity in 2024.

TSC has been developing biogas utilization technology since 2012, using biogas produced by anaerobic digestion of pig manure and urine for electricity generation. In 2018, it became the first domestic certified supplier of biomass-based renewable energy certificates (RECs) in Taiwan. As of the end of 2024, TSC's pig farms have obtained a total of 199 biomass energy renewable energy certificates. The subsequent pig farm renovation plan will further increase the capacity of biogas power generation and solar power generation. For details of the renovation progress, please refer to "[3.2.2 Diffusion of Resource Recycling Technology](#)".

Although bagasse is recognized as biomass energy abroad, the bagasse was classified as industrial waste in the early days domestically, making the bagasse boiler cogeneration system installed by the Sugar Business Division in the early years not able to meet the conditions stipulated in the "Regulations for Installation and Management of Renewable Energy Generation Equipment" that the device "may be recognized as renewable energy power generation equipment before installation", and thus missed the opportunity for green power application. Starting from 2023, under the guidance of ITRI and consulting companies, Huwei Sugar Factory overcame various challenges in the application, and after continuous communication and data optimization with the Energy Administration and the National Renewable Energy Certification Center, it finally passed the review of the National Renewable Energy Certification Center in June 2024 and officially obtained the green energy certificate. The average power generation of Huwei Sugar Factory during the construction period was about 7 GWh, which is equivalent to obtaining 7,000 renewable energy certificates, successfully taking an important step in the energy transition of the Sugar Business Division.

## 2.2.2 Process Improvement

With its long-standing expertise in biorefining technologies, TSC continues to invest in the research of various types of biomass materials and actively develops related derivative commercial applications, combining sugar production, pig farming, biogas generation, renewable energy, and organic fertilizer into a symbiotic system to promote the circular economy of agriculture and livestock, with the goal of transforming into a green sustainable circular industry with "zero waste" and "zero pollution".



## Low-Carbon Sugar Production

Nitrous oxide (N<sub>2</sub>O) is the third most significant GHG, with the majority of global emissions originating from agricultural nitrogen fertilizers. Therefore, although the sugarcane grown by TSC belongs to C4 plant<sup>NOTE</sup> with high-efficiency carbon fixation capabilities, the potential carbon emissions during the fertilization process cannot be ignored. The Sugar Business Division aligned with the three main axes of the agricultural net zero emission strategy: "emission reduction", "carbon sequestration enhancement", and "resource circularity" to reduce the overall carbon emissions from sugarcane planting to sugar refining, and gradually move towards the goal of net zero emissions.

### Sugar Division Emission Reduction Measures

|                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Precision Fertilization</b>                  | Bagasse and filter mud are returned to the sugarcane plantation as soil organic matter; green manure crops are widely planted during the fallow period of the sugarcane plantation to increase soil organic matter content and soil carbon sink.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Reducing the Use of Chemical Fertilizers</b> | In cooperation with the Ministry of Environment to implement the "Utilization of Biogas Slurry and Biogas Slurry as Fertilizer for Agricultural Land and Case Reuse of Agricultural Waste", the biogas slurry from pig farms is applied to the TSC self-owned farmland to increase soil fertility and replace part of chemical fertilizers, reducing nitrous oxide (N <sub>2</sub> O) emissions. A total of 141,077 metric tonnes of biogas was applied in 2024 (Nanjing, Xincuo, Silin No. 2 Pig Farm, Dong Hai Feng Agricultural Circulation Park, Daxiang No. 1 and No. 2 Farms), and 1,534 metric tonnes of solid waste was used for irrigation of farmland at Douliu Breeding Farm.                                                                                                                                      |
| <b>Reducing Fuel Usage</b>                      | Fossil diesel is first being replaced with renewable diesel, followed by a gradual transition toward electrification and precision technologies- such as GPS-based systems- to reduce fuel-related carbon emissions from agricultural machinery and truck transportation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Preventing Dispersion</b>                    | <p>Shanhua Sugar Factory tested the use of "ion ring energy reactor technology" to further reduce NOx emissions in 2023, but the results did not meet expectations. The NOx emission concentration only slightly dropped from 145ppm to 125ppm, and it is planned to no longer be used; in the future, we will evaluate the use of variable frequency motors to control the speed of the blower and accurately adjust the boiler ventilation volume to reduce the excess oxygen in the combustion of bagasse and reduce the NOx emission concentration.</p> <p>Xiaogang Plant completed the installation of selective catalytic reduction (SCR) equipment in the boiler exhaust gas treatment section in 2024, reducing the NOx emission concentration in the exhaust gas from 130ppm to within 30ppm as required by law.</p> |

Despite the fact that the cogeneration system in Huwei Sugar Factory obtained the Renewable Energy Certificate (REC) in 2024, it is already relatively old equipment with an electricity conversion efficiency of less than 25%. In addition, due to safety considerations, it currently only operates at 80% of the installed capacity of 4MW for power generation. In the future, a gasification furnace will be evaluated to replace the existing bagasse direct-fired boiler to improve energy efficiency and match it with a new turbine generator to maximize power generation. It will not only provide the steam and electricity required during the start-up period, but also process local agricultural waste and thinning materials at other times. The biochar produced by the boilers will be returned to the field to increase the soil carbon sink in the sugarcane plantation, and then connected to the Taiwan Power Company's power grid to sell the surplus electricity, promoting the integration of energy and environmental policies.

Note:

Plants undergo photosynthesis, utilizing sunlight to convert carbon dioxide from the air and water from the soil into carbohydrates. There are generally three types of known photosynthesis in plants: C3, C4, and CAM (Crassulacean Acid Metabolism). Over 90% of plants on Earth are C3 plants, such as rice, wheat, soybeans, and potatoes. These plants produce a three-carbon compound as the initial product after absorbing carbon dioxide. In contrast, C4 plants, such as corn, sugarcane, sorghum, and Bermuda grass, produce a four-carbon compound as the initial product. C4 plants possess an enzyme called phosphoenolpyruvate carboxylase (PEP carboxylase), which enables efficient capture and utilization of carbon dioxide within the plant, facilitating faster carbon dioxide transfer and reducing water loss during transpiration. Consequently, C4 plants exhibit higher photosynthetic efficiency and more efficient water usage compared to C3 plants. Research indicates that C4 plants require only one-third of the water consumed by C3 plants.

## Low-Carbon Pig Farming

Biogas generated through the fermentation of pig manure and urine contains a high concentration of methane. Methane is more harmful to the greenhouse effect than carbon dioxide. In order to reduce the impact on the environment, the Livestock Business Division has successively renovated its pig farms, replaced the original wastewater treatment and aeration system with an anaerobic system, and installed biogas recycling equipment to properly collect biogas for power generation or heat generation, turning it into green energy to prevent it from escaping directly into the atmosphere, reducing carbon emissions generated during pig breeding, protecting the environment and loving the earth, and enabling coexistence of the pig farming industry and environmental protection, a concept that can be described as "low-carbon pig farming."



Dong Hai Feng Agricultural Circulation Park Biogas Center

### 2.2.3 Equipment Improvement

To effectively implement the energy conservation and carbon reduction policy, TSC replaced existing low-energy-efficiency equipment (such as lights, chiller units, and air-conditioning equipment) for the Leisure, Marketing, Agriculture, Biotechnology, and Petroleum Business Divisions and staff units that are not major carbon emitters, adopted high-energy-efficient equipment and gradually phased electrification of official vehicles, and promoted energy conservation to reduce carbon emissions. Statistics show that in 2024, the total energy savings (including fixed and mobile sources) of each unit amounted to approximately 56,587.824GJ, reducing approximately 3,517.24 metric tonnes of CO<sub>2</sub>e.

#### Energy Saving Measures and Effectiveness of All Business Units

| Business Unit                 | Energy Saving Measures and Effectiveness                                                                                                                                                    | Energy Saving (GJ) | Metric Tonne(s) of CO <sub>2</sub> e |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------|
| Sugar Business Division       | At the Xiaogang plant, boiler efficiency was improved, a new edible oil extraction workshop was established, and the dewatering equipment in the edible oil refining workshop was upgraded. | 51,024.209         | 2,867.19                             |
| Leisure Business Division     | Upgraded of air conditioning and lighting systems                                                                                                                                           | 1,079.82           | 142.18                               |
| Agriculture Business Division | Installed heat pump systems to enhance heating equipment at domestic orchid farms.                                                                                                          | 945.435            | 53.13                                |
| Livestock Business Division   | The feed factory and meat processing plant cooperated with the pig farm to adjust feed and production and change electricity usage behavior.                                                | 735.840            | 96.89                                |

Note:

- The data are all from actual calculation.
- The table above only lists business units with better energy saving effects and does not include all business units.
- The calculations in this table were based on the GHG Emission Factor Management Table Version 6.0.4. The CO<sub>2</sub>e equivalent conversion GWP value referred to that from the sixth announcement by IPCC in 2021. Calculated by CO<sub>2</sub>=1, CH<sub>4</sub>=27.9, N<sub>2</sub>O=273
- The GHG emission coefficient of electricity is based on the electricity emission coefficient published by the Energy Administration of the Ministry of Economic Affairs. In 2024: 0.474 kgCO<sub>2</sub>e.



What is worth mentioning is that according to research, approximately 8% of global carbon emissions originate from the tourism industry. In addition to focusing on its own carbon reduction performance, TSC has also implemented various energy-saving, water conservation, waste reduction, and pollution control measures in its hotels, including the installation of solar panels and EV charging stations. In addition, we also actively promote the concept of sustainable tourism by encouraging reduced use of disposable amenities, advocating that guests bring their own toiletries, and opting out of daily linen changes- to minimize tourism's environmental impact.

Taisugar Hotel Taipei, Evergreen Plaza Hotel, Liuying Jianshanpi Report, and Taisugar Hotel Hualien under the Leisure Business Division have successively obtained the "Green Mark Hotel- Bronze Level" certification. Each hotel has also launched an eco-friendly room discount project, inviting travelers to respond to environmental and sustainable actions and do their part to protect the earth.

## 2.2.4 Carbon Capture and Utilization (CCU)

As a state-owned enterprise, the business model of TSC is characterized by its contributions to the country and society, its ability to address areas where private-sector involvement is insufficient or unfeasible, and allowing the enterprise to generate reasonable profit. Therefore, in response to Taiwan's "net-zero emissions by 2050" goal, it has collaborated with external academic research institutions on carbon capture and reuse technology. In addition to reducing carbon emissions from sugar production and refining factories, it also explores value-added applications after carbon dioxide capture, hoping to find a technical path with scalable and commercial potential, so that the Sugar Business Division can be transformed into a carbon-negative unit.

In 2024, Shanhua Sugar Factory cooperated with the Department of Chemical Engineering of the National Atomic Research Institute (NARI) to use the "CO<sub>2</sub> Capture Pilot Equipment" during the sugar production period to conduct field tests of bagasse biomass boiler flue gas carbon capture (BECCUS). The flue gas can be directly reacted with alkaline solution to absorb the CO<sub>2</sub> in it through carbonation, and sodium bicarbonate is generated at the same time, which is then provided for people's livelihood and industrial use. This technology does not require complicated and expensive pre-treatment steps and equipment, and can directly process flue gas that has met emission standards. It is a CO<sub>2</sub> capture process at room temperature and pressure, making it extremely cost- and economically competitive.

The Sugar Business Division signed a bilateral agreement with the Department of Chemical Engineering of the National Atomic Research Institute (NARI) to continue to support the provision of boiler test sites to facilitate the research on bioenergy with carbon capture and utilization (BECCU) negative carbon technology. In the future, the evaluation will be expanded to evaluate the construction of " metric tonne-level systems" in sugar mills and the feasibility of negative carbon technology in sugar mills to help sugar mills achieve the sustainable goal of net zero carbon emissions.

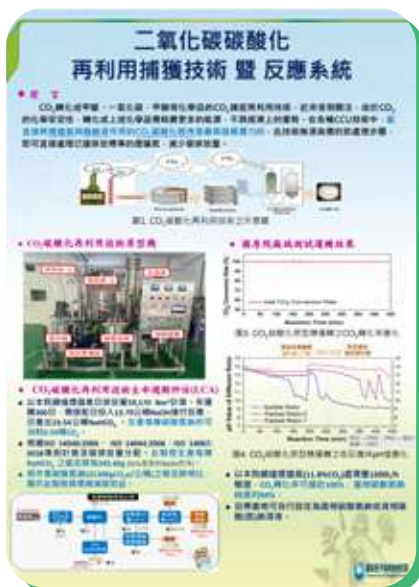


Photo Credit:  
National Applied Research Laboratories – Institute of Nuclear Energy Research (INER)

## 2.2.5 Carbon Sequestration Measures

As a key player in the agricultural sector, TSC is proactively making use of land and agricultural resources to align with the nation's net-zero transition strategy, particularly in advancing national carbon sinks. We support the development forest carbon sinks (green carbon) and soil carbon sinks (yellow carbon), aiming to establish a model for sustainable development. However, the actual implementation of such projects must be grounded in scientifically validated measurement methodologies. As of the end of 2024, Taiwan only has three natural carbon sink methodologies, namely "Afforestation and Reforestation Carbon Sink Project", and the "Carbon Sink Project for Improved Forest Management" and "Bamboo Forest Management Carbon Sink Project" that were just approved in October. In addition, the Ministry of Environment also reviewed and approved the "Methodology for Improved Agricultural Soil Management" in March 2025. Currently, there are still a number of draft methodologies entering the review stage, such as the "Project of increasing carbon sink from the Low Stocking Forst ", "Mangrove Afforestation" and "Seagrass Restoration".

In the past, Taiwan faced challenges from agricultural restructuring and international competition. At that time, the government encouraged the transformation of agricultural land into afforestation land. TSC also aligned with national policies to actively promote the flatland afforestation plan by utilizing farmland without sugarcane or poor productivity. As of the end of December 2024, the accumulated area for flatland afforestation has reached 10,309.08 hectares, responding to the government's policy needs for increasing forest coverage and mitigating climate change. As the conditions for promoting natural carbon sinks have been gradually put in place in recent years, TSC has referred to the two cases promoted by the National Property Administration of the Ministry of Finance in Sanxing Township, Yilan County and Chihshang Township, Taitung County in 2024, and bid for the leasing of 20.32 hectares of sugarcane green belts in Erlin Township, Changhua County for corporate afforestation and application for voluntary GHG reduction quotas to increase forest carbon sinks (green carbon).

In terms of yellow carbon, existing sugarcane fields can incorporate by-products from the sugar production process, such as bagasse and filter mud, back into the soil, thereby enhancing soil fertility while at the same time promoting the accumulation of soil organic carbon. In 2023, the international gold standard certified "Smallholder Farmers Planting Carbon" project was launched. For relevant implementation details, please refer to the "[3.1 Sustainable Agriculture](#)".

### TSC's Natural Carbon Sink

| Item                | Relevant Methodology                                                                                                                                     | Implementation Progress                                                                                                                                                                                  |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Forest Carbon Sinks | Afforestation and Reforestation Carbon Sink Project, Carbon Sink Project for Improved Forest Management and Bamboo Forest Management Carbon Sink Project | TSC has Applied for the "Greenbelt Areas of Sugarcane Farmland in Changhua Erlin Sugarcane for Lease Project" to enable enterprises to apply for carbon credits and TSC to participate in profit sharing |
| Soil Carbon Sinks   | Methodology for Improved Agricultural Soil Management                                                                                                    | TSC has Launched the gold standard certified "Smallholder Farmers Planting Carbon" project                                                                                                               |



## 【Special Column】

### The Opening of Taisugar Carbon Sink Education Center

Climate change driven by global warming has become a critical environmental issue that countries around the world must urgently address. Taiwan's 12 key strategies are intended to help the earth cool down and fight global warming. TSC has also taken on the responsibility of leading smaller state-owned enterprises with large ones, and has made contributions to afforestation on flat land, natural carbon sinks, and carbon sequestration. To raise the public's awareness of global warming, promote carbon sink knowledge, and assist in the 2050 net zero policy, with the recommendation of the Legislative Yuan's Economic Committee and the support of the local government and local people, Taiwan Sugar Corporation (Taisugar) has selected the Kaohsiung Qiaotou Sugar Factory to set up the "Taisugar Carbon Sink Education Center", which will be officially unveiled and opened on August 17, 2024, with the aim of actively promoting the concept of carbon neutrality and realizing Taiwan's 2050 net zero emission vision.

To make the complex topic of carbon sinks more accessible to the public, Taisugar Carbon Sink Education Center adopts a storybook format, featuring a series of endearing anthropomorphic characters. Visitors are guided by the character "Carbon Beast" as they explore the Forest Carbon Sink Exhibition Area, Multimedia Zone, Immersive Forest Experience Zone, and Interactive Experience Zone. Through a multisensory journey involving sight, smell, and touch, visitors embark on an engaging carbon-themed adventure, deepening their understanding of natural carbon sinks and learning about the results of TSC's afforestation efforts. On the day of the unveiling, the Kaohsiung Operation Branch also teamed up with the National Environmental Research Academy to hold a DIY activity in the center. Children and adults used recycled milk bottles as containers and Taisugar sugarcane bagasse as the base to plant Taisugar's afforestation tree species, seedlings of *Fraxinus griffithii*. In addition to practicing the circular economy, they also planted a green force for Taiwan's future carbon neutrality.



## 2.3 Green Production

TSC actively implements conservation of energy resources, process waste reduction and pollution prevention to meet the environmental regulations and requirements. In addition, we also strive to reach "no pollution in production, and no damage in growth" through source management, and we also maintain smooth communication channels to listen to different opinions from all sectors of the society so as to continue improving the environmental performance to achieve the goal of sustainable management.

TSC aligns with the Ministry of Environment's policy of "Carbon Reduction Label". Taisugar's edible oils and fats products were issued the "Carbon Footprint Reduction Label Certificate" by the Ministry of Environment in 2021, and obtained the right to use the "Carbon Reduction Label" (valid until December 8, 2026); the Sugar Business Division's Xiaogang Plant has obtained the water footprint certification for the Refined White Sugar (50kg), and continues to fulfill our corporate social responsibility with transparent product information. For certifications and awards for TSC's products and management systems, please check our "Certification and Awards" section under "About TSC" on our official website.



Certification and Awards

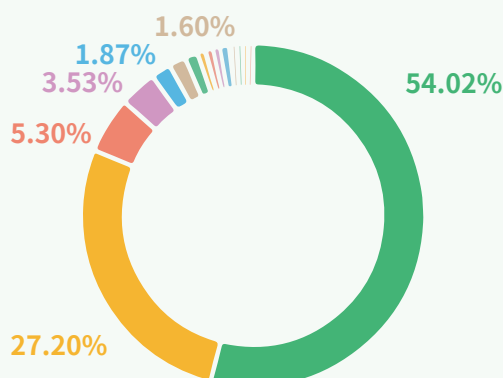
Note:

For each oil and fat product of our company that has obtained the "Carbon Reduction Label", the reduction in GHG emissions per unit product in the review year (2019) compared to the base year (2017) and the percentage are as follows: 0.6 liters of soybean oil (0.13kg CO<sub>2</sub>e; 12.87%), 1 liter of soybean oil (0.23kg CO<sub>2</sub>e; 13.61%), 2 liters of soybean oil (0.45kg CO<sub>2</sub>e; 13.31%), 2.6 liters of soybean oil (0.45kg CO<sub>2</sub>e; 13.13%), 3 liters of soybean oil (0.70kg CO<sub>2</sub>e; 14.06%), 18 liters of soybean oil (4.39kg CO<sub>2</sub>e; 14.81%), 18 kg of soybean oil (4.64kg CO<sub>2</sub>e; 14.49%), 2 liters of roasted ghee (0.50kg CO<sub>2</sub>e; 14.53%) and 18 liters of roasted ghee (0.50kg CO<sub>2</sub>e; 14.53%). Among them, the GHG emissions at the raw material stage (Scope 3) are the main reduction areas.

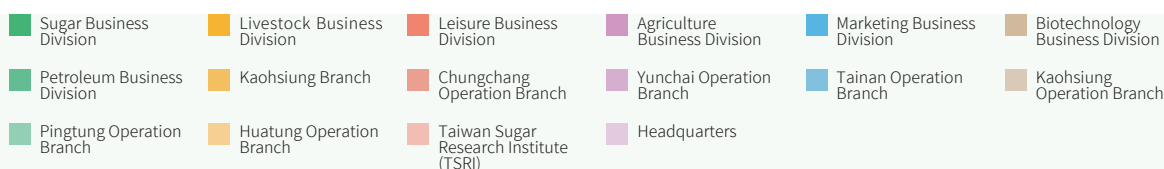
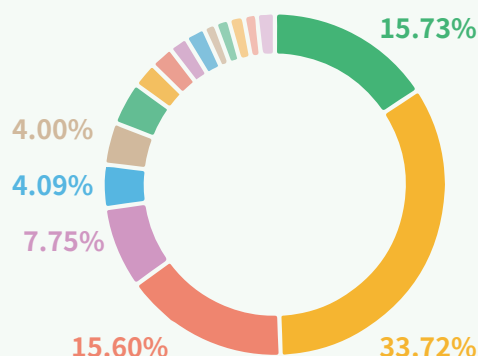
### 2.3.1 Statistics of Energy and Carbon Emission

In 2024, Taiwan Sugar Corporation's electricity consumption was still mainly purchased electricity (Taipower), accounting for 69.06% of the total electricity demand. The annual GHG emissions (Category 1 + Category 2) reached 139,512.8849 metric tonnes of CO<sub>2</sub>e. The main carbon emitters are the Livestock and Sugar Business Divisions, which together accounted for approximately 81.22% of the company's total emissions. They have been listed as priority improvement targets for carbon reduction and energy conservation.

TSC 2024 Statistics of GHG Emissions of Each Unit

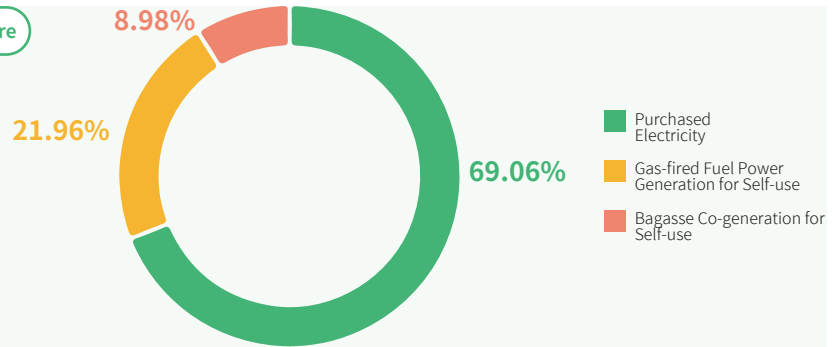
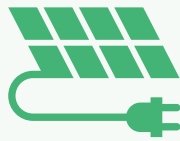


TSC 2024 Statistics of Purchased Electricity of Each Unit





## TSC 2024 Electricity Consumption Structure



## Statistics of Energy Consumption

In 2024, the internal energy consumption of Taiwan Sugar Corporation was 1,509,981.86 GJ, and the total energy consumption intensity was 0.0480 GJ/NTD thousand of revenue. This is mainly due to a slight increase in energy consumption in various business operations and a simultaneous increase in revenue, leading to a slight decrease in the total energy consumption intensity compared to 2023.

## Annual Energy Consumption within the Organization

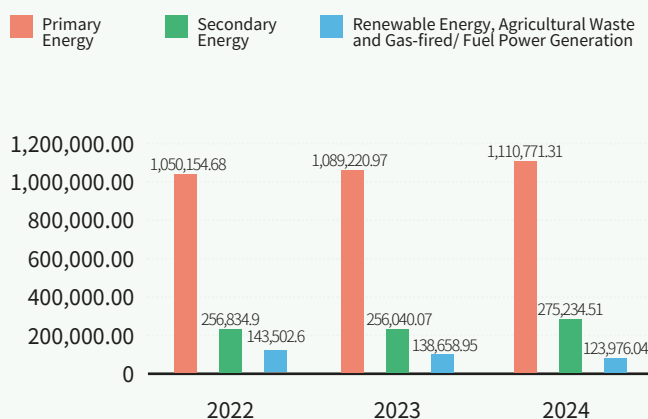
| Energy Category                                                                 | 2022         | Percentage of Total Energy Consumption | 2023         | Percentage of Total Energy Consumption | 2024         | Percentage of Total Energy Consumption |
|---------------------------------------------------------------------------------|--------------|----------------------------------------|--------------|----------------------------------------|--------------|----------------------------------------|
| Primary Energy (GJ)                                                             | 1,050,154.68 | 72.40%                                 | 1,089,220.97 | 72.40%                                 | 1,110,771.31 | 73.56%                                 |
| Secondary Energy (GJ)                                                           | 256,834.90   | 17.71%                                 | 256,040.07   | 17.71%                                 | 275,234.51   | 18.23%                                 |
| Renewable Energy, Agricultural Waste and Gas-fired / Fuel Power Generation (GJ) | 143,502.60   | 9.89%                                  | 138,658.95   | 9.89%                                  | 123,976.04   | 8.21%                                  |
| Total Energy Consumption (GJ)                                                   | 1,450,492.18 | -                                      | 1,483,919.99 | -                                      | 1,509,981.86 | -                                      |
| Revenues of the Current Year (NTD thousand)                                     | 28,823,585   | -                                      | 30,187,223   | -                                      | 31,434,791   | -                                      |
| Total energy consumption intensity (GJ/ NTD thousand of revenue)                | 0.0503       | -                                      | 0.0492       | -                                      | 0.0480       | -                                      |

Note:

1. Primary energy includes gasoline, diesel, heavy oil, natural gas (NG), liquefied petroleum gas (LPG), coal.
2. Secondary energy is purchased electricity.
3. Renewable energy is biogas power generation.
4. Agricultural waste-to-energy refers to biomass power generation from bagasse cogeneration.
5. All the energy consumption was actual measured values.
6. The energy conversion coefficient refers to the calorific value coefficient of various energy sources in the content of 6.0.4 version of MOENV's GHG Emission Coefficient Management Table. Gasoline (7,800kcal/L), Diesel (8,400kcal/L), Heavy oil (9,600kcal/L), Natural gas (NG) (8,000kcal/m<sup>3</sup>), Liquefied petroleum gas (LPG) (6,635kcal/L), Coal (6,080kcal/kg), Purchased electricity (860kcal/kWh), 1kcal=4.184KJ.

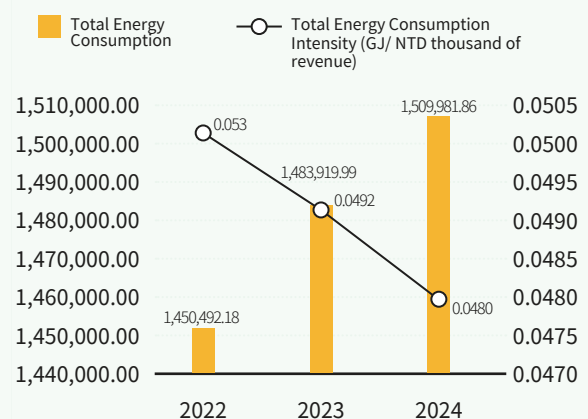
## Energy Consumption

Unit: GJ



## Energy Consumption Intensity

Unit: GJ



## Greenhouse Gas Inventory

TSC has been dedicated to carbon reduction for years, the GHG emissions were converted from the material input into the environmental accounting system, and are disclosed in this Report. Starting from 2022, TSC has followed the ISO 14064-1 greenhouse gas inventory principles to conduct a company-wide greenhouse gas inventory for the year 2021. Provide the disclosure of more accurate emission figures, and the implementation will be conducted annually thereafter. In 2024, the total GHG emissions was 139,512.8849 tCO<sub>2</sub>e, a decrease of 3.08% compared with 2023. The GHG emission intensity is 0.0044 tCO<sub>2</sub>e/NTD 1,000 of revenue, a decrease of 8.33% compared with 2023. The main reason is that the pig farms decreased the number of pigs due to the renovation, resulting in a reduction in the Company's overall GHG emissions.

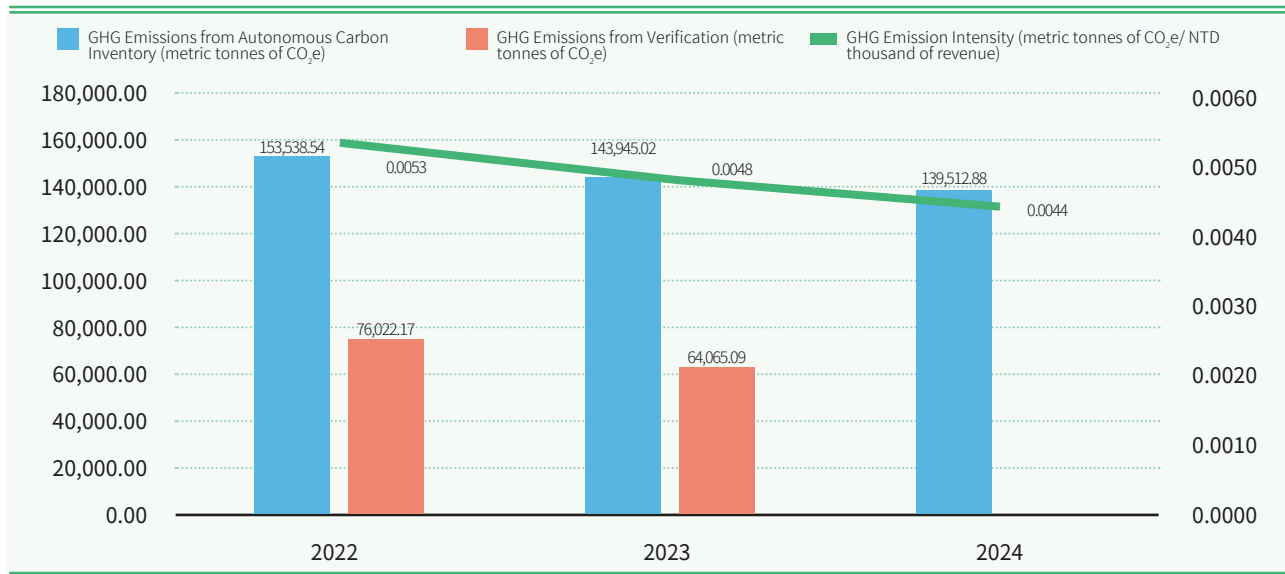
In terms of the verification of GHG inventory, in addition to the originally planned Xiaogang Plant of the Sugar Business Division, in 2024, the Jianshanpi Resort of the Leisure Business Division also conducted a 2024 GHG guidance inventory in accordance with the Ministry of Environment's "Greenhouse Gas Emissions Inventory Operation Guidelines (2024 Edition)", and obtained a greenhouse gas verification statement through verification by a third-party impartial unit.

### GHG Emissions within the Organization over the years

|                                                                                                                                                                     | 2022         | 2023         | 2024         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|
| GHG Emissions from Autonomous Carbon Inventory (metric tonnes of CO <sub>2</sub> e) (Category 1+ Category 2)                                                        | 153,538.5367 | 143,945.0231 | 139,512.8849 |
| GHG Emissions from Verification (metric tonnes of CO <sub>2</sub> e) (Category 1+ Category 2)<br>(The scope of inspection is as indicated in <sup>Note6 ~ 7</sup> ) | 76,022.1654  | 64,065.0917  | -            |
| Revenues of the Current Year (NTD thousand)                                                                                                                         | 28,823,585   | 30,187,223   | 31,434,791   |
| GHG Emission Intensity (metric tonnes of CO <sub>2</sub> e/ NTD thousand of revenue)                                                                                | 0.0053       | 0.0048       | 0.0044       |

**Note:**

- This table is based on the inventory standards for voluntary inventory of GHG emissions, with the inventory scope covering the General Management Office, 7 Business Divisions, 6 Operation Branches, TSRI, and Kaohsiung Branch.
- The GHG verification data have been disclosed up to 2023 will include verified data. The GHG verification data for 2024 will be disclosed in the next report after verification in 2025.
- GHG Emission Intensity = GHG emissions/ Revenues of the current year (NTD thousand)
- The emission coefficient adopts the GHG emission coefficient management table version 6.0.4 announced by the Ministry of Environment. The GWP values for 2022 and 2023 are quoted from the values of the IPCC 6th Assessment Report (AR6, 2021), CO<sub>2</sub>=1, CH<sub>4</sub>=27.9, N<sub>2</sub>O=273. The GWP values for 2024 are quoted from the values of the IPCC 6th Assessment Report (AR6, 2022), CO<sub>2</sub>=1, CH<sub>4</sub>=27, N<sub>2</sub>O=273. However, in 2023, the Leisure Business Department's Jianshanpi Resort was audited in accordance with the Ministry of Environment's "Greenhouse Gas Emissions Inventory Operation Guidelines (2024 Edition)", so the GWP values are quoted from the values of the IPCC 5th Assessment Report (AR5, 2013), CO<sub>2</sub>=1, CH<sub>4</sub>=28, N<sub>2</sub>O=265.
- The GHG emission coefficient of electricity is based on the electricity emission coefficient published by the Energy Administration of the Ministry of Economic Affairs. The factors are as follows: 2022: 0.495 kgCO<sub>2</sub>e/kWh; 2023: 0.494 kgCO<sub>2</sub>e/kWh; 2024: 0.474 kgCO<sub>2</sub>e/kWh.
- In 2022, the Company's verified greenhouse gas (GHG) emissions inventory covered the following seven sites: Xiaogang Plant of the Sugar Business Division, Dong Hai Feng Agricultural Circulation Park of the Livestock Business Division, Wushulin Park of the Precision Agriculture Business Division, Tainan Sales Office of the Marketing and Distribution Business Division, Xinjin Gas Station of the Petroleum Business Division, Evergreen Hotel (Taisugar) of the Leisure Business Division, and the Biomaterial Factory of the Biotech Business Division. The total emissions for 2022 were as follows: Category 1: 66,180.4088 metric tonnes CO<sub>2</sub>e; Category 2: 9,841.7566 metric tonnes CO<sub>2</sub>e; Category 3: 74,414.1385 metric tonnes CO<sub>2</sub>e; Category 4: 159,910.3947 metric tonnes CO<sub>2</sub>e; Category 5: 11,781.4541 metric tonnes CO<sub>2</sub>e. The GHG inventory covered carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and hydrofluorocarbons (HFCs). In terms of ozone-depleting substances (ODS), the emissions in 2022 included 5.1000 metric tonnes CO<sub>2</sub>e of R12 refrigerant (CCl<sub>2</sub>F<sub>2</sub>) and 14.2108 metric tonnes CO<sub>2</sub>e of R22 refrigerant (CHF<sub>2</sub>Cl).
- In 2023, the Company's verified greenhouse gas (GHG) emissions inventory covered two sites: Xiaogang Plant of the Sugar Business Division and Jianshanpi Resort of the Leisure Business Division. The total emissions for 2023 were as follows: Category 1: 60,044.8509 metric tonnes CO<sub>2</sub>e, Category 2: 4,020.2408 metric tonnes CO<sub>2</sub>e, Category 3: 79,873.2139 metric tonnes CO<sub>2</sub>e, Category 4: 142,529.8817 metric tonnes CO<sub>2</sub>e.
- The verified GHGs included carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and hydrofluorocarbons (HFCs). Regarding ozone-depleting substances (ODS), in 2023, the refrigerant emissions at the Xiaogang Plant were calculated based on the actual amount of refrigerant refilled, which was zero. At Jianshanpi Resort, 0.8800 metric tonnes CO<sub>2</sub>e of R22 refrigerant (CHF<sub>2</sub>Cl) was reported; however, in accordance with the Ministry of Environment's inventory guidelines, this amount was excluded from the total GHG emissions calculation. The GHG Inventory Survey is mainly based on the emission coefficient method and supplemented by the mass balance method.

**GHG Emissions and Intensity**

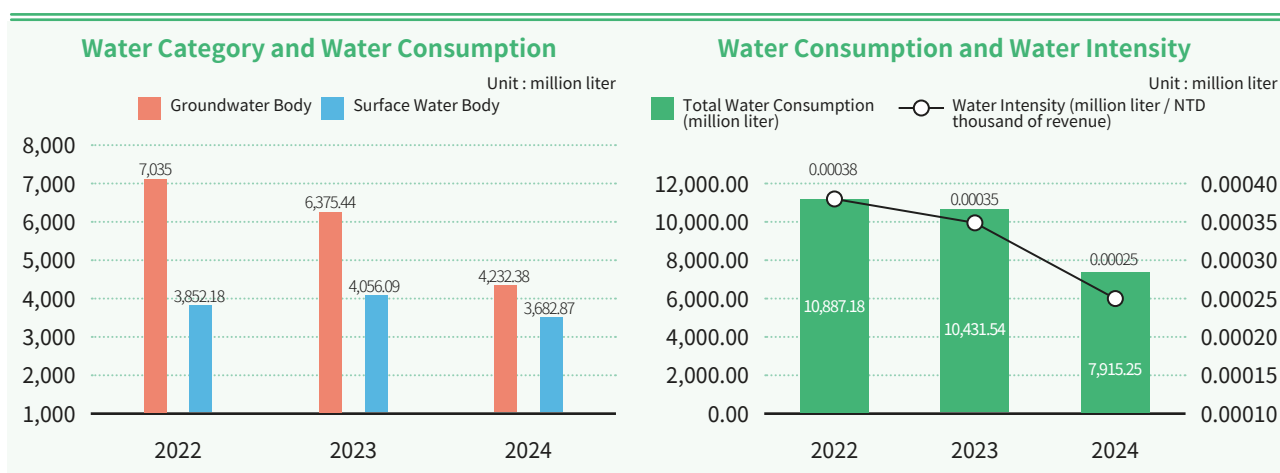
## 2.3.2 Pollution Prevention and Control

According to the Aqueduct Water Risk Atlas of the World Resources Institute, all areas in Taiwan belong to Low – Medium (1-2). All the TSC operating bases are not set up in national or international protection areas, and the water intake is from the legal water resources authorized by the government, having no significant influence on water resources. In 2024, the amount of water intake was 7,915.25million liters, a 24.12% decrease compared with 2023(10.43154 billion liters), and the water intensity decrease 28.57% compared with the previous year, primarily due to an increase in rainfall of 5,647.5mm in the Yunlin-Chiayi-Tainan and Kaohsiung-Pingtung regions this year, resulting in reduced agricultural irrigation water usage.

TSC is dedicated to the improvement of water management and wastewater recovery, proper use of water resources, reduction of wastewater discharge and enhanced water conservation effectiveness. The consumption of water of 2024 was 5,919.30 million liters. Overall wastewater recovery rate (R2) is over 79%.

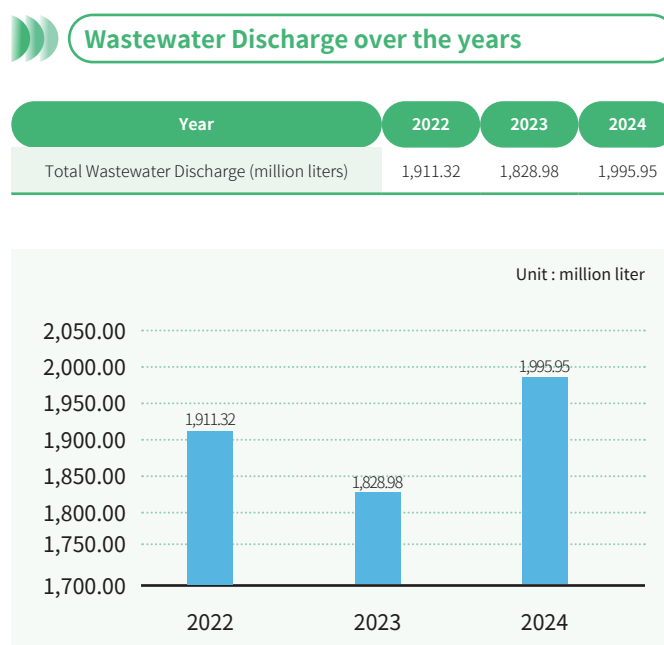
**Water Consumption and Water Intensity**

| Year                                                                                                                                                                                                                                                                                                                                       | 2022             |                    | 2023             |                    | 2024             |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------|------------------|--------------------|------------------|--------------------|
| Water Body                                                                                                                                                                                                                                                                                                                                 | Groundwater Body | Surface Water Body | Groundwater Body | Surface Water Body | Groundwater Body | Surface Water Body |
| Individual Water Consumption (million liter)                                                                                                                                                                                                                                                                                               | 7,035            | 3,852.18           | 6,375.44         | 4,056.09           | 4,232.38         | 3,682.87           |
| Total Water Consumption (million liter)                                                                                                                                                                                                                                                                                                    | 10,887.18        |                    | 10,431.54        |                    | 7,915.25         |                    |
| Revenues of the Current Year (NTD thousand)                                                                                                                                                                                                                                                                                                | 28,823,585       |                    | 30,187,223       |                    | 31,434,791       |                    |
| Water Intensity<br>(million liter/ NTD thousand of Revenue)                                                                                                                                                                                                                                                                                | 0.00038          |                    | 0.00035          |                    | 0.00025          |                    |
| Note:<br>1. The statistics of water consumption of groundwater body and surface water body were measured values on water meters.<br>2. Water intensity = Total water consumption in the year (million liter)/ NTD thousand of Revenue.<br>3. Water consumption = Water intake - Water discharge =7,915.25-1,995.95=5,919.30 million liters |                  |                    |                  |                    |                  |                    |



## Wastewater Discharge

TSC's business units that generate waste water all have relevant wastewater treatment procedures and obtain the water pollution prevention and control permits. Qualified testing agencies are entrusted to take samples for analysis on a regular basis, and the declaration of the inspection is also conducted on the website designated by the MOENV. The effluents are discharged to the sewage system or approved water bodies legally, and the quality of discharged water is in compliance with the discharge water standards stipulated in laws and regulations for the industry. Wastewater is finally discharged into the sea and does not have major impacts on the water sources. The amount of discharged wastewater in 2024 was 1,995.95 million liters, a decrease of 9.13% compared with 2023, which is mainly because of the increase in the number of heads raised in Wanxing, Douliu, and Nanshalun pig farms of the Livestock Business Division.



To improve the operating efficiency of the pig farming business and lower the environmental impact on the local communities, after the construction of the Dong Hai Feng Agricultural Circulation Park, TSC continues to implement the investment project of Renovation Plan of Agricultural Circulation Pig Farms, turning traditional pig housing into modern livestock park with deodorization system and sewage treatment system. In 2024, the Livestock Business Division has conducted the reuse of wastewater in the pig farms, the recovered and reuse amount of wastewater in the 14 pig farms (Wanxing, Huwei, Douliu, Annei, Nanjing, Lucao, Haipu, Shanhua, Nan Shalun, Xincuo, Shilin Er, Da Xiang Yi Chang, Da Xiang Er Chang and Dong Hai Feng) totaled 535,878 metric tonnes.

TSC has a total of 17 pig farms, and all of them adopt the secondary wastewater treatment system, and qualified testing agencies are entrusted to take samples for analysis every 6 months in accordance with the Water Pollution Control Act (Wastewater discharge standards: BOD: 80 mg/L, COD: 600 mg/L, SS: 150 mg/L), and fill out animal husbandry wastewater(sewage) inspection declaration form online on the designated website of MOENV to handle the regular inspection declaration via network transmission. TSC expects that in the future, after the pig farms are renovated, new transformation opportunities will be brought to Taiwan's livestock industry, so that it can take into account production and environmental sustainability, give the surrounding residents a fresh and green park that is odorless, allowing them to reduce their life and psychological dissatisfaction and embrace new five-sense experience.



## Air Pollution Monitoring

In order to comply with the environmental protection laws and regulations, TSC has formulated Key Points for Environmental Management for the Operations of Air Pollution Prevention, and also included the ISO 14001 Environmental Management Standards to establish operations, inspections and emergency response measures to ensure compliance with laws and regulations related to air pollution. Prevention of air pollution begins with the rational reduction of pollutants in the process before being emitted into the exhaust gas, and air pollution control equipment handles pollutants in the exhaust gas. Currently, the large scale (granular pollutants of pollutants reaching 10 metric tonnes/ year, or sulfur oxide reaching 5 metric tonnes/ year, or volatile organic compounds reaching 5 metric tonnes/ year) stationary pollution sources are the three sugar factories under the Sugar Business Division. The rest relatively small-scale stationary pollution sources include 2 locations of the Biotechnology Business Division, 73 locations of the Petroleum Business Division, 19 locations of Livestock Business Division, 1 location of the TSRI, and 1 location each of the Tainan and Yunchia Operation Branches. The air pollutant emissions of all units are in accordance with the emission standards and are reported regularly. TSC's Department of Environmental Protection also makes on-site inspection from time to time.

Based on the actual test results over the years, the concentration of air pollutants emissions also met the emission standards set by the Ministry of Environment. In 2024, the NO<sub>x</sub> and SO<sub>x</sub> emission intensities decreased by 14.71% and 25.00% respectively compared to 2023. This is mainly due to the gradual replacement of boiler tubes by the Huwei and Shanhua Sugar Factories of the Sugar Business Division to improve heat transfer efficiency, increase boiler efficiency, and indirectly reduce SO<sub>x</sub> and NO<sub>x</sub> emissions. The air pollution control situation is shown as follows, and the emission concentrations are in compliance with regulatory standards.

### Air Pollutant Emissions

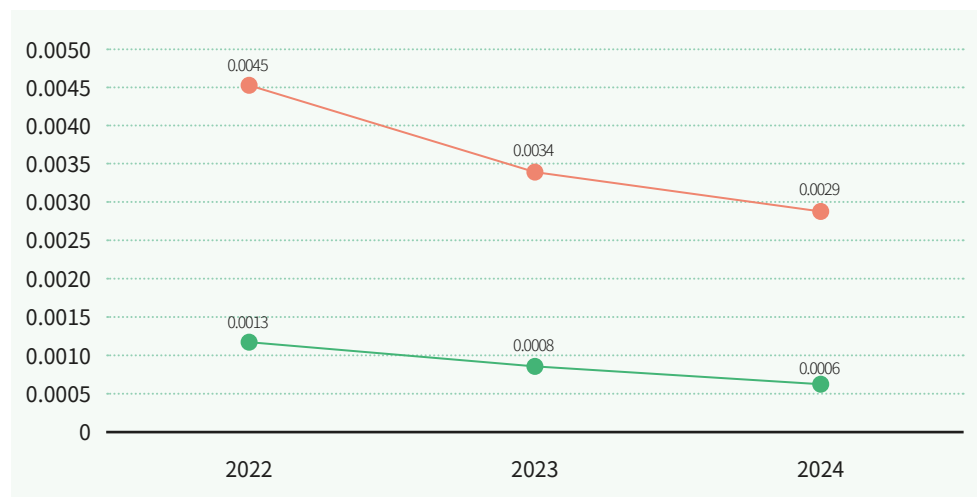
Unit : metric tonne(s)

| Item                                                                       | 2022   | 2023   | 2024   |
|----------------------------------------------------------------------------|--------|--------|--------|
| Particulate Matter (PM)                                                    | 15.73  | 13.20  | 17.81  |
| NO <sub>x</sub>                                                            | 129.32 | 103.89 | 90.68  |
| SO <sub>x</sub>                                                            | 38.11  | 22.80  | 17.50  |
| VOC                                                                        | 3.55   | 19.88  | 1.25   |
| HCL                                                                        | 0      | 0      | 0      |
| CO                                                                         | 0      | 0      | 0      |
| Ammonia                                                                    | 0      | 0      | 0      |
| NTD million of Revenue                                                     | 28,824 | 30,187 | 31,435 |
| NO <sub>x</sub> Emission Intensity (metric tonnes/ NTD million of revenue) | 0.0045 | 0.0034 | 0.0029 |
| SO <sub>x</sub> Emission Intensity (metric tonnes/ NTD million of revenue) | 0.0013 | 0.0008 | 0.0006 |

### Air Pollutant Emissions

Unit: ( metric tonnes/ NTD million of revenue)

- NO<sub>x</sub> emission intensity(metric tonnes/ NTD million of revenue)
- SO<sub>x</sub> emission intensity(metric tonnes/ NTD million of revenue)

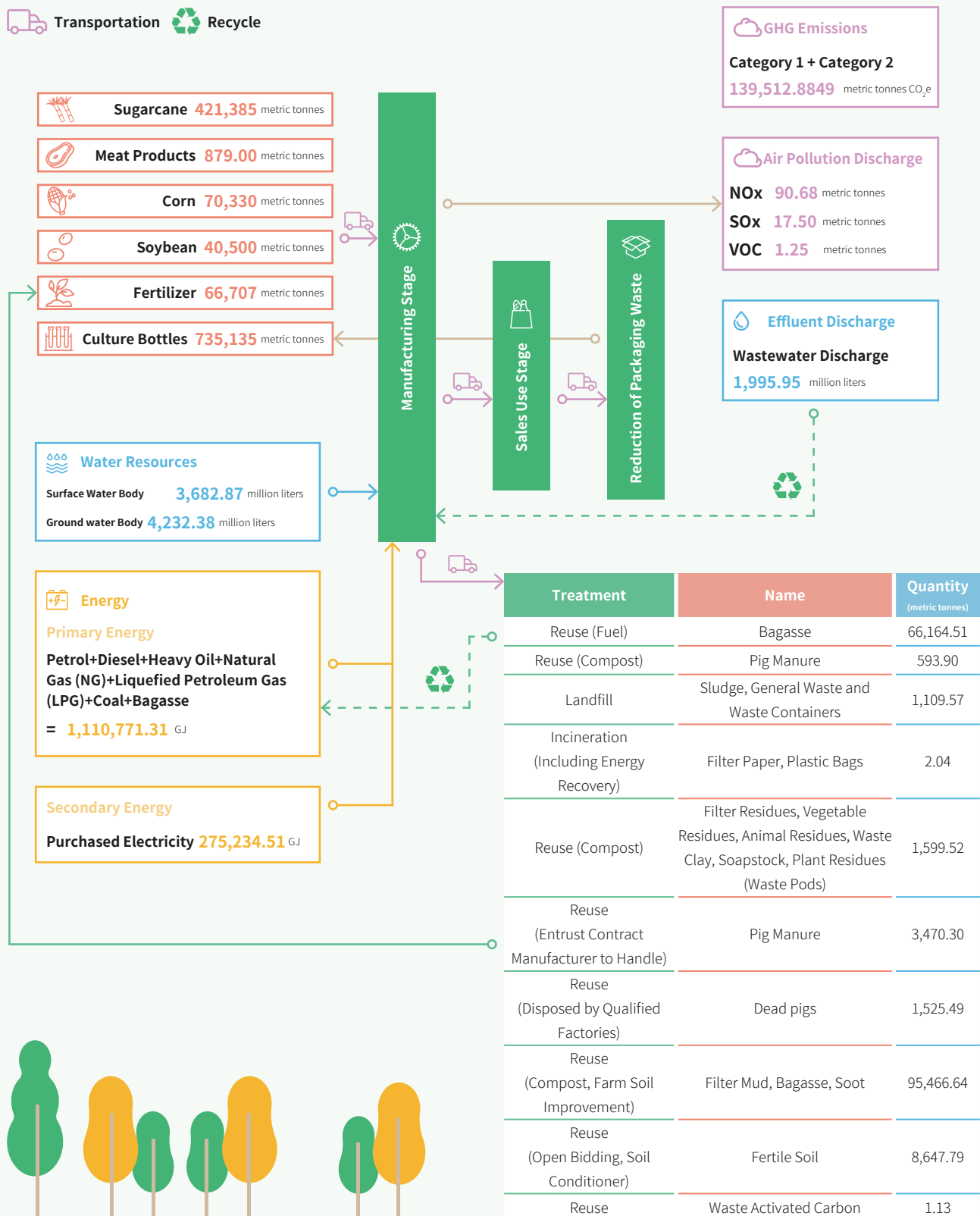


## 2.3.3 Waste Management

Based on the consideration of cherishing natural resources and reducing the environmental impact, TSC actively promotes a green value chain so that the stages of birth, growth, decline and abandonment of a product can be completed under the conditions of consuming the least resources possible in the most eco-friendly way.

### TSC's Environmental Footprint in 2024

Transportation Recycle





## Reduction of Waste Generation

In 2024, the process waste reduction measures were implemented, and the proportion of waste recycling reached 99.38%, an increase of 0.07% compared with 2023(99.31%). This was mainly attributed to various operational hotels of TSC offering eco-friendly room incentives and replacing small single-use amenities in hotel rooms with large refillable ones. Additionally, personal care products are no longer provided actively, leading to a significant reduction in non-resource waste, thus increasing the resource utilization rate. These efforts demonstrate TSC's determination to reach the recycling, stabilization, detoxification, and economization of waste.

### 2024 Achievements of the Promotion of Green Products and Services of Each Units

#### Marketing Business Division and Biotechnology Business Division

The new product packaging design of the Marketing Business Division is in line with the policy of limiting over-packaging of products announced by the Ministry of Environment (MOENV), Executive Yuan, to reduce the use of packaging materials and generation of waste, easing off the environmental load. For example, the lined frame of Taisugar's Clam Essence is folded on four edges to strengthen the structure and texture of the carton, and the size of the gift box is reduced to comply with the regulations on restricting excessive packaging of products; In 2024, the Biotechnology Business Division continued to use 3,268,783 glass bottles with reduced weight for the Clam Essence Products, a 7.6% decrease in weight compared with the old glass bottles, which is converted to a 26,150.27 kg reduction in glass use, reducing the impact of glass to the environment.

#### Sugar Business Division

Sugar Business Division changed business waste of bagasse and filter mud into recycled materials as the soil amendment, reaching the purpose of circular economy. In 2024, the recycled and reused bagasse was 35,012 metric tonnes. The three sugar factories produced a total of 40,342 metric tonnes of "filter mud" during the sugar production process, of which 31,695 metric tonnes were used for soil improvement at the company's farms, and another 8,647 metric tonnes were sold to the outside world under the name of "fertile soil", achieving resource recycling and reducing the use of chemical fertilizers.

In 2024, the egg cards of *Trichogramma chilonis* were provided to both our self-operated farms and external farmers for controlling pests in crops such as sugarcane and corn. Additionally, TSC also provided the eggs of *Corcyra cephalonica* as the materials to feed Chrysopidae to function as a pest control for fruits and vegetables. The Bureau of Animal and Plant Health Inspection and Quarantine announced on August 18, 2022, that the sheet with *Trichogramma chilonis* in Huadong District is listed in the natural enemy subsidy object, a status that has remained unchanged until 2024, which can encourage farmers to reduce the amount of pesticide use. In 2024, The output is about 159,000 pieces, and the average output in the past three years is about 155,000 pieces.

#### Livestock Business Division

The processing capacity of pig manure in 2024 was 4,064.2 metric tonnes, of which 593.9 metric tonnes (14.61%) of pig manure produced in pig farms is recycled (composted) and fermented into organic fertilizers for farmers to use to meet the government's goal of green environmental protection. The organic fertilizers used on the farmland can improve the physical properties of soil, increase yields of crops, and also the farmers' income. In addition, 3,470.3 metric tonnes (85.39%) of the pig manure was entrusted to contract manufacturers for treatment.

In accordance with the Statute for Prevention and Control of Infectious Animal Diseases and the Waste Disposal Act, pig carcasses and discarded afterbirths in all pig farms shall be destroyed, chemically processed or otherwise disposed of as necessary, and shall not be cut, processed, transported, stored or sold for human consumption. Therefore, the Livestock Business Division strictly abides by the government regulations. All the pig carcasses and afterbirths from TSC pig farms are entrusted to qualified manufacturers for chemical processing to avoid being embezzled by unscrupulous operators and entering the meat supply market that will engender the health of the public and also damage the reputation of the Company. In 2024, the processing volume of dead pigs was 1,525.49 metric tonnes.

#### Agriculture Business Division

The tissue culture bottles used for the production of Phalaenopsis seedlings are reusable glass culture bottles instead of non-reusable plastic cases. In 2024, a total of 735,135 glass culture bottles were used, and all of them were recycled for reuse, with the reuse rate of 100%.

#### Leisure Business Division

The 386.8 metric tonnes of general business waste and 4.2 metric tonnes of waste cooking oil generated by the Leisure Business Division were centrally collected and recycled as well as reused by legal operators, producing 225,001 m<sup>3</sup> of wastewater. Among this, the wastewater generated by Liuying Jianshanpi Resort, amounting to 15,800 m<sup>3</sup>, underwent treatment through equipment and was reclaimed for irrigation purposes within the park area.

## Waste Management

In 2024, the amount of waste handled included 1,109.57 metric tonnes for landfill, 2.36 metric tonnes for incineration, 178,088.17 metric tonnes for recycled waste. In 2024, the waste disposal amount decreased by 5.24% compared with 2023.

### Waste Treatment Capacity

Unit : metric tonnes

| Non-hazardous Waste       |                                                 |                                    |                  |
|---------------------------|-------------------------------------------------|------------------------------------|------------------|
| Treatment Method          |                                                 | Composition of Waste               | Waste Generation |
| On-site Treatment Method  | Reuse (Fuel)                                    | Bagasse                            | 66,164.51        |
|                           | Reuse (Compost)                                 | Pig Manure                         | 593.90           |
| Off-site Treatment Method | Landfill                                        | Sludge                             | 8.05             |
|                           |                                                 | General Waste and Waste Containers | 1,101.52         |
|                           | Incinerated (Including Energy Recovery)         | Filter Paper                       | 0.23             |
|                           |                                                 | Plastic Bags                       | 1.81             |
|                           | Reuse (Compost)                                 | Filter Residue                     | 0.01             |
|                           |                                                 | Plant Residue                      | 1.20             |
|                           |                                                 | Animal Residue                     | 24.60            |
|                           |                                                 | Waste Clay                         | 165.24           |
|                           |                                                 | Soapstock                          | 1,394.39         |
|                           |                                                 | Plant Residues (Waste Pods)        | 14.08            |
|                           | Reuse (Entrust Contract Manufacturer to Handle) | Pig Manure                         | 3,470.30         |
|                           | Reuse (Disposed by Qualified Factories)         | Dead Pigs                          | 1,525.49         |
|                           | Reuse (Disposed by Qualified Factories)         | Agricultural Sludge                | 619.89           |
|                           | Reuse (Disposed by Qualified Factories)         | Filter Mud                         | 31,695.25        |
|                           |                                                 | Bagasse                            | 43,944.41        |
|                           |                                                 | Soot                               | 19,826.98        |
|                           | Reuse                                           | Waste Activated Carbon             | 1.13             |
|                           | Reuse (Open Bidding, Soil Conditioner)          | Fertile Soil                       | 8,647.79         |
| Hazardous Waste           |                                                 |                                    |                  |
| Treatment Method          |                                                 | Composition of Waste               | Waste Generation |
| Off-site Treatment Method | Incinerated (Excluding Energy Recovery)         | Waste Liquid                       | 0.32             |

Note:

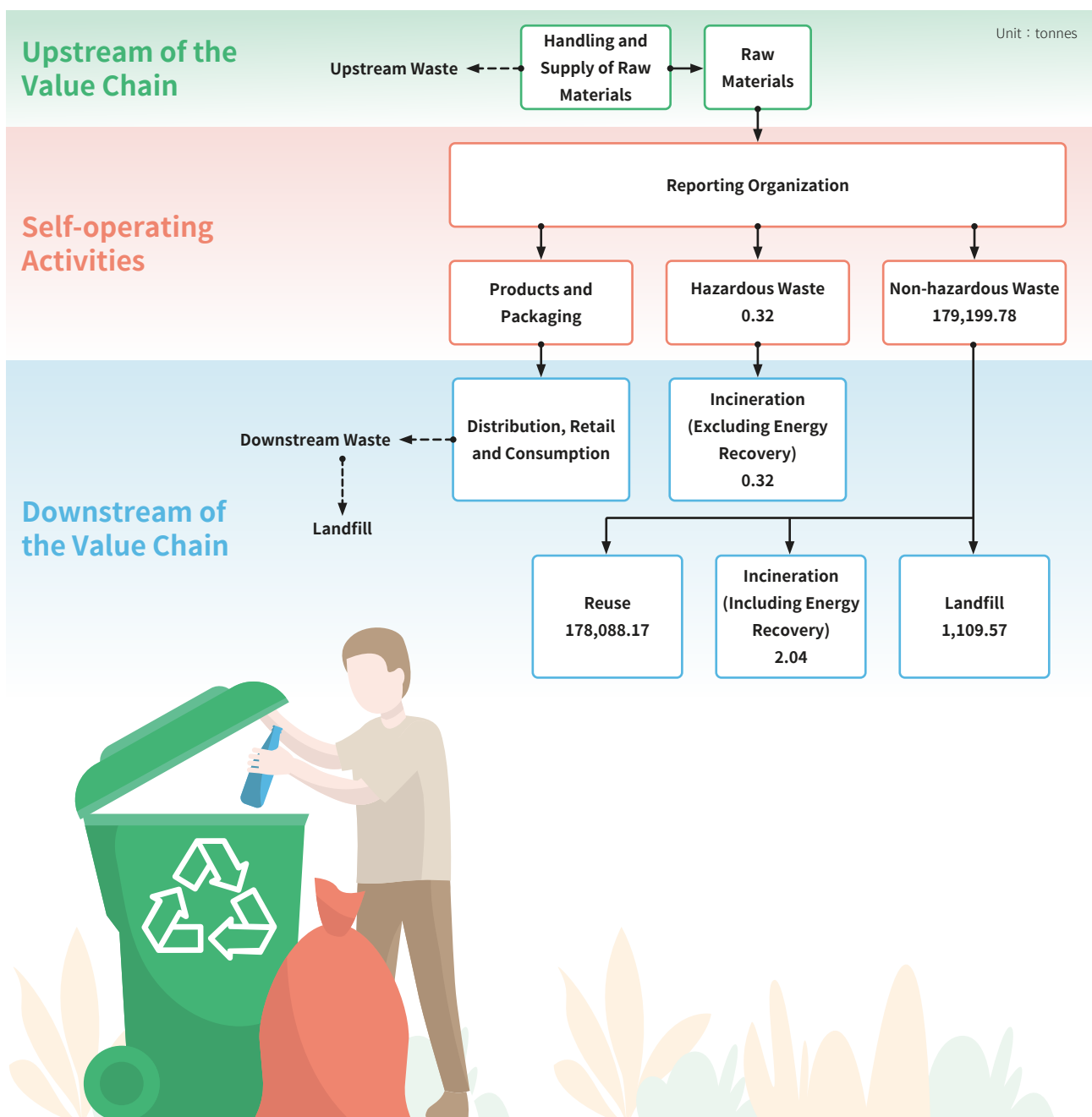
"On-site" refers to the scope within the physical boundary or administrative control of TSC; "off-site" refers to the scope outside the physical boundary or administration control of TSC.



| Composition of Waste     | Hazardous Waste |          | Non-hazardous Waste |            | Total      |
|--------------------------|-----------------|----------|---------------------|------------|------------|
| Treatment Method         | On-site         | Off-site | On-site             | Off-site   |            |
| Transfer During Disposal | 0               | 0        | 66,758.41           | 111,329.76 | 178,088.17 |
|                          | 0               |          | 178,088.17          |            |            |
| Direct Disposal          | 0               | 0.32     | 0                   | 1,111.61   | 1,111.93   |
|                          | 0.32            |          | 1,111.61            |            |            |
| Total                    | 0.32            |          | 179,199.78          |            | 179,200.10 |
| Total Waste              | 179,200.10      |          |                     |            |            |
| Recycle Ratio            | 99.38%          |          |                     |            |            |

Note:

1. Transfer during disposal: Recycling for Reuse. Direct Disposal: Incineration (Including Energy Recovery), Incineration (Excluding Energy Recovery), Landfill.
2. The calculation of Recycle ratio = (Recyclable waste treatment volume/ Total waste volume) x 100%.



# CHAPTER 3



## Sustainability Aspect **LEVERAGING**

## NATURAL CAPITAL

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## Material Topics

☒ achieve
 ☐ unaccomplished

Food Preservation(Sustainable Food), Indirect Economic Impacts, Soil Health, Pesticides Use, Land and Resource Rights, Circular Economy, Animal Health and Welfare, Natural Ecosystem Conversion

## 2024 Goals and Achievements

- ☐ The pesticide usage per unit area in sugarcane cultivation fields of the Sugar Business Division decrease by 3% compared to the previous year.
  - ▶ The pesticide usage per harvested area was approximately 12.96 kg/hectare, an increase of about 2.05% from 2023 (12.70 kg/hectare). This was mainly due to the direct impact of several typhoons such as Shantuoer in 2024, causing floods in the sugarcane fields and loss of some soil and pesticides. Pesticides had to be reapplied, resulting in higher usage.
- ☐ To promote soil health and reduce the use of chemical fertilizers, green manure is planted on the self-operated farms during the sugarcane rotation and fallow period, with a planned planting area of 587.12 hectares.
  - ▶ The actual cultivated area in 2024 was 526.62 hectares. This was mainly due to the increase in the area of farmland released for cooperative operation and the expropriation of land for science parks, which has reduced the area of leisure land and led to decreased green manure cultivation area.

SDG 2.4



- ☒ The residual bagasse is all used for sugar factory boiler combustion for power generation and for the production of organic compost or feed.
  - ▶ In 2024, a total of 110,108.92 metric tonnes of bagasse was produced. Among this, 66,164.51 metric tonnes were used as boiler fuel for power generation, producing 9.934 GWh of electricity. The remaining 43,944.41 metric tonnes of bagasse were recycled and reused for composting or as animal feed.

SDG 12.6, SDG 12.a



- ☒ To implement firefly conservation actions and organize at least one larval release activity.
  - ▶ Organized 3 sessions of firefly ecological education and release activity, with a total of 105 participants.

SDG 15.5, SDG 15.9



## 2025 Goals

- ▶ To achieve a 3% reduction in pesticide usage per unit area of sugarcane cultivation compared to the previous year.
- ▶ To promote land health and reduce the use of chemical fertilizers, green manure is planted during sugarcane rotation and fallow period of TSC's self-operated farms. The planned planting area for 2025 is 400 hectares.

SDG 2.4



- ▶ "Agricultural Circulation Pig Farm Renovation and Investment Project" involving the reconstruction of all 13 pig farms aims to be completed by the end of June 2026, with production expected to commence gradually in the same year.
- ▶ To become a specialized oyster shell calcium carbonate manufacturer, supporting both industrial-grade and agricultural-grade applications.
- ▶ To provide people with safe, hygienic and healthy pork and its products with CAS labels and product traceability certification.
- ▶ To produce sufficient and high-quality sugar and edible oils to meet domestic market needs.
- ▶ To cooperates with government policies and continue to purchase sugarcane from contracted sugarcane farmers at a guaranteed price; some of our own farms also cooperate with young farmers to produce raw sugarcane to support regional agricultural development.
- ▶ To cooperate with the government price stabilization policy and maintain the retail price of household small-pack refined white sugar at under NTD 36/kg during periods of rising international sugar prices. For commercial large-pack sugar, we adopt a gradual price adjustment strategy to mitigate the impact on domestic consumer prices. The retail price of 3-liter bottled soybean oil remains unchanged at NTD 169, with a continued price freeze policy in place.
- ▶ After the renovation of the pig farm is completed, it will score each item in accordance with the "EAST Certified Animal Welfare Certification -Pig Farming Animal Welfare Scoring Standard" to review whether the existing breeding conditions and breeding equipment can be strengthened or improved.

SDG 12.6, SDG 12.a





## Material Topics

☒ achieve ☐ unaccomplished

Food Preservation(Sustainable Food), Indirect Economic Impacts, Soil Health, Pesticides Use, Land and Resource Rights, Circular Economy, Animal Health and Welfare, Natural Ecosystem Conversion

### 2025 Goals

- ▶ The self-operated farms utilize biological pest control methods such as the use of *Trichogramma chilonis* to reduce the use of insecticides and control rodent damage in sugarcane fields, thereby preserving the ecological balance of the farmland.
- ▶ To continue to organize actions and promotional activities in relation to nature and ecological conservation.
- ▶ To establish a butterfly habitat garden and developed interpretive displays in Liuying Jianshanpi Resort.

SDG 15.5 SDG 15.9



### Medium-and Long-term Objectives

- ▶ We continuously collaborate with the conclusions drawn in the meetings of Ministry of Agriculture dated on August 4, 2020, and August 23, 2021 to provide flat land for afforestation suitable for agricultural production locations to Ministry of Agriculture for the overall planning of organic agriculture zones, livestock zones, the special zone for the cultivation of medicinal plants used in traditional Chinese medicine that the Ministry of Health and Welfare is planning, and the land required for the demonstration of irrigation of biogas residue and biogas slurry planned by the Ministry of Environment.
- ▶ To promote soil health and reduce chemical fertilizer use, plant green manure crops during the fallow rotation periods of company-operated sugarcane farms, with the cultivated area gradually expanded to 800 hectares.
- ▶ The pesticide usage per unit area in sugarcane cultivation fields of the Sugar Business Division has decrease by 3% compared to the previous year.
- ▶ To produce sufficient and high-quality sugar and edible oils to meet domestic market needs.
- ▶ To cooperates with government policies and continue to purchase sugarcane from contracted sugarcane farmers at a guaranteed price; some of our own farms also cooperate with young farmers to produce raw sugarcane to support regional agricultural development.

SDG 2.4



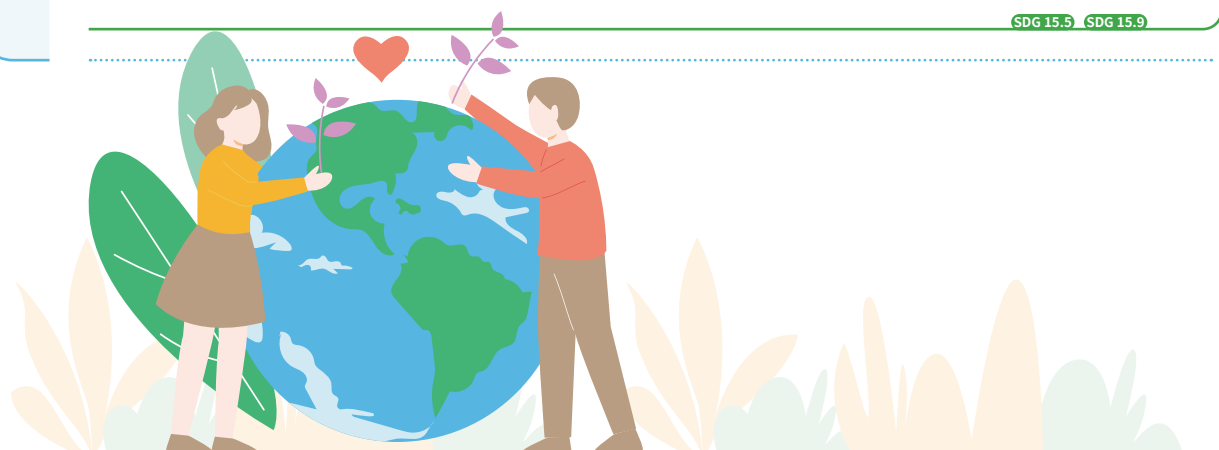
- ▶ Animal welfare is internalized into the pig breeding management process, and EAST Certified Animal Welfare Certification will be applied in stages, with the ultimate goal of obtaining the certification for TSC-owned pig farms.
- ▶ To change the stereotypical image of pig farms among the public, promote sustainable animal husbandry industry, and enhance our corporate image.
- ▶ To increase the output value of industrial-grade oyster shell powder to 50% of the total revenue, and expand the application of oyster shell powder in various industries.
- ▶ To become a benchmark for domestic oyster shell calcium carbonate manufacturers and align with the international market.
- ▶ To continue to provide the public with high-quality, stable-priced domestic pork and its products.
- ▶ After the reconstruction of the new pig farm is completed, the amount of wastewater discharged per pig per day will be reduced by 50%.
- ▶ TSC cooperates with the government price stabilization policy and maintain the retail price of household small-pack refined white sugar at under NTD 36/kg during periods of rising international sugar prices. For commercial large-pack sugar, we adopt a gradual price adjustment strategy to mitigate the impact on domestic consumer prices. The retail price of 3-liter bottled soybean oil remains unchanged at NTD 169, with a continued price freeze policy in place.

SDG 12.6 SDG 12.a



- ▶ To continue to organize actions and promotional activities in relation to nature and ecological conservation.
- ▶ The self-operated farms utilize biological pest control methods such as the use of *Trichogramma chilonis* to reduce the use of insecticides and control rodent damage in sugarcane fields, thereby preserving the ecological balance of the farmland.

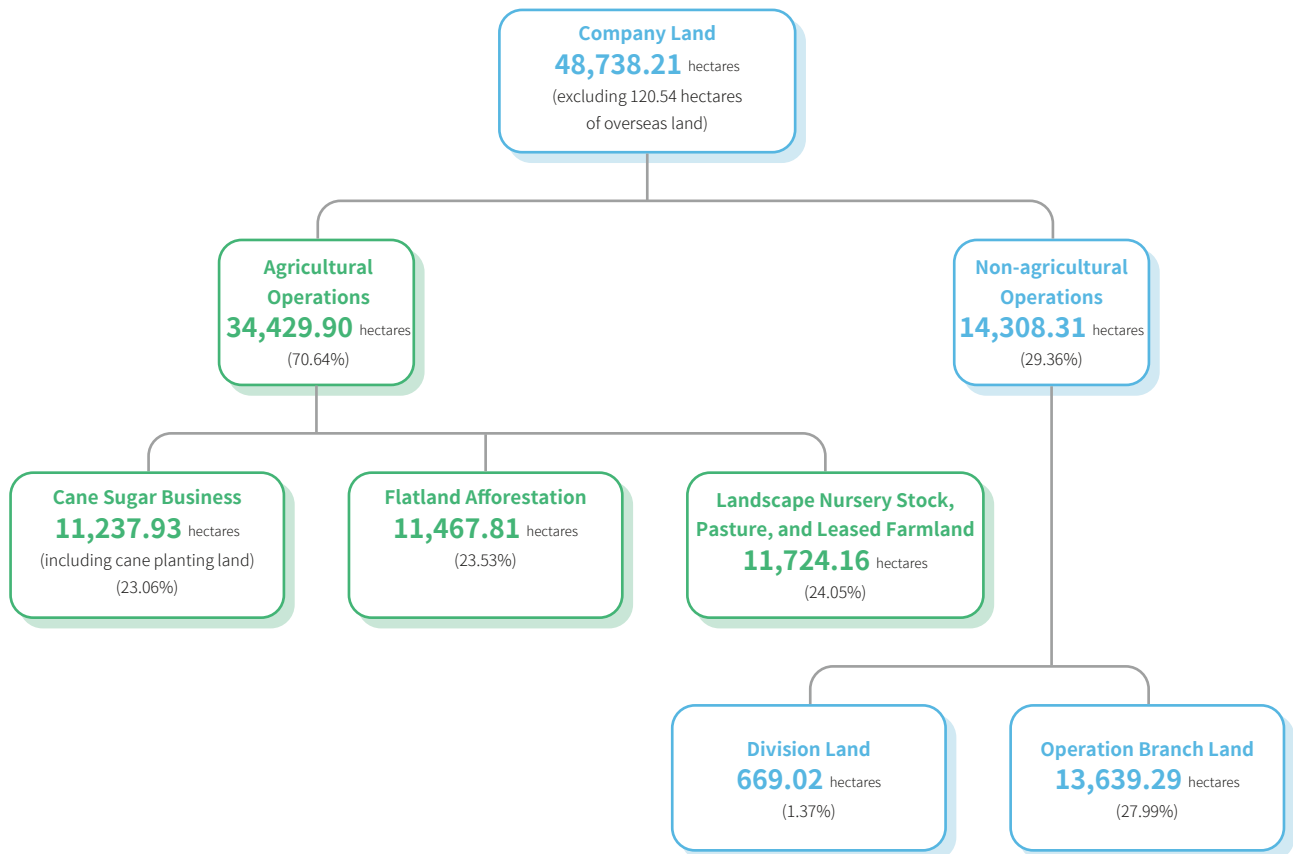
SDG 15.5 SDG 15.9





As of 2024, the total land area of the existing land resources possessed by TSC is 48,738.21 hectares (120.54 hectares of overseas land not included). TSC owns a total area of 34,429.90 hectares of agricultural land resources, of which 23.06% (11,237.93 hectares) is for sugarcane business (including land for sugarcane cultivation), 24.05% (11,724.16 hectares) is for seedlings for landscape, pasture, and leased farmland while the rest 23.53% (11,467.81 hectares) belongs to forest land. In accordance with the concept of business development and the sustainable management of land resources, TSC continues to cooperate with the government's needs for public policies to maximize the value of land.

### Usage of Land Resources



## 3.1 Sustainable Agriculture

TSC has been upholding the vision of “becoming a benchmark enterprise in health and green industries”. We encourage farmers to engage in friendly, organic farming methods, proactively provide production technology and marketing channel resources, and also play a role in supporting the positive cycle of society. In addition to the introduction of Taiwan Agriculture and Food Traceability System for sugarcane, TSC has also taken the lead in investing in low-carbon agricultural technology research, exploring the development path of soil carbon sinks, and collaborating with academic research institutions to test the effectiveness of biological control projects to enable more efficient and safer utilization of land resources, in the hope of playing a leading role and driving Taiwan's agricultural transformation.



### 3.1.1 Eco-friendly Farming

Organic farming is an environmentally friendly and sustainable model for agricultural production. Starting from 2000, TSC has strictly selected high-quality farms as organic rice cultivation bases. In addition to actively develop our own organic crop cultivation zones, we also continue the trial planting and mass production of economic crops. In 2024, the self-operated organic rice certification area reached 87.85 hectares. The main market includes schools & group meals, convenience stores and chain channels. Furthermore, in line with the government's promotion of the new agricultural policy to advocate organic farming, as of the end of December 2024, the Company has provided the government 334.57 hectares (14 cases) of leased land for the establishment of a special zone for organic agriculture. Additionally, the Company continues to support the promotion and cultivation of organic agriculture through leasing arrangements, offering organic farmland, greenhouse facilities, packaging rooms, and refrigeration equipment for lease to professional farmers or agricultural enterprise groups. As of the end of December 2024, the leased area amounted to 1,025.15 hectares, encompassing a total of 192 cases.

Currently, the mainstream of agriculture in Taiwan still adopts conventional farming methods. To reduce the negative impact of the use of chemical fertilizers and pesticides in conventional agriculture on soil and water resources, our Sugar Business Division has joined hands with the Taiwan Sugar Research Institute (TSRI) to conduct research and testing on the carbon sequestration benefits of green manure crops and the biological prevention and control of pests and diseases. We will continue to improve and verify, aiming at finding a recycling model that is easy to implement and has economic benefits to promote the sustainable development of agriculture.

#### Carbon Sequestration of Green Manure

The main sources of GHG emissions of the Food and Agriculture Industry are from the “rice planting” and “crop residue burning” on the farmland, and the “agricultural soil,” “lime treatment,” and “urea application” for soil fertilization. Among them, the “agricultural soil” in soil fertilization accounts for the highest proportion of emissions. According to foreign literature, rotating leguminous green manure with corn for 12 years can fix an average of 1.3 metric tonnes of carbon into the soil per hectare per year. Green manure can be used as fertilizer directly or indirectly. It also has the functions of increasing soil nutrients and organic matter, improving the physical and chemical properties of soil, and reducing soil erosion. By improving soil fertility and ecological conditions, it can even allow crops with biomass energy potential to be planted on land that was originally unsuitable for cultivation.

| Efficacy                                                                                  | Content                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Improve Soil Physiochemical Nature                                                        | The green manure crops are cultivated to be incorporated into the soil while still green, and when their cellulose, lignin, and other substances that are difficult to compose are combined with the soil clay particles to form soil colloidal composites after humification, the soil temperature and soil buffer capacity are improved.                                                           |
| Promote the Activity of Beneficial Microorganisms in the Soil                             | Green manure residues (organic substances) can provide microorganisms with nutrients and energy, balance soil microbial populations, reduce and avoid the reproduction of pathogenic bacteria, and increase crop disease resistance.                                                                                                                                                                 |
| Covering Soil                                                                             | The main roots of leguminous green manure crops go deep into the soil layer, and the organic matter in the roots and plant residues have the function of cementing soil that can consolidate the soil and accumulate water and nutrient in the soil.                                                                                                                                                 |
| Reduce the Occurrence of Pests and Diseases                                               | Green manure crops can change the composition of organic matter in the rhizosphere soil to maintain a stable ecosystem and increase the activity of soil microorganism, reducing the pathogenic bacteria or pests population in soil, and the problem of soil sickness can be improved, the toxic substances can be decomposed, and the accumulation of toxic substances in the soil can be reduced. |
| Enhance the Water Contention Capacity of Soil and Improve the Drought Resistance of Crops | Humus is loose and porous hydrophilic colloid that can absorb a large amount of water and improve soil permeability so as to provide crops with more effective water.                                                                                                                                                                                                                                |
| Reduce Pollution From Pesticide and Heavy Metal                                           | Brown humic acid enables the increased solubility of some pesticides remained in soil, such as DDT, triazine, etc., and it can accelerate their leaching. In addition, it can also produce water-soluble complexes with certain metal ions to allow toxic metal ions to be discharged from the soil with water, reducing the harm to the crops and pollution to the soil.                            |



TSC has a vast planting area of sugarcane, making it an indispensable carbon pool. The Sugar Business Division also plants leguminous crops such as Sesbania and Sun Hemp after the harvest of sugarcane and before the planting period. Based on the experimental data of the Agricultural Research and Extension Station, by incorporating 25,000 kg of fresh sunn hemp green manure biomass per hectare and assuming a nitrogen mineralization rate of 80%, it is estimated the amount of nitrogen fertilizer used in subsequent plantings can be reduced by 1/3 to 1/2, thereby reducing the production of greenhouse gases.

Part of our company's land is released for lease (for melon farmers to grow melons or other short-term crops), for weed control areas in sugarcane plantations, waste materials (filter mud, bagasse, ash) for sugar factories, and for application of alkaline materials such as oyster shell powder to improve acidic soil, not all leisure land is used to plant green manure crops. According to statistics, the total green manure planting area in 2022/2023 is 444.28 hectares, and it is initially estimated that 577.54 metric tonnes of carbon can be fixed in the soil of sugarcane plantations. However, the actual data requires an experimental inventory of the cultivated land planted with green manure in previous years to obtain objective quantitative data. Therefore, the Sugar Business Division and the Taiwan Sugar Research Institute (TSRI) proposed a project to cooperate with National Tsing Hua University in 2023-2024 to select 4 farms to use 4 organic materials of filter mud, bagasse, green manure and pig manure compost as the test base. Each farm also added 100% and 50% chemical fertilizers as the control groups, and evaluated the impact on the organic quality in the soil after one and a half years of cultivation. The test results show that adding filter mud has the most significant effect on increasing soil organic carbon content. It is roughly estimated that after a whole cycle of spring planting sugarcane, the soil organic carbon can increase by 0.6 metric tonnes and 1.2 metric tonnes per hectare in the surface and subsoil respectively (an average of 0.9 metric tonnes per hectare), followed by bagasse.

In addition, the analysis of the composition of the sugar production by-product fly ash revealed that the total carbon content of the fly ash is about 5.5%, showing great potential to increase soil carbon sinks. After conversion, if 365 metric tonnes of fly ash is applied per hectare, the soil organic carbon content of the surface soil can be increased by about 1%.



## Biological control and technical exchange

To help implement the agricultural policy of "reducing chemical pesticides by 50% in 10 years," Taiwan Sugar Corporation has collaborated with academic research institutions to expand trials of using birds of prey to reduce rodent damage, and has invested in research on the use of drones to drop Red-eyed egg parasitoid wasps (*Trichogramma*) to control sugarcane borers. This is intended to resolve the pain point of the previous need for manual application of parasitic wasp sheets, which is labor-intensive and time-consuming.



Using "(paper) capsule toys" as carriers for *Trichogramma* egg parasitoid release sheets



Drone-assisted release of *Trichogramma parasiticus* "capsule toys" in sugarcane fields

At the beginning of 2024, the Sugar Business Division held its first physical exchange activity with the Pest Management Technology Development Team of the Kyushu Okinawa Agricultural Research Center (NARO) after the pandemic, reopening new ideas and cooperation opportunities between Taiwan and Japan in sugarcane breeding, integrated pest control, and precision management. During the meeting, opinions were exchanged on the control methods of sugarcane wireworms, the use of sex pheromone attractants, and trapping containers, which will help the company apply them to sugarcane plantations in the future to reduce the pest population and damage, increase the proportion of perennial sugarcane, reduce tillage in sugarcane cultivation, and thus reduce carbon emissions. In September 2024, the Taiwan Sugar Research Institute (TSRI) received the delegation led by Minister of Department of Agriculture, Forestry and Fisheries, Okinawa Prefectural Government, Japan to share the current status of Taiwan Sugar's sugarcane breeding and the experience of using drones for biological control of sugarcane borers. The two sides also exchanged and discussed the implementation details of attaching GPS to the tractor in the sugarcane field.



Group photo of the delegation from Kyushu Okinawa Agricultural Research Center (NARO) and TSC staff



Group photo of delegation from Department of Agriculture, Forestry and Fisheries, Okinawa Prefectural Government and TSC staff



## 【Special Column】

# Harnessing Raptors for Pest Control for the Protection of the Sugarcane Farm

As a leading sugar brand in Taiwan, TSC pays attention to food safety. All of its sugarcane plantations have passed the TGAP certification and follow the Taiwan Good Agricultural Practices (TGAP) in production. In 2022, with the support of the Department of Agriculture and Food Agency of the Ministry of Agriculture, TSC collaborated with the National Pingtung University of Science and Technology in the "Promoting the Introduction of Eco-friendly Control Technology into Taiwan Good Agricultural Practices- Eco-friendly Rodent Control and Monitoring in Sugarcane Field and Promotion of Sugar Industry Ecology" project, adopting the spirit of non-chemical agricultural control, and setting up perches at the cane farms in Taisugar's Tsengwen Farm under its jurisdiction. We made use of the nature of birds of prey that likes to stand on high ground to attract them to live in the fields to catch wild rodents, using natural predators to control rodent infestations in sugarcane fields. This project has initially verified that ecological agriculture is effective. In addition to reducing the use of rodenticides, this approach also protects endangered species and biodiversity while taking into account crop productivity, successfully creating a new model of harmonious coexistence between agriculture and ecology.

In February 2024, TSC expanded the project to Yunlin Longyan Farm and Tongan Farm. Currently, there are 3 sugarcane farms with a total of 10 raptor perches. In the same year, TSC won the Gold Award of bronze award at the Taiwan Sustainability Action Award (TSAA)- for "Protecting Cane Farm by Using Raptors to Catch Rodents". Since the establishment of the TSAA (Sustainability Action Award), TSC has won the award for four consecutive years. TSC's ESG execution and outstanding results have been repeatedly recognized and praised externally.



National Pingtung University of Science and Technology Team

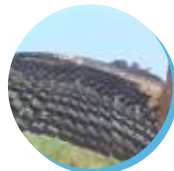


Automatic Observation Field Camera

The ecological record of this project has yielded fruitful results. In addition to the Formosa hare and ring-necked pheasant, as many as 11 species of raptors were observed on the perches, including *Elanus caeruleus*, *Tyto longimembris*, *Ninox scutulata*, *Pandion haliaetus*, *Spilornis cheela*, *Accipiter gularis*, *Falco tinnunculus*, *Accipiter virgatus*, *Otus lettia*, *Buteo hemilasius* and *Buteo japonicus*, among which the *Tyto longimembris*, a critically endangered Tier 1 protected wild species, is the most precious. In addition, a rare winter migratory bird, the "*Buteo hemilasius*", was spotted at the Tongan Farm, indicating that the Taiwan Sugar Corporation's sugarcane fields provide good natural resources and conditions, sufficient to serve as a suitable wintering habitat.



Wintering habitat of the *Buteo hemilasius*



*Spilornis cheela*



*Elanus caeruleus*

In the future, TSC will continue to use an eco-friendly farming model that takes into account both production and ecology, providing the public with high-quality and safe domestic sugar that can be traced back to the source, while protecting natural resources and promoting sustainable development of agriculture and the environment. As a state-owned enterprise and the largest sugarcane producer in Taiwan, TSC hopes to set an example and inspire other agricultural operators, encourage more farmers to invest in eco-friendly farming methods, and create more successful cases of ecological agriculture, so as to jointly create a healthy agricultural ecological environment.

### 3.1.2 Support the Development of Agriculture

TSC shoulders the mission of stabilizing domestic sugar prices. In addition to purchasing sugar from contracted sugarcane farmers at guaranteed sugar prices, there are also various measures to assist contracted sugarcane farmers with production. To align with the government's policy of "stabilizing the balance between domestic agricultural production and marketing", Taiwan Sugar Corporation handles the leasing of farmland for planting controlled crops in accordance with the "Coordination between Executive Yuan's Council of Agriculture and the Ministry of Economic Affairs on TSC's land leasing affairs", and the target area of control in line with the production and marketing balance policy is 4,778 hectares. No land resource rights-related protests occurred in 2024.

The company has taken the initiative to establish partnerships with farmland lessees, providing information such as production technology, marketing, and channel characteristics to strengthen interactive cooperation with young farmers. In addition to land lessees, TSC also expands its service objects to the entire eastern Hualien area to expand its influence on agriculture. It is hoped to market agricultural products produced by local young farmers through the development of multiple young farmer businesses, assist in regional agricultural development, and encourage or promote young people to return home.

#### »» Sugarcane Contract Farming

There is no labor contract or employment relationship between our company and the contracted sugarcane farmers, and they are also the land owners. Considering the distance between the farmland and the sugar factory, as well as factors such as harvesting and transportation, we select suitable farmers to sign contracts as contracted sugarcane farmers. The content of the standard contract includes basic information of the sugarcane farmers, the location of the land, the land number, the planting area, the planting date, the sugarcane variety and other information. 55% of the sugar made from the sugarcane farmers is "sugar shared by the farmers", which is purchased by Taiwan Sugar Corporation at a guaranteed price of NTD 24,878 per metric tonne. We also bear the transportation fees for the raw sugarcane farmers, the fire insurance premiums for the sugarcane plantations, the rodent bait fees and other subsidies. In addition, low-interest loans for production is also provided, calculated at a monthly interest rate of 0.25% simple interest, to help sugarcane farmers raise funds needed for the production process.

The Sugar Business Division's Shanhua and Huwei Sugar Factories have introduced Taiwan Agriculture and Food Traceability System for sugarcane since 2020 and 2021, respectively. The types and amounts of pesticides used are in compliance with the relevant regulations of the Agriculture and Food Traceability System. The pesticide currently used is "10% Terbufos" granules (dosage less than 30kg/hectare) for the prevention and control of underground pests, and the total amount used in 2024 was 60,760 kg. In addition, the Department of Agribusiness Management's self-operated crop pesticide management plan is handled in accordance with current regulations. For example, it is prohibited to apply Paraquat to non-GM soybeans. In addition to the prohibition of being used in the production process, it cannot be detected in the final product. On the other hand, legal and positively listed pesticides can be reasonably used on crops. In 2024, the pesticide procurement amount of Department of Agribusiness Management was NTD 449,200, and it is mainly used for landscape crops.

#### Note:

According to Taiwan's Pesticide Labeling Management Measures, the acute toxicity of pesticides is classified into extremely toxic, highly toxic, moderately toxic, slightly toxic, and low toxic based on the oral LD50 and skin LD50. The 10% Terbufos used by Taiwan Sugar Corporation is classified as highly toxic.



## Low-carbon Fertilizer

In line with the circular economy policy, Taiwan Sugar Corporation actively promotes the whole sugarcane utilization and develops sugar factory waste into organic fertilizers, including two major series: bagasse organic fertilizer and organic fertilizer (granular). In addition, the Tainan Operation Branch uses the sugar filter mud produced in Shanhua Sugar Factory to develop bagged "Taisugar Tang Boa organic Fertilizer (Powder)" organic fertilizer products, and has obtained a miscellaneous compost fertilizer registration certificate issued by the Agriculture and Food Agency. It can be used directly for soil improvement or reused as part of the raw materials for cultivation media.

Peat is commonly used as a cultivation medium for general crop seedlings and off-ground cultivation. However, under the international trend of wetland protection, the mining of peat is evaluated as a non-sustainable resource and is at risk of exhaustion. Therefore, there is a trend of reduced production and rising prices internationally. According to data from the Taichung District Agricultural Research and Extension Station (Y. H. Tseng, 2023), the mining of white peat and black peat will produce 26kg CO<sub>2</sub>e/m<sup>3</sup> and 51kg CO<sub>2</sub>e/m<sup>3</sup> respectively, and during the process of application will produce 183kg CO<sub>2</sub>e/m<sup>3</sup> and 257kg CO<sub>2</sub>e/m<sup>3</sup> of carbon emissions respectively.



The company's newly developed organic fertilizer "Taisugar Tang Boa organic Fertilizer (Powder)" was tested by the TSRI for one year in 2023 and confirmed that it can replace peat as a general horticultural cultivation medium, which helps reduce carbon emissions generated during the mining, transportation and use of peat.

## Smallholder Farmers Planting Carbon

Sugarcane is a four-carbon (C4) crop with extremely large unit biomass yield on the earth. It has a highly efficient carbon fixation capacity and has made outstanding contributions to mitigating the greenhouse effect. In addition, soil carbon sinks are an important path to "natural carbon sinks" in the 12 key strategies for net zero transformation. However, foundational scientific data remains incomplete, and the relevant measurement methodologies are still under review by the Ministry of Environment.

TSC's current sugarcane planting area remains at around 10,000 hectares (including contract farming). In response to the country's 2050 net-zero emissions policy and the international "4 per 1000 Initiative", it uses "carbon planting" to achieve the goal of carbon neutrality and net zero in sugarcane plantations. It has proactively planned to join the "Small Farmers Salute Paris Agreement and 4 per 1000 Initiative" initiated and implemented by the Green Consumer Foundation and Eco-affinity Inc., and has brought together about 300 small farmers to register about 270 hectares of farmland. It is expected that after participating in the project certification, related products will not only be able to be labeled with "gold standard" carbon reduction certification, the carbon rights generated will also be internationally accepted, which will help with TSC's transformation into a zero-carbon enterprise.

In recent years, the company has actively used its own agricultural and land resources to promote net-zero transformation and become the cornerstone of natural carbon sinks in the national net-zero emission plan. Before the relevant domestic standards and methodologies for land carbon sinks are officially completed, it will take the lead in cooperating with academic research institutions to accumulate inspection data, introduce international certification, and actively provide reference templates for the government. This "Small Farmers Salute Paris Agreement and 4 per 1000 Initiative" is Taiwan's first international soil carbon sink project and has been officially logged on the Gold Standard official website. Taiwan Sugar Corporation has also signed a project commission development contract with Eco-affinity Inc., and initially planned to use 2 hectares of sugarcane land in Liuying Farm to participate in the project, that is, to increase the proportion of organic fertilizers such as "filter mud" produced by the company's sugar

production end, so that chemical fertilizers can be reduced by 50%, and it will also make Taiwan Sugar Corporation the only company that currently increases soil carbon sinks through sugarcane planting. The 2 hectares of sugarcane land in Liuying Farm have been harvested in January 2025, and soil sampling was carried out by Eco-affinity Inc. and sent to the Environmental Laboratory of the Department of Public Health of Tzu Chi University in Hualien for soil organic carbon testing and analysis. The relevant results data will be announced after review by international verification unit.



## 3.2 Modern Livestock Farm

### 3.2.1 The World's First Livestock Farm Certified under the BS 8001 Circular Economy Standard

TSC is a pioneer in pig farming with enterprise management in Taiwan. It has been more than 7 decades since TSC started the livestock breeding business in 1952. To completely solve the environmental issues of pig farming, respond to the government's 5+2 Innovative Industries Plan, and introduce ecological balance, environmental protection, and green concepts into pig farming industry. The model green energy livestock farm "Dong Hai Fang Agricultural Circulation Park " won the nation's highest environmental honor award in 2024- the 6th " National Enterprise Environmental Protection Award- Silver Award"

Dong Hai Fang Agricultural Circulation Park is not only the first agricultural and livestock farm in Taiwan that combines green energy, water recycling and biological recycling, but also the first livestock farm in the world to obtain international circular economy standard certification. With the vision and goal of "three zeros" (zero waste, zero emissions, and zero accidents), it practices carbon reduction and deodorization, and has successfully reversed the NIMBY impression of pig farms.





Dong Hai Fang Agricultural Circulation Park has introduced a new type of negative pressure water curtain closed pig house to control temperature, humidity and epidemics. It has built-in ventilation, deodorization and automatic feeding systems to implement intelligent management. The pig house uses elevated slatted flooring system and a manure scraping system to significantly reduce the water used for pig house cleaning by over 75%. After the pig manure and urine are collected uniformly, they are transported to the biogas center through a closed pipeline. Through the anaerobic digestion process, the biogas produced can generate electricity. After the solid-liquid separation, the biogas residue is added with sawdust and waste mushroom bags to make organic fertilizer; the biogas slurry enters the sewage treatment system and is recycled and reused for tree irrigation or park water. Solar panels are installed on the roof of the pig house to not only help cool it but also produce green electricity, reduce carbon emissions, and accelerate the domestic renewable energy transformation.



Biogas Center in the Park



The Park Organizes Environmental Education Programs

TSC has set the best example of circular economy in the pig farming industry through the Dong-Hai-Feng Agricultural Circulation Park, and continues to receive visits and exchanges from government agencies, schools, research institutions, companies and other groups, with a total of 842 people in 2024. In addition, the Dong Hai Fang Agricultural Circulation Park also obtained certification of Environmental Education Facility and Field in 2022, making it Taiwan's first environmental education site with the background of "green energy pig farming". From breeds, physiological structure, habits, animal welfare feeding methods to back-end processing, as well as the reduction of odors in the pig farming process, the harmlessness and resource utilization of pig manure and urine, etc., it leads people to understand the pig farming industry. A total of 11 environmental education sessions were held in 2024, with a total of 314 participants.

### 3.2.2 Diffusion of Resource Recycling Technology

Located in Pingtung County, Dong Hai Feng Agricultural Circulation Park under the Taiwan Sugar Corporation has been built into a demonstration park with multiple features, including high-tech pig farming, waste-to-energy, green energy and environmental protection, and environmental education. The subsequent 13 pig farms of Taiwan Sugar Corporation also used this as a benchmark, upgrading the original traditional open pig houses to modern closed water curtain pig houses, and introducing biogas power generation equipment to properly collect and utilize the biogas produced by the fermentation of pig manure and urine, converting the biogas into green energy, reducing the impact of the pig farming industry on the environment. It is hoped that it can play a leading role and encourage more related industries to be willing to invest in the biomass energy industry, improve efficiency, implement resource recycling, and help promote the sustainable development of domestic animal husbandry.

## Investment Project for the Renovation of Agricultural Circulation Pig Farms

The "Agricultural Circulation Pig Farm Renovation Investment Plan" for 13 pig farms is the first large-scale investment and renovation project of TSC since the development of the livestock business. Through the renovation, the wastewater and waste treatment processes in the farms will be strengthened and controlled, and the operating procedures will be reviewed and improved. The pig manure and urine in the pig farms will be collected and divided into four treatment paths. The purpose is to let all parties redefine the pig farming industry and lead the development, improvement and upgrading of the domestic pig farming industry.

### 1 | Biomass Energy

Biogas produced through fermentation is used for power generation to increase revenue (green energy resources).

### 2 | Biogas Residue Compost

After solid-liquid separation, the biogas residues are turned over and matured to make compost, which not only is neighbor-friendly but also increases fertilizer income.

### 3 | Biogas Slurry Recovery

After sewage treatment, part of the biogas slurry is recycled to the site for reuse (water resources), and the odor is controlled to allowable range that is acceptable and compliant with regulations. It takes into account the pig farm configuration and production capacity, biological epidemic prevention, and proper treatment of sewage and odor, changing people's stereotype, and enabling the public to gradually recognize the livestock and renewable energy circulation industry.

### 4 | The Biogas Slurry and Residue are Used as Fertilizer in the Farmland

We cooperate with the Ministry of Environment to promote the use of biogas slurry and sludge as fertilizer for farmland, and the recycling of agricultural waste, biogas slurry and sludge will be returned to TSC's self-owned farmland to increase soil fertility. In 2024, 141,077 metric tonnes of biogas slurry and sludge was used for irrigation. (Nanjing, Xincuo, Shilin Yi, Da Xiang Yi Chang, Da Xiang Er Chang and Dong Hai Feng Agricultural Circulation Park) Douliu Breeding Farm will handle the recycling of 1,534 metric tonnes of solid waste for irrigation of farmland, reducing wastewater discharge into rivers and reducing pollution.

This project involves as many as 13 pig farms and also the needs of different feeding stages, and the entire project is huge and complicated. Therefore, is divided into two phases of construction. Phase I, consisting of six facilities, was gradually completed and entered trial operation between 2023 and 2024. Phase II, comprising seven additional facilities, is targeted for completion by the end of June 2025, with production expected to begin in stages starting in 2026. Full-scale production is projected to reach 500,000 pigs annually by 2030.

| Project Phase | Site                                                                         | Implementation Status                                                  |
|---------------|------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Phase 1       | 6 pig farms<br>(Yuemei 1, Yuemei 2, Douliu, Huwei, Shanhua, NanShalun)       | Gradually completed and entered trial operation between 2023 and 2024. |
| Phase 2       | 7 pig farms<br>(Nanjing, Lucao, Da Xiang1, Da Xiang, Silin1, Silin2, Xincuo) | The project is scheduled to be completed by the end of June 2025.      |



**Investment Project for the Renovation of Agricultural Circulation Pig Farms**

| Plan to Invest           | The Biogas Power Generation Target | Expected Annual Sales of Hogs |
|--------------------------|------------------------------------|-------------------------------|
| NTD <b>12.45</b> Billion | <b>788</b> GWh/Year                | about <b>500,000</b>          |

Note:  
If the Dong Hai Feng Agricultural Circulation Park is included, the total biogas power generation target of TSC is 8.92 GWh/year, and the annual sales of pork is 540,000 heads.

**Comfortable Pig Housing with  
Negative Pressure Ventilation  
and Water Curtain**



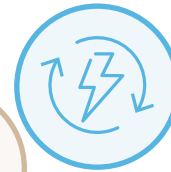
**Manure Collection System**



**Smart  
Management  
System**



**Renewable Energy  
(Biogas Power Generation)**



**Separating Rainwater  
from Sewer and Recycling**



**Animal Welfare**



**Automatic  
Feeding System**



## Tung Sugar Energy Service Co., Ltd Promotes the Emerging Green Energy Businesses

As a state-owned enterprise, Taiwan Sugar Corporation (TSC) upholds its corporate social responsibility by aligning with the government's "5+2 Industrial Innovation Plan" and global sustainability trends. TSC actively promotes the energy and resource utilization of biomass waste. In addition to reusing pig manure and urine from its own facilities, the Company also supports national policies aimed at advancing the development of domestic biomass energy.

After learning that Taiwan Sugar Corporation (TSC) had accumulated substantial experience and achievements in biogas power generation over the years, Tung Ho Steel Group evaluated the potential of introducing U.S. biogas technology for development in Taiwan and sought to collaborate with TSC. Following feasibility assessments and internal reviews, TSC determined that the proposed collaboration aligned with both national policy and the Company's strategic direction. Moreover, the partnership would enable the integration of both parties' expertise, manpower, and capital to jointly invest in the development of biomass energy, thereby fostering the growth of emerging green energy businesses and contributing to improved environmental quality in Taiwan. In addition, operating through a private enterprise structure allows for greater flexibility and efficiency, which is conducive to effective implementation and industrial development. With the project having been approved by the Executive Yuan in June 2020, TSC partnered with Tung Ho Steel, Chia Der, and Far Eastern Group to establish Eastern Sugar Energy Service Co., Ltd. The first project site broke ground in 2021. By November 2023, fermentation tanks at Eastern Sugar began microbial seeding and substrate feeding for biogas production. Trial operations of the biogas power generation system commenced in March 2024, and official renewable energy equipment registration was obtained in May of the same year, marking the start of commercial operations. The Company aims for smooth future operations and is committed to achieving zero waste and sustainable development.

### 3.2.3 Promote Scientific Breeding

Animal welfare is closely linked to food safety and the risk of disease outbreaks. TSC manages pig breeding in accordance with the Ministry of Agriculture's Animal Industry Act and the "Key Points for Pig Farm Production Management Operations" of the internal control system, and complies with the regulations on the transport, loading and unloading, and slaughter of animals and aquatic animals. The HACCP management system is implemented to eliminate food hazard risks. After hazard analysis (including biological, physical, and chemical) of each process step from raw material acceptance to shipping, effective control measures and conditions are established to prevent,

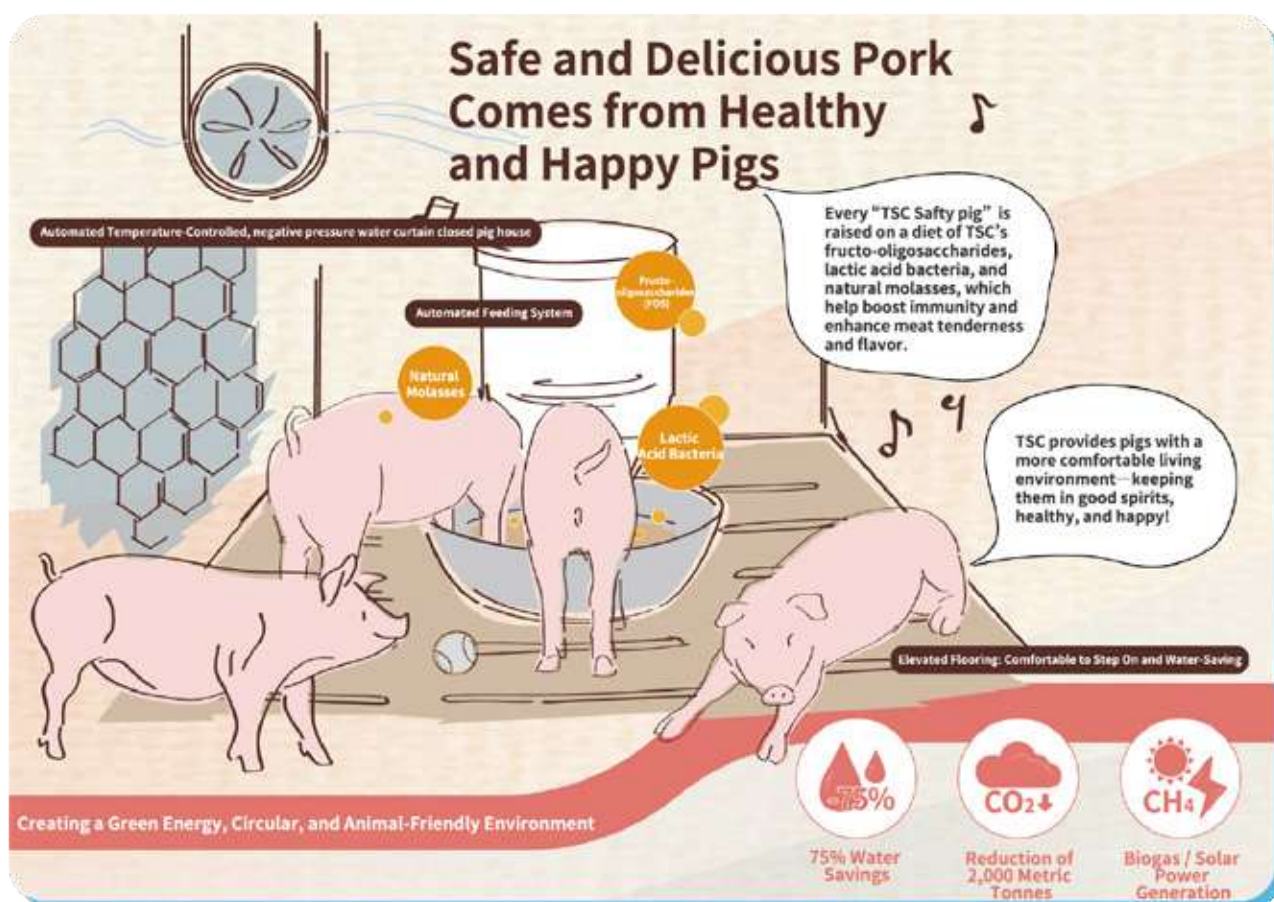
eliminate, or reduce food hazards to an acceptable level. There were no violations of laws and regulations in 2024 and voluntary standards were complied with.

TSC ensures the stability of pork quality, texture, and flavor through a sound and comprehensive pig breeding system, feeding management, and feed nutrition. We are also willing to share pig-raising experience and encourage more young farmers to invest in it, so as to enhance the competitiveness of Taiwan's pig farming industry.

## Pig-friendly Rearing

The Renovation Project of Agricultural Circulation Pig Farms is not only a good solution to turn pig farming industry into an eco-friendly one, but also a global trend to improve animal welfare. The use of negative-pressure water curtain in the pig housing provides comfortable and pollution-free environment for pigs. The adoption of smart management and automated feeding system significantly improves farming efficiency while enabling real-time health monitoring, creating a win-win-win situation for pigs, TSC, and consumers.

The design and spatial layout of the pig housing comply with EU animal welfare and animal-friendly farming regulations. The pigs are castrated within 7 days of birth. There are toys in the pig house for the pigs to play with. In the planning of new pig house, the sows will only be kept in a narrow pen for one month from artificial mating for the observation of whether they are pregnant. The dimensions of the sow stalls are designed in accordance with the Guidelines for Animal-friendly Husbandry issued by the Ministry of Agriculture (1.64 square meters of activity space per sow). The farrowing pen (not a narrow pen) is also designed to be compliant with the animal-friendly guidelines (6 m<sup>2</sup> of activity space per sow) for the sows to have sufficient space for movement, creating a friendly environment for delivery and lactation. The design of the hog house is compliant with the EU regulations with the activity space of 1 m<sup>2</sup> per head.





TSC's Livestock Business Division operates pig farming business based on five core principles: genetic optimization in breeding, industrial-scale farming, scientific disease prevention, environmentally friendly and park-like environments, and humane animal welfare practices. In addition to feeding the pigs with self-produced "green feed" (self-produced feed without antibiotics and added with fructooligosaccharides (FOS), natural molasses and lactic acid bacteria) to maintain intestinal health and enhance immunity to reduce the risk of disease, we also develop precise nutritional feed formulas based on the nutritional requirements of pigs at different growth stages to improve production efficiency.

In recent years, the pig farm has combined the national energy transition and new agricultural policies to plan the transformation and upgrading of the pig farm. In 2020, TSC took the lead in completing the demonstration field-Don Hai Fen Agricultural Circulation Farm. The pig farm currently uses modern facilities such as "new closed negative pressure water curtain pig house", "biogas power generation system" and "rooftop solar photovoltaic system" to realize waste-to-resource transformation, develops green energy, and reduces the odor of pig farming and the impact on the environment to ensure environmental hygiene and safety. At the same time, it also refers to the "EU Animal Welfare Requirements" to implement a friendly breeding environment, making it Taiwan's first modern pig farm with "agriculture, tourism, environmental education, and green energy". We continue to promote the "Agricultural Circulation Pig Farm Renovation Investment Plan" in order to drive the transformation of the domestic pig farming industry and realize the vision of environmental protection and sustainable development.

As mentioned above, TSC's meat products come from pigs raised in pig farms with carbon reduction goals, and comply with ISO 2200 (including) HACCP certification operating procedures, and have obtained TGAP (Taiwan Good Agriculture Practice) and 51 product carbon footprint labels. In the future, TSC is also actively planning to apply for carbon reduction labels and pork exports to expand the international market.



## » The Opening of the Academy of Agriculture and Animal Husbandry

Since its establishment in 2017, the Academy of Agriculture and Animal Husbandry has held 1-2 pig farming training courses every year. The course enrollment targets include young farmers, agricultural vocational school students, college summer interns, unemployed youth, and workers assigned by Taiwan Sugar Corporation contractors, allowing trainees from different backgrounds the opportunity to receive professional pig farming training and also injecting new blood into the industry. As of 2024, the total cumulative number of people trained in animal husbandry courses has reached 361, of which 245 are young farmers, and 234 young farmers have successfully graduated.

The pig farming basic training is a 6-week course that include theoretical courses and a four-week pig farm internship. The course covers pig "feeding management, feed nutrition, breeding, biosecurity, teamwork, production cost management, circular economy, wastewater treatment and animal welfare". Taiwan Sugar Corporation not only invited professional lecturers from many domestic colleges and universities, but also introduced experienced senior practitioners in the pig farming industry to share practical experience with trainees. For the internship course, trainees

are arranged to conduct on-site operations at the pig farm under the Livestock Business Division of Taiwan Sugar Corporation, including daily work such as semen collection, mating, pregnancy testing, and care of piglets and sows, so that trainees can fully understand the overall operation of the pig farm from daily feeding management to details such as reproduction and biosecurity, laying a solid foundation for their future careers.

In addition to theories and internship, the Academy of Agriculture and Animal Husbandry also planned field visits. Through the display of Dong Hai Feng Agricultural Circulation Park, trainees can learn how to combine animal husbandry, green energy, resource recycling and environmental education. They also participate in the environmental education courses arranged by the park to learn about pig production and circular economy. In addition, visits to slaughtering and cutting plants are also arranged, combined with courses such as slaughtering and meat processing, so that students can have a more complete understanding of the entire pig farming industry chain, experience every part from breeding to processing, and understand the details and operation logic of the pork industry.



Students' Class Situation



Internship and Group Discussion



Graduation Photo

TSC continues to adjust the courses through the trainees' feedback after the courses for the improvement of practicality, ensuring that the content they learn meets the actual needs of the industry. To date, some participants have successfully been placed in pig farms after the completion of training. It is also hoped that through diversified and professional training courses, more young farmers will be attracted to understand the pig farming industry, enhance their employment skills, and their willingness to enter the pig farming industry.

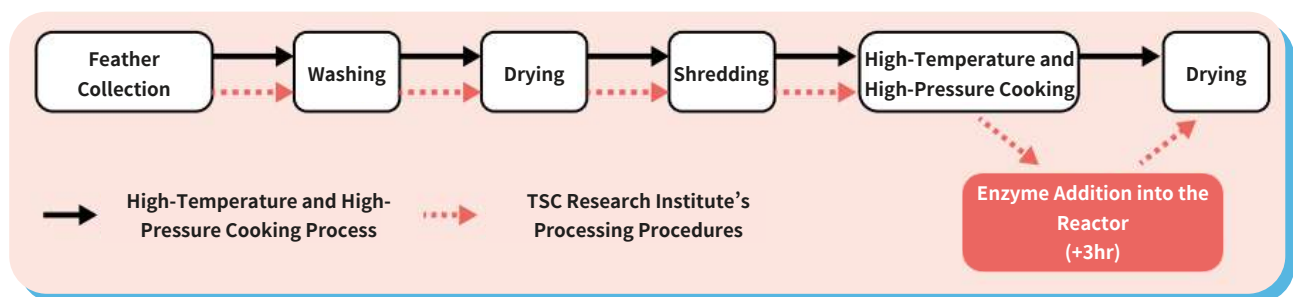


## 【Special Column】

# Feather Hydrolysis Technology Provides Low-carbon Feed Source

Feathers are 91% protein (mainly keratin), 8% water, and 1% fat. Keratin is similar in structure to human keratin and has extremely high bioavailability. However, the feathers produced in slaughterhouses are currently mainly made into feather meal by high-temperature and high-pressure cooking. The digestibility of this meal is only 40-60%, and the quality is unstable. It is difficult to use it in feed on a large scale and can only be added in small amounts to the feed of economic animals or even pets. Most of them eventually return to farmland and are buried without any higher-value utilization.

Taiwan Sugar Research Institute (TSRI) has found the pain point of this value chain. Without altering the existing industrial chain and the existing equipment of the processing plant, the addition of a single, simple reaction step incorporating specialized microorganisms can increase the digestion efficiency by over 85%, completely changing the quality and appearance of feather meal, and creating a new industrial value chain. Animal experiments have confirmed that in aquatic applications, it can be used as a growth promoter and replace 10 to 30% of fish meal protein; in the application of young livestock and poultry, it can be used as a high-quality protein and replace 20 to 50% of fermented soybean powder and fish meal protein. It is initially estimated that this technology can increase the output value of this industry in Taiwan by about 6.7 times, reaching NTD 2.8 billion.



Every year, about 380 million chickens are slaughtered, each weighing about 2-3 kilograms. It is estimated that Taiwan produces about 60,000 to 70,000 metric tonnes of feather waste each year, which can provide about 50,000 to 60,000 metric tonnes of protein. Through TSC's innovative technology, these proteins can be put to good use, which will help support the increasingly strong protein demand in the country. It not only meets the needs of livestock and aquaculture, but also reduces the pressure of traditional feed production on resources such as soybeans, corn and even fish meal. It does not compete with the people for food or plunder marine resources. At the same time, it also reduces the transportation cost and carbon emissions of imported feed, bringing sustainable development opportunities for both food safety and the environment.



## 3.3 Conservation of Ecological and Cultural Resources

TSC owns extensive land resources. Since 1997, in alignment with government afforestation policies, the company has carried out greening projects on idle land. As of the end of December 2024, the total area afforested and maintained reached approximately 11,467 hectares, accounting for 23.53% of the company's total land holdings. Notably, the forest parks located in Linhou Silin, Pingtung County, and Danong Dafu, Hualien County—both lowland forest areas—have been connected to surrounding ecological habitats, forming environmentally friendly ecological corridors that serve both conservation and recreational purposes for the public. In addition, four wetland areas have been leased to local governments for integrated planning and management as ecological parks.

Of all the land owned by TSC, 27.99% is used by all district branches. However, due to the changes in the times and industries, only Shanhua, Huwei and Xiaogang Sugar Factories are still in operation. To properly preserve sugar industry facilities, we have repaired and revitalized old sugar factories across Taiwan, promoted sugar industry culture through leisure and tourism activities, and transformed 5 old sugar factories into tourist sugar train parks. Some locations are even combined with local resources or special facilities and planned as environmental education venues.



TSC Ecological Resources



Cultural Tourism and Promotion Activities



Tourism Sugar Train Park



Environmental Education Venue

### Diversified Utilization of Natural Resources

As the 20-year afforestation subsidy period expires progressively on an annual basis, TSC continues to appropriately implement thinning operations on existing afforestation land and continue to carry out forest cultivation and management to create the most favorable conditions for the future development of carbon sinks in advance. It also adheres to the initial development vision of the flatland afforestation project—to improve the quality of the living environment of the people and provide recreational and educational functions, cooperate with the Forestry and Nature Conservation Agency "agricultural and forestry eco-tourism", "increase wildlife habitat environment" and "biodiversity" goals, and thus respond to the expectations of society and the people and assume the social responsibility of a state-owned enterprise.

In response to the country's key strategy of natural carbon sinks in the net-zero transition, Taiwan Sugar Corporation is actively developing forest carbon sinks and taking a re-inventory of afforestation land resources as an opportunity to transform forestry policies. In the future, it will cooperate with external parties and implement self-organized projects, in conjunction with the Ministry of Environment's methodology, to promote the country's net-zero carbon reduction and sustainable development goals.





## Revitalization of Sugar Factory Sites

During the Japanese Colonial Period, wooden structures and the industrial facilities in sugar factories had their own styles. These structures not only witnessed the process and transformation of the sugar industry but are also unique historical landscape and a symbol of memories, and is a rare and precious cultural asset. TSC continues to cooperate with the cultural institutions of the government, applies for subsidy projects for the preservation, restoration, management, and maintenance of cultural assets to accelerate the restoration and reuse of idle factory areas so as to achieve sustainable development of industrial heritage. In the future, we will gradually plan to attract investment for arts, commerce, accommodation experience, open visits, cultural relics exhibitions and film shooting activities, transforming it into a cultural and creative industry element with connotation, and enhancing the value of sugar industry cultural assets. In 2025, the company has already allocated NTD 53.964 million for the preservation, maintenance and reuse of cultural assets to carry out the preservation, maintenance and restoration and reuse of sugar industry cultural assets. The projects organized in 2024 are shown in the following table.

### Renovation of Japanese-style architecture and industrial facilities

| Item Number | Restoration Item                                                                                                                            | Current Implementation Status |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| 1           | Phase 1 planning and design for the restoration and reuse of Yuemei Factory's historical building "Sugar Workshop of Yuemei Sugar Factory." | In Progress                   |
| 2           | Emergency reinforcement of chimneys at Yuemei Sugar Factory.                                                                                | In Progress                   |
| 3           | The restoration and reuse planning and design of the Restoration Sugar-Making Workshop in Beigang Sugar Factory.                            | In Progress                   |
| 4           | The restoration and reuse project for the 1st guest house and the factory director's dormitory in Huwei Sugar Factory .                     | In Progress                   |
| 5           | The restoration and reuse project of the old clinic and barbershop in Huwei Sugar Factory.                                                  | Completed                     |
| 6           | The restoration and reuse planning and design of 11 dormitory buildings in Huwei Sugar Factory (including response plan).                   | In Progress                   |
| 7           | The restoration and reuse project for the dormitory #2 and #4 on Minzu 9th Rd. in Huwei Sugar Factory.                                      | In Progress                   |
| 8           | The restoration and reuse planning and design of the original Wumayuan Station of Sugar Railways.                                           | Completed                     |
| 9           | The restoration and reuse project of Western style dormitory (Gantang) in Suantou Sugar Factory.                                            | In Progress                   |
| 10          | The restoration and reuse planning and design of "Shuishang Nanjing Sugar Factory" and "Nanjing Sugar Factory warehouse complex."           | In Progress                   |
| 11          | The restoration and reuse project of the former head office of Ensuiiko Sugar Factory Co.                                                   | Completed                     |
| 12          | Laboratory planning and design of the former Ensuiiko Sugar Factory Co., Ltd. (including response plan).                                    | Completed                     |
| 13          | The restoration and reuse project of the Qiaotou Security Unit in Kaohsiung Sugar Factory.                                                  | In Progress                   |
| 14          | Taiwan Sugar Liuying Yeast and Feed Plant Restoration and Reuse Project.                                                                    | In Progress                   |



In addition, the sugar train is also a living history that witnesses the development of local industries. In recent years, TSC has continued to invest in transforming important sugar industry cultural assets into future tourism development resources. Statistics on sugar train related projects implemented in 2024 are as follows:

## Heritage Preservation and Activation of Sugar Railways

| Project                                                                        | Project Content                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Execution Status                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Restoration of Distinctive Sugar Rail Vehicles                                 | <ol style="list-style-type: none"> <li>1. In 2023, the "Victory Train," a iconic passenger car, was restored at the Xinying Railway Cultural Park. By bringing it back into operation, the historical charm of Taiwan's sugar railway culture was vividly revived.</li> <li>2. Restoration work was carried out on the Chenggong passenger car at the Xinying Railway Cultural Park and the No. 346 steam locomotive at the Xihu Railway Cultural Park.</li> </ol> | <ol style="list-style-type: none"> <li>1. In May 2023, it resumed operation between Zhongxing Station and Xinying Station; from February 3, 2024, "Victory" (Locomotive No. 538) once again started to operate on the Xuejia Line as a passenger service after 45 years, bridging the nostalgic sentiments of the older generation with the curiosity and fresh perspectives of the youth.</li> <li>2. Under restoration.</li> </ol> |
| Capability Building for Diesel Locomotive Operation and Maintenance Techniques | In 2024, the Department of Land Development organized the training courses for driving internal combustion engine train for new drivers, practical class for mechanical affairs and maintenance and engineering works of railway dedicated for sugar train, and on-the-job training course for railway operators.                                                                                                                                                  | 2024 training courses have been completed to enhance the professional knowledge and practical experience of sugar train operators .                                                                                                                                                                                                                                                                                                  |





## 【Special Column】

### Sugar factory attractions enrich Taiwanese TV dramas

In recent years, Taiwanese dramas have enjoyed a very good reputation, triggering a wave of drama-chasing craze, and the filming locations of these dramas have also become the favorites of drama fans, who then travel to those places, boosting local tourism. "Someday or One Day", "The Making of an Ordinary Woman", "U Motherbaker", and "Gold Leaf" are all examples. Based on this wave of craze, Taiwan Sugar Corporation announced 24 scenic spots in August 2023, welcoming film and television industry practitioners to come to various sugar factories for filming. This move not only demonstrates our social responsibility, but also provides unique and rich shooting scenes for Taiwan's film and television production.

The development of Taiwan's sugar industry can be traced back to the Dutch rule period. Then it passed through the Qing Dynasty and Japanese rule period, reaching significant growth after the Nationalist government came to Taiwan. With the change of the times, many sugar factories stopped production, but their unique architectural style, machinery and equipment and surrounding environment are preserved, becoming a precious industrial cultural heritage. From Japanese-style architecture, Japanese-Western eclectic architecture, tropical colonial style architecture to modern architecture of the postwar period, TSC's venues cover the architectural features of multiple periods to meet the needs of works with backgrounds in different eras. Moreover, many TSC bases cover a vast area and have rich natural resources, such as sugarcane farms, flat land afforestation, reservoirs, etc., which provide an excellent shooting environment for natural themes or works that require beautiful exteriors.



Japanese-style dormitory at Suantou Sugar Factory



Still from "Oxcart Trails", shot at Wushulin Sugar Factory  
(Photo courtesy of Hefeng Communication Co., Ltd.)

| Filming Locations                                                                                                                                            | Film and TV Series                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| Qiaotou Sugar Refinery                                                                                                                                       | Movie "Prince of Tears" and Movie "The Bold, the Corrupt, and the Beautiful" |
| Suantou Sugar Factory                                                                                                                                        | TV series "A Touch of Green" and Movie "KANO"                                |
| Shanhua Sugar Factory                                                                                                                                        | TV series "U Motherbaker"                                                    |
| An Nei Sugar Factory, Qiaotou Sugar Refinery, Hsin-Ying By-Products Factory, Xinying Sugar Factory, Xinying Railway Cultural Park and Wushulin Sugar Factory | TV series "Oxcart Trails"                                                    |

Most of TSC's 24 filming locations are important sites that preserve the development of Taiwan's sugar industry, witnessing Taiwan's transformation from an agricultural society to industrialization. Their rich historical atmosphere provides a credible background for historical dramas and nostalgic themes. Compared with filming in cities or other commercial places, the site rental provided by TSC is more reasonable, which can help producers control costs.

In general, opening the sugar factory to film and TV companies for shooting is not only an important attempt for Taiwan Sugar Corporation, but also opens up new possibilities for Taiwan's film and television industry and tourism industry. As more and more excellent works are produced in these scenes full of history and unique charm, we have reasons to believe that Taiwan Sugar Corporation will become an important driving force to Taiwan's film and television industry.

## 3.4 Land Activation and Utilization

As a state-owned enterprise, Taiwan Sugar Corporation continues to cooperate with the government's public policy needs, providing major economic and construction land, developing it into industrial parks, science parks, etc., to maximize the value of the land. In addition to assisting the government in promoting the "social housing" policy, the company has also taken inventory of existing land resources in recent years and built rental housing to meet the housing needs of the general public. In the future, TSC will continue to uphold a rent-only land use policy, select well-connected locations for planning and development, build affordable rental housing, or partner with the government for development, to ensure that these houses can achieve the greatest social benefits.

### Planning of 2024 economic and construction land

| Serial Number | Description of Use                                                                                                                                                                                                                                                                       | The Company's Land Area Planned to be Used |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 1             | Government agencies at all levels have planned 11 locations to develop industrial parks(1,023.65 hectares), and in response to the return of Taiwanese businessmen, MOEA's Industrial Development Bureau were given priority for the development of 5 industrial parks(519.97 hectares). | 1,543.62 hectares                          |
| 2             | For the purpose of flood control needs, 13 detention ponds were planned.                                                                                                                                                                                                                 | 303.93 hectares                            |
| 3             | The Southern Taiwan Science Park (STSP) of the of Ministry of Science and Technology, including the Kaohsiung Science Park (KSP), Tainan Science Park (TSP), Chiayi Science Park, and Pingtung Science Park.                                                                             | 480.43 hectares                            |
| 4             | Cases of expropriation and transfer to government agencies, including Wuluo River Detention Pond (4.63 hectares) and other public construction land.                                                                                                                                     | 40.33 hectares                             |
| 5             | Provide 6 sites for long-term care facilities.                                                                                                                                                                                                                                           | 4.49 hectares                              |

### Assist In the Promotion of Social Housing

From 2017 to the end of February, 2025, TSC cooperated with the government's policy of "social housing" and took inventory of 82 sites and 91.58 hectares of land for the Ministry of Interior to evaluate and plan the construction of social housing. TSC provided the land on a lease basis, and the National Housing and Urban Regeneration Center or the local governments will carry out the construction work. Among them, 23 sites with an area of 24.66 hectares have been approved for leasing, and it is estimated that 13,700 social housing units can be planned for construction. In the future, if there is still demand for social housing, we will re-evaluate suitable locations and provide land for the governments to plan and use. In addition, according to the Ministry of Interior's "Transforming Existing Hotels and Public and Private Housing into Social Housing" Project, a total of 1,598 units of TSC's 6 self-owned student dormitories in northern, central and southern Taiwan (Miaoli, Gongying, Douliu, Guiren, Nanzi, and Yehlin Dormitories) were converted into social housing in August, 2023. By leasing land and converting the existing housing, TSC can provide a total of 15,298 social housing units.





## Self-built house for rent

TSC used to build Taisugar Dormitories to work in line with the College Accommodation Environment Project. Nowadays, due to the promotion of sustainable development issues, we aim for economic growth while at the same time taking into account the ecological environment. Therefore, in 2019, TSC started the planning for the construction of Shalun Smart Green Energy Circular Residential Park, which was officially put into operation in 2021. This is the first example for TSC to introduce the concept of circular economy into a residential project. To promote the sustainable development and reuse of land, TSC also selects appropriate sites to build rental housing in northern, central and southern Taiwan, and the Green Building design is also incorporated in the buildings while smart technology is also applied, creating a better-quality living environment. The rental housing construction projects in recent years include the following:

| Project Schedule                                                                                     | Location                                                                                                                              |
|------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| Construction was completed in mid-2021, and operations began in the second half of the year.         | Wudong Section of Guiren District in Tainan City (351 units)                                                                          |
| Construction was completed in mid-2022, and operations began in the second half of the year.         | Xinduxin Section of East District in Tainan City (161 units)                                                                          |
| Construction was completed at the end of 2022, and operations began in the first half of 2023.       | Baowen Section of Nantun District in Taichung City (136 units)<br>Guanghua Section of Quanzhen District in Kaohsiung City (145 units) |
| Construction was completed in mid-2023, and operations began in the second half of the year.         | Huajiang Section of Wanhua District in Taipei City (130 units)                                                                        |
| Construction was completed in early 2024, and operations will begin in the second half of the year.  | Xinduxin Section of East District in Tainan City (elderly) (103 units)                                                                |
| Construction was completed in early 2024, and operations began in mid-2024.                          | Gaosong Section of Xiaogang District in Kaohsiung City (240 units)                                                                    |
| The projects will be completed by the end of 2026, and operation will start in the 1st half of 2027. | Qiaozhong Sections of Qiaotou District in Kaohsiung City (159 units)                                                                  |

In the rental housing construction plan, in response to the fact that Taiwan is about to enter super-aged society in 2025, TSC has been planning silver housing since 2018 and visiting various elderly residence and long-term care institutions as a reference for establishment and operation. The first circular intergenerational co-housing residential building was completed in the East District of Tainan City in early 2024 and officially started operation in June 2024. The residential space is designed with 103 units and 7 ground-floor shops, allowing for the introduction of related industries such as retirement facilities, clinics, convenience stores, restaurants, and more. The design includes classrooms, multipurpose activity spaces, a gym, a lounge, and a rooftop garden, providing open spaces for residents. In addition to creating a comfortable residential environment, we aim to establish lifelong learning and promote a sense of well-being, in line with the goals of “ageing together,” “learning together,” and “staying well together.”



## 【Special Column】

# Shalun Smart Green Energy Circular Residential Park Obtained the certificate of Level 1+ of LEBR issued by the Ministry of the Interior

To promote transformation to net-zero buildings, Ministry of the Interior took the lead in Asia in organizing the first Low Embodied-carbon Building Rating System (LEBR) Certification Ceremony in 2024, encouraging the industry to reduce the use of main structural materials such as beams, columns, slabs, and walls through design planning at the beginning of construction, and use low-carbon construction methods to minimize embodied carbon from the source. Among them, Taiwan Sugar Corporation's "Shalun Smart Green Energy Circular Residential Park" has the industry's highest 29% carbon reduction rate, and has obtained certificate of Level 1+ of the Low Embodied-carbon Building Rating System (LEBR) and Low-carbon Building Candidate Certificate, making TSC a leader in the practice of sustainable green buildings in our country.



Charter Ceremony of Low Embodied-carbon Building Rating System (LEBR)



Shalun Smart Green Energy Circular Residential Park

The choice of building materials and construction methods is key to reducing embodied carbon in architecture. TSC started the construction of the Shalun Smart Green Energy Circular Residential Park in 2019, and it adopted precast construction method to precast steel beams, columns, external walls, and floor slabs. Not only is the housing provided on a rental basis, but components such as elevators, lighting, bathroom fixtures, air conditioning, smart locks, household appliances, furniture, and food waste systems are also managed through a “leasing instead of purchasing” model-promoting the circular economy principle of access over ownership.

This project has won many awards:

1. Honored with 2019 FIABCI-Taiwan Real Estate Excellence Awards- Planning & Design Category
2. Awarded as 2020 Eco-friendly Excellent Construction Site of Tainan City
3. Honored with the 2019, 2020 Distinguished Honor Award of Tainan City's 6th and 7th Green and Beautiful Award- Public Category
4. Honored with the 2022 Taiwan Residential Architecture Award (TRAA)- First Place for Best Residential Complex
5. 2022 Taipei Design Award-Taipei City Mayor Award, Bronze Award
6. The 15th Intelligent Living Space Design Competition-Bronze Award
7. 2022 Golden Pin Design Award-Best of Golden Pin Design Award in Spatial Design
8. Building Carbon Footprint Certification (Diamond Level)
9. Intelligent Building Label-Gold Level
10. Green Building Label Candidate Certificate- Diamond Level
11. 2022 Taiwan Landscape Award-Outstanding Award in Residential Living Environment Category
12. 2022 Finalist Award for Housing Multi-family
13. 2024 Level 1+ Certificate of the Low Embodied-carbon Building Rating System (LEBR)
14. Honored with 2024 World Architecture News (WAN) Awards, Asia Pacific - Residential Category, First Prize.





## 【Special Column】

# “Development project of the industrial area south of Shashe River”- Construction Safety Golden Award

In 2024, TSC's Pingtung Operation Branch was honored with the Construction Safety Golden Award-Excellence Award in Public Construction Category the highest honor of construction occupational safety and health with its “Development project of the industrial area south of Shashe Creek”. This project is the first large-scale public engineering project developed by Taiwan Sugar Corporation in an industrial area. It is developed in the sugarcane bagasse drying area of the pulp mill on the south side of the former Pingtung Sugar Factory. The area is about 23.82 hectares. It is named after the Shashe River because it is located south of the factory.



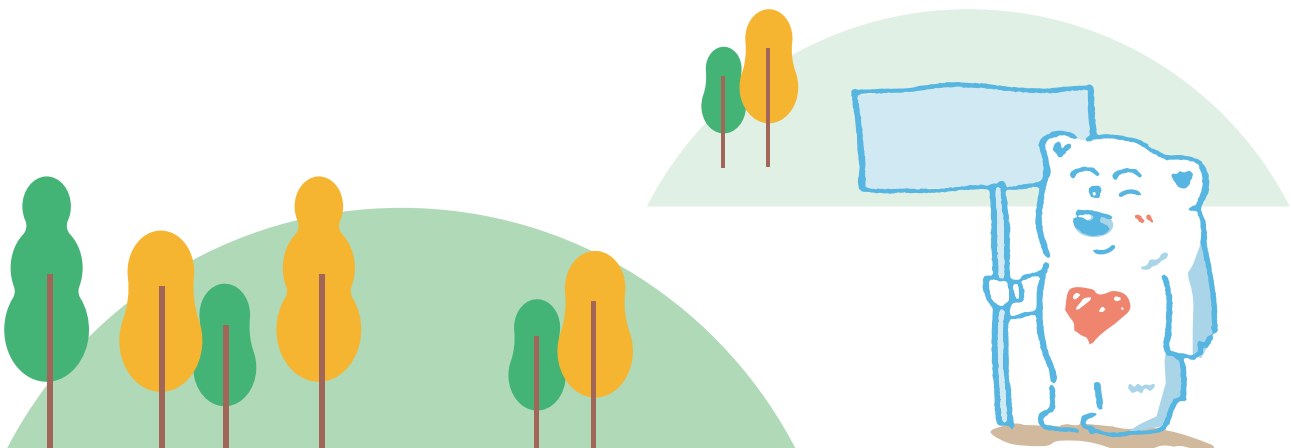
Director Yao-Huang Wu (First from left) of the Pingtung District Branch received the award on behalf of TSC



Pingtung District Branch was in recognition of TSC's first Construction Safety Golden Award

Since the commence of construction of the industrial zone in June, 2023, the team members have worked hard to fulfill the promise of early completion. The north side of the industrial zone is the most beautiful county park in Pingtung, so the county government also has high standards for environmental quality. Under the difficult conditions of limited time, funds, experience and personnel, the engineering team still lived up to expectations and stood out from many units, winning honors for the company and achieving a new milestone for Taiwan Sugar Corporation.

The current development project was completed in early June and has now entered the final inspection and acceptance stage. With over one-fourth of the land successfully leased and factory construction already underway, investment promotion efforts are being intensified to attract additional tenants for land leasing and facility establishment, aiming to further stimulate sustainable economic development in the Pingtung region.



# CHAPTER 4



## Sustainability Aspect **CREATING**

## SOCIAL VALUE

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## Material Topics

☒ achieve
 ☐ unaccomplished

Food Safety, Marketing and Labeling, Supply Chain Traceability, Social Engagement, Local Communities, Supplier Environmental Assessment, Supplier Social Assessment

## 2024 Goals and Achievements

- ☐ Allocation of NTD 7.2 million in subsidies for various public welfare activities organized by local community groups.
  - ▶ In 2024, the total amount of subsidies for public welfare activities amounted to about NTD 4.749 million. Due to the lack of neighborly activities such as purchasing local agricultural products in 2024, the subsidy amount did not reach the expected target.
- ☒ To organize a total of 130 public welfare activities and other community-related activities.
  - ▶ In 2024, a total of 135 public welfare activities were organized.



SDG 1.4

- ☐ To have “zero” hazard incident of our own-manufactured food.
  - ▶ In 2024, one violation related to non-compliance with food labeling regulations was reported and has since been fully rectified. For details regarding the incident and subsequent corrective actions, please refer to **Section 1.3.2<sup>4</sup>Regulatory Compliance and Information Disclosure.**
- ☒ To continue the organization of health food promotion activities.
  - ▶ In 2024, we organized 5 health food promotional events.
- ☒ To continue the R&D of health food.
  - ▶ As of 2024, we have obtained cumulative 10 (12 health claims) health food certifications.
- ☒ To cooperate with the government’s policy of stabilizing commodity prices and adjust retail prices.
  - ▶ The retail price of sugar remained at NTD 36/kg; to stabilize pig prices, 9,327 pigs were allocated for supply and demands in 2024.



SDG 2.1 SDG 2.c

- ☒ To continue the investment in food safety testing equipment in the laboratory.
  - ▶ The related expenditure of all business units totaled NTD 84,515 thousand.
- ☒ To implement the feeding of green feed.
  - ▶ 100% of feeding of green feed.
- ☒ To implement the policy of no sulfonamides, no clenbuterol, no hormones and no growth hormones.
  - ▶ 100% compliant of no sulfonamides, no clenbuterol, no hormones and no growth hormones.
- ☒ To organize 1 session of quality management education and training, with estimated participants of 40.
  - ▶ Organized 1 session of quality management education and training, with an estimated participants of 35.



SDG 3.9

- ☒ To invest NTD 35,000 thousand for R&D.
  - ▶ The amount of R&D expenses invested reached NTD 39,151 thousand, which was due to the suspension of some research plans to stay in line with market trends.



SDG 8.2 SDG 8.3

- ☒ To continue the implementation of customer satisfaction policy.
  - ▶ Had a dedicated person in charge of customer service for timely response. The 2024 customer satisfaction survey scored 97.31 points, 0.62 points increase compared with 2023.
- ☒ To continue the organization of health food promotion activities.
  - ▶ In 2024, we organized 5 health food promotional events.
- ☒ To continue the R&D of health food.
  - ▶ As of 2024, we have obtained cumulative 10 (12 health claims) health food certifications.



SDG 12.6 SDG 12.a



## Material Topics

☑ achieve ☐ unaccomplished

Food Safety, Marketing and Labeling, Supply Chain Traceability, Social Engagement, Local Communities, Supplier Environmental Assessment, Supplier Social Assessment

## 2025 Goals

- ▶ To subsidize NTD 6.8 million for the public welfare activities for local groups.
- ▶ To organize a total of 115 public welfare activities and other community-related activities.

SDG 1.4



- ▶ To have “zero” hazard incident of our own-manufactured food.
- ▶ To continue the organization of health food promotion activities.
- ▶ To continue the R&D of health food that meet the needs of the Taiwanese people.
- ▶ To cooperate with the government’s policy of stabilizing commodity prices and adjust retail prices.

SDG 2.1 SDG 2.c



- ▶ To continue the investment in food safety testing equipment in the laboratory.
- ▶ To implement the feeding of green feed.
- ▶ To implement the policy of no sulfonamides, no clenbuterol, no hormones and no growth hormones.
- ▶ To organize 1 session of quality management education and training, with estimated participants of 30.

SDG 3.9



- ▶ To invest NTD 35,000 thousand for R&D.

SDG 8.2 SDG 8.3



- ▶ To continue the implementation of customer satisfaction policy.
- ▶ The Biotechnology Business Division conducts customer satisfaction surveys on a yearly basis, and reviews and improves items with lower scores. For example, in 2024, the items of “market innovation and R&D capabilities” and “product competitiveness” need to be improved. In 2025, new products will be promoted to be launched, and market innovation and R&D and product competitiveness will be strengthened to achieve customer satisfaction.
- ▶ To continue the organization of health food promotion activities.
- ▶ To continue the R&D of health food that meet the needs of the Taiwanese people.
- ▶ To complete the Carbon Reduction Label verification, and plan to launch 3 pork products that meet the “Clean Label”.
- ▶ To ensure that the various sugar product certifications obtained are still valid.
- ▶ No food safety incidents.
- ▶ No violations in product labeling and marketing.
- ▶ To continue to include the supplier, raw material and production batch information of self-made products into the Food Traceability System to establish a complete supply chain traceability.
- ▶ Engineering carbon reduction goals 99.0272 metric tonnes CO<sub>2</sub>e per NTD 10 million.
- ▶ To continue to promote occupational safety and health education and training.
- ▶ To continue to implement work safety audits.
- ▶ To continue to implement management by walking around.

SDG 12.6 SDG 12.a





## Material Topics

☒ achieve
 ☐ unaccomplished

Food Safety, Marketing and Labeling, Supply Chain Traceability, Social Engagement, Local Communities, Supplier Environmental Assessment, Supplier Social Assessment

## Medium-and Long-term Objectives

- ▶ To contribute to economic development and improve the quality of life of the local communities and society.
- ▶ To commit to building positive community relationships, improving residents' well-being, and promoting local harmony.

SDG 1.4



- ▶ To have "zero" hazard incident of our own-manufactured food.
- ▶ To continue the organization of health food promotion activities.
- ▶ To continue the R&D of health food that meet the needs of the Taiwanese people.
- ▶ To develop health care products and continue to increase number of items.
- ▶ To cooperate with the government's policy of stabilizing commodity prices and adjust retail prices.

SDG 2.1 SDG 2.6



- ▶ To carry out the commitment of "Food safety guaranteed at TSC."
- ▶ To combine new agriculture and the use of biotechnology for the R&D of non-toxic, nonpolluting, high value-added, and healthy product.

SDG 3.9



- ▶ To combine new agriculture, circular economy, and biotechnology techniques to research sustainable net-zero technologies and develop eco-friendly healthy products.
- ▶ To carry out the commitment of "Food safety guaranteed at TSC."
- ▶ To pass the ISO 14067 carbon footprint.
- ▶ To continue the organization of health food promotion activities.
- ▶ To develop health care products and continue to increase number of items.
- ▶ In addition to obtaining Carbon Reduction Labels for meat products, the sales volume is expected to reach 8,448 metric tonnes.
- ▶ To develop sugar products with low calories and health characteristics.
- ▶ To continue to optimize the packaging labels of sugar and edible oil products and strengthen marketing and promotion items.
- ▶ To continue to obtain certification items for sugar and edible oil products.
- ▶ To continue to include the supplier, raw material and production batch information of homemade products into the Food Traceability System to establish a complete supply chain traceability.
- ▶ To set a target of reducing engineering carbon emissions by 2% annually from 2024 to 2027 with 2023 as the base year.
- ▶ All TSC business divisions to pass the certification items.
- ▶ To achieve TSC's highest occupational safety and health goals of "zero disasters", "zero accidents" and "zero injuries and diseases".

SDG 12.6 SDG 12.a



## 4.1 Developing High-quality and Healthy Foods

Deep Rooting Health and Green Related Industries" is one of TSC's development strategies. We aim to continuously develop health-beneficial foods and incorporate the concept of a circular economy into food development. In addition to using an existing traceability management system to control raw material sources, the company has further strengthened cooperation with the supply chain. To ensure the health of consumers and also take into account the sustainable management of ecological resources.

Based on the confidence of our own products, TSC has participated in various food-related selections or certifications to demonstrate its emphasis on flavor and quality, and is committed to providing people in Taiwan with high-quality and healthy food.

| Year | Product Name                                                                                                                                                                | Category                | Awards or Certifications                                                                                   |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------------------------------------------------------------------------------------------|
| 2022 | Adzuki Bean with Black Glutinous Rice and Quinoa Instant Cereals, Mung Bean with Brown Job's Tears and Tremella Instant Cereals, Soybean Milk & Oats Powder Instant Cereals | Health Drinks           | Won the "2022 Food and Health Award (食と健康アワード 2022)" with the "Outstanding Award."                         |
| 2023 | Taisugar Mackerel in Tomato Sauce (Yellow can), Taisugar Mackerel in Tomato Sauce (Red can), Taiwan Sugar Mackerel in Tomato Sauce (Nan Fang Ao Mackerel)                   | Canned                  | Obtained the Gold Ocean Heart Ecolabel.                                                                    |
|      | Roasted Eel with Black Garlic, Tuna with Sweet Corn                                                                                                                         | Canned                  | Obtained the "100% Additive-free" double clean label.                                                      |
|      | Beauty Collagen Jelly                                                                                                                                                       | Beauty and health food  | Honored with 2023 Haiyan Aquatic Product Quality Award by the Fisheries Agency of Ministry of Agriculture. |
| 2024 | Taiwan Golden Sugar, Taisugar Mackerel in Tomato Sauce (Yellow can), Roasted Eel with Black Garlic, Black Sesame Mixed Instant Cereal                                       | Normal temperature food | Won Stars in Superior Taste Award from the International Taste Institute (ITI) of Belgium.                 |
|      | Fresh Veggie Dumplings                                                                                                                                                      | Frozen food             |                                                                                                            |

### Ratio of Low-burden and Nutrition-fortified Products

| Product Category  | Low-burden Products    |                    |                 |                |                                                                |
|-------------------|------------------------|--------------------|-----------------|----------------|----------------------------------------------------------------|
|                   | Low (un) saturated Fat | Low (no) trans Fat | Low (no) Sodium | Low (no) Sugar | Low (no) Sugar Sugar Products Containing Artificial Sweeteners |
| Health Foods      | 60.12%                 | 100%               | 58.33%          | 85.78%         | 2.03%                                                          |
| Functional Drinks | 100%                   | 100%               | 100%            | 82.32%         | 30.21%                                                         |

| Product Category  | Nutrition-fortified Products |                   |                   |                         |                         |
|-------------------|------------------------------|-------------------|-------------------|-------------------------|-------------------------|
|                   | Fiber-fortified              | Vitamin-fortified | Mineral-fortified | Plant Extract-fortified | Functionality fortified |
| Health Foods      | 27.09%                       | 8.08%             | 14.44%            | 43.04%                  | 24.48%                  |
| Functional Drinks | 9.49%                        | 6.23%             | 6.23%             | 33.82%                  | 12.02%                  |

Note:  
The calculation formula: The sales amount of low-burden and nutrition-fortified products in the food category in 2024/ the total sales amount of all products in the food category in 2024.



## 【Special Column】

### Won Star Medals in the Superior Taste Award

The International Taste Institute (ITI), known as the "Michelin of the food industry", awards the Best Taste Award every year. It employs 200 world-renowned chefs and beverage experts to evaluate thousands of products, and conducts blind tests from five perspectives: first impression, appearance, aroma, taste, and texture/aftertaste. Products meeting the required standards are awarded "Superior Taste Award" to manufacturers' excellent products. The highest honor is 3-star medal (excellent performance products score more than 90%), while 2 stars and 1 star medals are for excellent performance products with scores between 80-90% and good performance products with scores between 70-80%. The evaluation results are fair and objective, and are the highest honor recognized and desired by global food companies.

Taiwan Sugar Corporation participated in the Superior Taste Award evaluation held by ITI as a promising newcomer in 2024, and successfully conquered the taste buds of professional chefs and experts from all over the world. In its first-ever participation, all entries received awards, with five best-selling products collectively earning a total of 7 stars in recognition, including "Taiwan Golden Sugar" (2 stars), including "Taisugar Mackerel in Tomato Sauce (Yellow can)" (2 stars), "Roasted Eel with Black Garlic" (1 stars), "Black Sesame Mixed Instant Cereal" (1 stars) and Taisugar Fresh Veggie Dumplings (1 stars).



Two-star Medal of Superior Taste Award of ITI



One-star Medal of Superior Taste Award of ITI



The award-winning items are all best-selling products of Taisugar, and are also the staple foods of individuals and families. Whether it is the local Taiwan Golden Sugar full of rich sugarcane honey aroma, the refreshing and non-greasy canned Roasted Eel made with fresh black garlic collected locally, the Taisugar Fresh Vegetable Dumplings made of 6 kinds of local fresh vegetables, and the Black Sesame Mixed Instant Cereal made of 5 kinds of grains, including black rice, black sesame, black beans, black dates, and black fungus, with rich and smooth taste. They are all full of traditional Taiwanese flavor, made with good ingredients, quality guaranteed, and proven to be internationally recognized delicacies. In the future, we will continue to produce high-quality food to allow the good taste of Taisugar to be deeply rooted in Taiwan and visible and shared in the world.

## 4.2 Food Safety Management

As the only food company among the state-run enterprises, it has become our mission to cooperate with national policies and provide the public with safe and reliable food. To perfect the entire farm-to-table safety system, TSC has cooperated with the "Five-Point Food Safety" policy, working on the five aspects of "Strengthen source control management," "Re-establish the food production-management system," "Strengthen inspection capabilities," "Increase liability for producers and vendors," and "Encourage and enable citizen oversight" to strengthen food safety and sanitation guarantees, TSC works together with the government to jointly create a trustworthy food safety and consumption environment. TSC conducts quality testing of about 350 items of products it produces every year, including granulated sugar, pork, organic fruits, processed foods, and beauty and health products and abides by all marketing and labelling regulations to ensure food safety for consumers.

### Statistics by Laboratories under Business Divisions in 2024

| Business Division                                           | Detection Instrument                                                                                                                                                                                                                                                                                                                                  | Test Item                                                                                                                                                                                                                                                   | Inspection Pass Rate(%) | Related Expenses                       |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------------------------|
| Taiwan Sugar Research Institute                             | Constant temperature incubators, stirrers, scales, sterile consoles, electrical driers, autoclaves, RO water maker, pure water maker, pipette, stainless steel filter and vacuum pump                                                                                                                                                                 | Colonies number, E. coli, Coliform group, Salmonella, and Enterobacteriaceae                                                                                                                                                                                | 100% compliance         | NTD 1,390 thousand (Expense center)    |
| Sugar Business Division                                     | Constant temperature incubators, water bath, colony meters, stirrers, pharmaceutical scales, sterile consoles, electrical driers, autoclaves, distilled water machines, and atomic absorption spectrometers, brix meter refractometer, laboratory oven, conductivity meter, spectrophotometer                                                         | Microorganisms, E. coli, coliform group, sulfur dioxide, heavy metals (arsenic, lead, copper), and pesticide residues, brix, moisture, ash, color value, acid value, peroxide value                                                                         | 100% compliance         | NTD 67,113 thousand (0.71% of revenue) |
| Biotechnology Business Division                             | Sterile consoles,moisture balance, precision electronic balance,oscillators, electric hot plates, autoclaves, electrical driers, constant temperature incubators, constant temperature ovens, colony counting, pH meters, magnetic stirrers & heaters, HPLC,water activity meters, digital Brix spindle, Chemical Hood, and Biological Safety Cabinet | <ul style="list-style-type: none"> <li>▶ Microorganisms: 16 items</li> <li>▶ Can test: 2 items</li> <li>▶ Environmental monitoring: 5 item</li> <li>▶ General nature: 39 items</li> <li>▶ Residual analysis: 27 items</li> <li>▶ Others: 2 items</li> </ul> | 100% compliance         | NTD 12,728 thousand (3.09% of revenue) |
| Livestock Business Division (Fresh meat and processed meat) | Multimode microplate readers,muffle (furnace), autoclaves, concentrated sulphuric acid decomposition systems, water activity meters, pH meters, moisture ovens, bacterial incubators, mold incubators, salinity meters, fat extraction instruments, Kjeldahl nitrogen analyzers, sterile consoles and bacterial testing platforms                     | <ul style="list-style-type: none"> <li>▶ Microorganisms: 9 items</li> <li>▶ Chemical examination: 8 items</li> <li>▶ Sulfonamide ELISA: 1 set</li> <li>▶ Beta receptor ELISA test: 3 items</li> <li>▶ Bacterial susceptibility test: 10 items</li> </ul>    | 100% compliance         | NTD 3,284 thousand (0.15% of revenue)  |

Note:

1. Research institute testing department expenditure = personnel costs for testing items + material costs.

2. The ratio of laboratory expenditures to the revenue = the business division's lab spending in 2024/ the revenue for the business division in 2024.



## Product Safety Certification

To enable consumers to feel confident about the purchase of TSC products and services, TSC has disclosed the necessary information for each product and service it provides, detailed information regarding various raw materials, ingredients, expiry dates, country of origin, storage conditions and instructions for use is listed on each product produced and on the packaging and description label of the product. In addition, consumer service hotlines are provided for questions and answers. All products and services that we provide to consumers comply with the relevant laws and regulations in their labeling and description. In addition, we also actively introduce Food Safety Management System and certification. For every product and service, we have set management indicators in relation to health and safety, and even ensure that the supply chain, manufacturing, and customer service processes meet the safety and health regulations through the suppliers and distributors management system and review it at any time based on business needs. The complete process from R&D and manufacturing to sales are incorporated into the scope of evaluation, improvement, and quality management.

### The Proportion Overview Table of Each Food Category that Has Passed Food Safety Certification or Obtained Food Safety Certification

| Certification                     |  |  |  |  |  |  |                                                           |
|-----------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Product Category                  | TQF                                                                               | CAS                                                                               | IFS                                                                               | BRC                                                                               | Health Food Label                                                                 | ISO 22000                                                                           | Others                                                                                                                                       |
| Sugar (including processed sugar) | 87.43%                                                                            | -                                                                                 | -                                                                                 | -                                                                                 | -                                                                                 | 100%                                                                                | 100% (Halal certification)<br>12.38% (TAP)<br>84.02% (FSSC 22000)<br>100% (HACCP)                                                            |
| Edible Oil                        | 100%                                                                              | -                                                                                 | -                                                                                 | -                                                                                 | -                                                                                 | 100%                                                                                | 100% (Halal certification)<br>100% (HACCP)                                                                                                   |
| Organic Rice                      | -                                                                                 | -                                                                                 | -                                                                                 | -                                                                                 | -                                                                                 | 100%                                                                                | 100%<br>(Taiwan Organic Agricultural Products Mark)<br> |
| Edible Oil Products (imported)    | -                                                                                 | -                                                                                 | 62.22%                                                                            | 62.22%                                                                            | -                                                                                 | -                                                                                   | -                                                                                                                                            |
| Brewed & Reconstituted Food       | -                                                                                 | -                                                                                 | -                                                                                 | -                                                                                 | -                                                                                 | -                                                                                   | 7.29% (TOAF)                                                                                                                                 |
| Canned Food                       | -                                                                                 | 38.00%                                                                            | 37.07%                                                                            | 10.21%                                                                            | -                                                                                 | -                                                                                   | 45.54% (GHP)<br>14.49% (ProFishlove Ecolabel)<br>45.54% (Halal certification)<br>5.30% (Dual Clean Label)                                    |
| Mineral Water and Beverages       | 28.19%                                                                            | -                                                                                 | -                                                                                 | -                                                                                 | -                                                                                 | -                                                                                   | -                                                                                                                                            |
| Prepared Frozen Food              | -                                                                                 | 86.33%                                                                            | -                                                                                 | 3.16%                                                                             | -                                                                                 | -                                                                                   | 0.90% (TAF)                                                                                                                                  |
| Snack Foods                       | -                                                                                 | -                                                                                 | -                                                                                 | -                                                                                 | -                                                                                 | -                                                                                   | -                                                                                                                                            |
| Health Foods                      | 71.33%                                                                            | -                                                                                 | -                                                                                 | -                                                                                 | 44.83%                                                                            | -                                                                                   | -                                                                                                                                            |
| Functional Drinks                 | 99.16%                                                                            | -                                                                                 | -                                                                                 | -                                                                                 | 73.80%                                                                            | -                                                                                   | -                                                                                                                                            |
| Fresh Meat                        | -                                                                                 | 95.13%                                                                            | -                                                                                 | -                                                                                 | -                                                                                 | 100%                                                                                | 100% (HACCP)                                                                                                                                 |
| Processed Meat                    | -                                                                                 | 68.03%                                                                            | -                                                                                 | -                                                                                 | -                                                                                 | 68.03%                                                                              | 68.03% (HACCP)                                                                                                                               |

Note:

- The percentage in the above table indicates the proportion of food categories that have passed food safety certification or obtained food safety certification. For example, the percentage of products in the category of edible oil having obtained TQF (Taiwan Quality Food Association) label is 100%, that is, all edible oil products have obtained the TQF label. The calculation formula is: the purchase amount of the food category that has passed the food safety certification or obtained the food safety certification in 2024/ the total purchase amount of all products of the food category in 2024.
- Instant beverages and snacks are OEM products. Although there is no product-related label, the OEMs are compliant with ISO 9001, ISO 22000 or the food safety system standard, HACCP. TSC also conducts on-site inspections from time to time. Please refer to section 4.3.2 "Supplier Management" for details.

## Quality Management and Food Traceability

Each business division has a "Quality Control Plan" every year. The planning, support, operation, performance evaluation, improvement and other requirements of the ISO 9001 Quality Management System are used as the basis for each business division to implement quality management. TSC hold quality management video conferences every quarter to discuss various quality control issues and related improvement measures, and report the implementation results of the quality plan every year. In addition, the Taiwan Sugar Headquarters randomly checks the execution status of quality control activities.

To include 100% of TSC's food products in our own Food Safety Traceability Management System (FT). The system not only reveals all the food information for TSC management personnel to check and compare, food inspection reports, but also disclosed the Food inspection report on TSC's official website, allowing consumers to check complete information of the products online to carry out the commitment of "Food safety guaranteed at TSC." In addition, the Company has joined the "ICT Service Platform" of the Taiwan Quality Food Association (TQF) and the "Food Traceability Management Information System" of the Taiwan Food and Drug Administration (TFDA), Ministry of Health and Welfare. By building a comprehensive food safety protection network, the Company ensures that the public can eat healthily, safely, and with peace of mind.



Food Traceability Report

TSC's Food Safety Traceability Management System is disclosed on TSC's official website for consumers to inquire at anytime.



Fadenbook



Ftracebook

### Fadenbook / Ftracebook

TSC has registered on the Registration Platform of Food Businesses (Fadenbook) in accordance with the schedule stipulated by Food and Drug Administration. The business units at TSC in the announced category completed the reporting operation on Food Traceability Management Information System (Ftracebook) and the OEMs of business units in the announcement category also completed the reporting as prescribed.

## 4.3 Sustainable Management of the Value Chain

Stable and robust operation of an enterprise relies on proper management of the value chain. The suppliers, distributors, corporate customers, consumers and the communities where we operate are all important partners that assist TSC in the value chain. Therefore, from the suppliers in the upstream to the end consumers, every part of the value chain is the important key for us to strive for perfection. Through the Government Procurement Act and the Green Procurement Policy, TSC makes proper supplier and customer relationships to create sustainability of TSC's value chain.





### 4.3.1 Procurement Policies

The selection of suppliers follows the prescriptions of the Government Procurement Act. In addition, it is clearly stated in all relevant bidding documents that new suppliers shall comply with the principles of fair trade, environmental protection regulations, Labor Standards Act, and Occupational Safety and Health Act. Due to the complexity of human rights assessment mechanism, TSC currently screens the suppliers based on the self assessment of the human rights compliance prescribed in the procurement agreement by the suppliers before signing. In 2024, the percentage of new suppliers meeting the selection criteria reached 100%. To work in line with the implementation of green procurement promotion plan approved by the Executive Yuan, TSC purchases ecofriendly and green products. The green procurement ratio in 2024 was 99.99%, an increase of 1.49% compares with 2023.

Moreover, to support domestic industries, priority is given to the sources of goods manufactured or services provided by domestic suppliers. At present, apart from the 100% of bulk grain raw materials in the Livestock Business and sugar raw materials in the Sugar Business that are imported from abroad, domestic suppliers are prioritized for the supply of the remaining raw materials.

### Procurement Overview

All the procurement of TSC must comply with the relevant provisions of the Government Procurement Act in order to achieve justice, openness and fairness, and the results have been good. The internal control system set up the Key Points for Financial and Labor Procurement Operations, Key Points for Bulk Grain Purchase, Operating Points of Project Purchase and Performance Management, and Operating Points of Public Selection of Technical Service and Labor Procurement. TSC has set up an outsourcing center as a dedicated unit in charge of purchasing and organizes doubts, objections, complaints and consulting related to the Government Procurement Act so as to complete the procurement system and increase procurement efficiency.

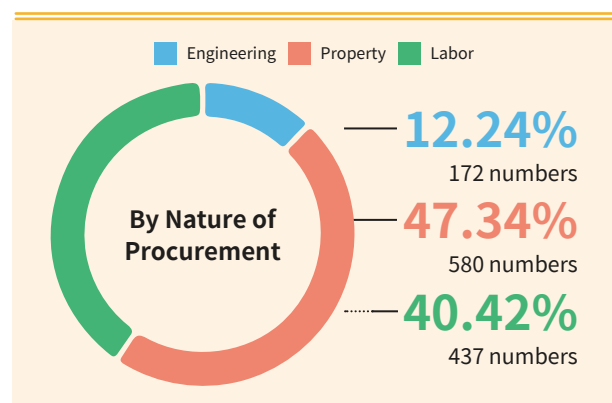
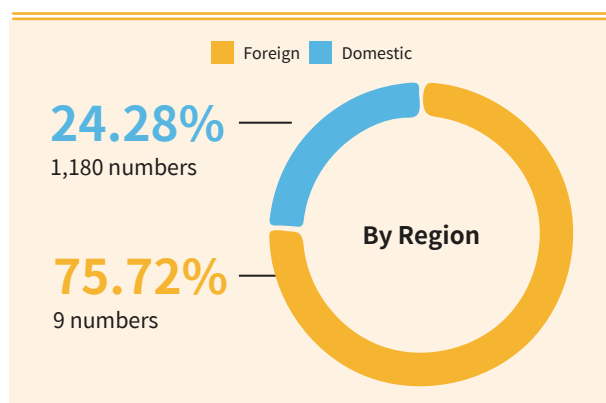
In 2024, the total purchase amount (based on the contract amount) was NTD 6,268.9 million. Among this, the purchase amount of bulk grain purchase was NTD 1,009.4 million, and for raw sugar, it was NTD 3,737.3 million. The amount of foreign purchases accounted for approximately 75.72% of the total purchase and the domestic purchases accounted for 24.28% of the total purchase.

### Supplier Profiles in 2024

Unit: NTD

| Categories            |             | Numbers | Awarded Purchase Amount | Percentage |
|-----------------------|-------------|---------|-------------------------|------------|
| Nature of Procurement | Engineering | 172     | 767,112,124             | 12.24%     |
|                       | Property    | 580     | 2,967,861,375           | 47.34%     |
|                       | Labor       | 437     | 2,533,915,903           | 40.42%     |
| Region                | Foreign     | 9       | 4,746,661,896           | 75.72%     |
|                       | Domestic    | 1,180   | 1,522,227,506           | 24.28%     |
| Total                 | Total       | 1,189   | 6,268,889,402           | 100.0%     |

Note: Overseas sourcing areas include Hong Kong, Singapore, the Netherlands, the United States and Switzerland.



## Usage of Raw Materials

The main raw materials imported in 2023 include raw sugar, corn and soybeans. No recycled raw materials were used as the raw materials for the production of food products. TSC's new product packaging design is in line with the Ministry of Environment's regulations on the restriction against excessive packaging of products to reduce both the amount of packaging materials used and the generation of waste as well as the environmental load.

| Items               | Usage Amount in 2024  | Country of Origin                               | Renewable Raw Materials / Non-renewable Raw Materials | Usage of Recycled Raw Materials |
|---------------------|-----------------------|-------------------------------------------------|-------------------------------------------------------|---------------------------------|
| Sugarcane           | 421,385 metric tonnes | Taiwan 100%                                     | Renewable materials                                   | None                            |
| Imported Cane Sugar | 245,000 metric tonnes | Brazil 85.71%<br>Guatemala 14.29%               | Renewable materials                                   | None                            |
| Corn                | 70,330 metric tonnes  | U.S. 60.35%<br>Brazil 31.08%<br>Argentina 8.56% | Renewable materials                                   | None                            |
| Soybeans            | 40,500 metric tonnes  | U.S. 100%                                       | Renewable materials                                   | None                            |
| Meat                | 879.00 metric tonnes  | Taiwan 100%                                     | Renewable materials                                   | None                            |
| Oil Products        | 305,017 kiloliter     | Taiwan 100%                                     | Non-renewable raw materials                           | None                            |

Note: The calculation method for the percentage of origin = (Quantity of raw material from origin / Total quantity of the raw material used in the year) x 100%

### 4.3.2 Supplier Management

Having trustworthy and reliable supplier partners in the value chain is an important key to enterprise operation. Through management measures such as the supplier contract performance management and regular audits can enable effective and systemic exchanges and communication with suppliers, connecting the suppliers and TSC to create a better and sustainable industrial environment.

## Supplier Contract Performance Management

TSC signs contracts with all of its suppliers. During the compliance period, the manufacturer acceptance examination is conducted before entering the factory. If quality and quantity do not comply with the purchase contract after acceptance, the supplier will be notified of a deadline for improvement. The terms of each contract require the suppliers to provide labor and health insurance to their employees. Once suppliers are found to be in violation of environmental protection, labor or human rights, they will be immediately requested for improvement within a limited time and may be fined for breach of the contract. If they do not listen to advice or repeatedly violate the terms, the contract with such supplier may be terminated.

We also strengthen the safety and health management of contract operations, and all units shall inform contractors the work environment, hazard factors and safety and health related regulations of the units in advance when the project is delivered. In addition, TSC's "Precautions for Occupational Safety and Health of Engineering and Labor Services" shall be specified in the contract and obligate the contractors to implement safety and health management and conduct automatic inspections to prevent accidents during construction operations in accordance with Occupational Safety and Health Act and relevant regulations. To ensure that when occupational accidents occur, the contractors' workers can obtain reasonable claims and reduce the risk the company has to take, all units handling contracted projects with the contract amount exceeding the announced amount (contracting projects of engineering, labor, and property procurement including installation), employer's accident liability insurance (or third-party accident insurance) with the coverage of NTD 8 million or more should be insured (the claim amount from social insurance can be deducted). For any contracted project whose amount does not reach the announced amount, employer's accident liability insurance with the coverage of NTD 6 million should be insured (the claim amount from social insurance can be deducted). For labor services or construction contracts below NTD 150,000, according to the Safety and Health Management Guidelines for Procurement Projects Below One-Tenth of the Public Announcement Amount, it is mandatory to establish a subcontract procurement contract below one-tenth of the announced amount and to implement the described safety and health management measures.

In 2024, the suppliers did not have significant or potential negative economic, environmental, and social (including human rights) or termination of the cooperative relationship with TSC due to poor execution during the contract performance period.



## Human Rights and Security Personnel Management

Except for the office buildings of Marketing Business Division and Petroleum Business Division that adopt Security Alarm System, the access control and security of all units of Taiwan Sugar Corporation is entrusted to the security company. Security personnel all received professional courses and firstaid personnel training, and they also have to receive an 2-hour human rights related education every year. According to statistics, there are a total of 138 security personnel in Headquarters, Operation Branches, Divisions and Branches in 2024, and 138 of them received human right education training, with the training rate reaching 100%.

## Food Supplier Assessment

TSC conducts assessment of its partner suppliers in terms of the technical capacity, production performance, corporate image and responsibility and contract performance reliability so as to maintain its market sensitivity and keep abreast of the dynamics of supplier and if necessary, TSC will perform or entrust a third impartial inspection agency to conduct on-site inspection of the factory and the assessment results will be included in the score. Related defects will be asked to improve to ensure all the products and services the suppliers provide meet the needs of TSC. The assessment results are also used as reference for contract renewal.

### List of the Ratio of Food Suppliers Meeting the Food Safety System Standards

| Business Division   | Sugar Business Division | Livestock Business Division | Marketing Business Division | Biotechnology Business Division |
|---------------------|-------------------------|-----------------------------|-----------------------------|---------------------------------|
| Compliant Standards |                         |                             |                             |                                 |
| ISO 9001            | 100%                    | -                           | 13.04%                      | 13.33%                          |
| ISO 22000           | 100%                    | 96.81%                      | 78.26%                      | 38.33%                          |
| FSSC 22000          | 85.71%                  | -                           | 34.78%                      | 5.00%                           |
| HACCP               | 100%                    | 96.81%                      | 95.65%                      | 31.67%                          |

Note:

- Proportion of food suppliers in compliance with food safety system standards = (Number of food suppliers meeting food safety system standards in the business division in 2024) ÷ (Total number of food suppliers in the business division in 2024, excluding packaging materials, equipment, and labor services) × 100%
- Definition of supplier: A manufacturer that provides raw materials (excluding packaging materials, equipment, and labor services). Definition of OEM: For products not showing TSC as the manufacturer on the packaging.

### Assessment Results of Food Industry Suppliers

| Business Division               | Number of Suppliers | Number of Suppliers Assessed | Percentage | Assessment Items                                                                                             | Assessment Results |
|---------------------------------|---------------------|------------------------------|------------|--------------------------------------------------------------------------------------------------------------|--------------------|
| Sugar Business Division         | 40                  | 40                           | 100%       | Raw material control, Process control, Finished products and warehouse management, Self-management and so on | Pass rate : 100%   |
| Livestock Business Division     | 84                  | 84                           | 100%       | Quality, price, and comprehensive assessment                                                                 | Pass rate : 100%   |
| Biotechnology Business Division | 60                  | 60                           | 100%       | Quality, price, and delivery situation                                                                       | Pass rate : 100%   |
| Marketing Business Division     | 36                  | 36                           | 100%       | Specification quality, amount, and compliance deadline                                                       | Pass rate : 100%   |

## Audit of OEM Factories

To ensure the quality and safety of TSC branded foods, TSC conducts strict quality, safety, and hygiene management of the outsourced foods. In addition to sending non-scheduled staff from various units to station in the factories to supervise the manufacturing, the Quality Management Committee also organizes inspection teams irregularly to conduct on-site inspections without prior notice to thoroughly check and inspect the OEM factories. The inspection content shall follow the 72 items of inspection record of OEM factory listed in the “Key Points for the Quality Management Operations of the Manufacturing Companies” and the audit results shall be included in the reference for assessment scores for annual contract renewal. The manufacturers with the total assessment score reaching 80 points are entitled to renew the contract.

### Assessment Results of OEM Factories in 2024

|          | Product Category            | Number of Entrusted Manufacturers | Number of Manufacturers Audited | Percentage | Audit Results                                                                                                                                                                                                                                               |
|----------|-----------------------------|-----------------------------------|---------------------------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Domestic | Edible Oil                  | 1                                 | 1                               | 100%       | Excellent - acceptable OEM factory.                                                                                                                                                                                                                         |
|          | Brewed & Reconstituted Food | 5                                 | 5                               | 100%       | 5 Good - all qualified as acceptable OEM factories.                                                                                                                                                                                                         |
|          | Mineral Water and Beverages | 4                                 | 4                               | 100%       | 1 Excellent, 3 Good - all qualified as acceptable OEM factories.                                                                                                                                                                                            |
|          | Prepared Frozen Food        | 5                                 | 3                               | 60%        | 3 Good - all qualified as acceptable OEM factories. Additionally, Tai** Company and Hei** Company ceased production after their final batches in April and August 2024, respectively. Both were audited in 2023; therefore, no audit was conducted in 2024. |
|          | Snack Foods                 | 1                                 | 1                               | 100%       | Excellent - acceptable OEM factory.                                                                                                                                                                                                                         |
|          | Canned Food                 | 2                                 | 1                               | 50%        | 1 Good - acceptable OEM factory. Additionally, Jin** Company ceased production after its final batches in May 2024. It was audited in 2023; therefore, no audit was conducted in 2024.                                                                      |
|          | Health Food                 | 2                                 | 2                               | 100%       | 2 Excellent - both qualified as acceptable OEM factories.                                                                                                                                                                                                   |
|          | Fresh Meat                  | 1                                 | 1                               | 100%       | Good - acceptable OEM factory.                                                                                                                                                                                                                              |
|          | Processed Meat              | 1                                 | 1                               | 100%       | Excellent - acceptable OEM factory.                                                                                                                                                                                                                         |
| Foreign  | Edible Oil                  | 1                                 | 0                               | 0%         | Overseas audits are conducted every three years according to TSC's internal control policy. The 2024 audit was canceled due to unforeseen circumstances, and a budget has been allocated in 2026.                                                           |
|          | Canned Food                 | 3                                 | 0                               | 0%         | Overseas audits for Company T and Company R were conducted in 2023. An overseas audit for Company M is scheduled for 2025.                                                                                                                                  |
| Total    |                             | 26                                | 19                              | 73.08%     |                                                                                                                                                                                                                                                             |

Note: Overseas OEM factories are typically audited on-site every three years.



## Project Contractor Management

The company's construction quality control is based on the "TSC Construction Quality Inspection Team Establishment Guidelines." Construction projects with announced annual budgets above the specified amount are included in the inspection scope, with at least 10% of projects subject to quality inspections as a general principle. For projects with procurement amounts exceeding NTD 20 million, at least one inspection is conducted. The selection of contractors is based on the prescriptions of the Government Procurement Act in an open, just and fair manner. Domestic companies are given priority, and the "Precautions for Occupational Safety and Health of Engineering and Labor Services" is formulated as part of the contract, and with the strategies of counseling, auditing and advocacy, TSC is actively engaged in the counseling of contractors' safety management, strengthening the industrial safety counseling and reinforcing the safety awareness of the laborers in the workplace to safeguard the labor safety. There were no violations of relevant provisions of the contract in 2024.

## Dealer Management

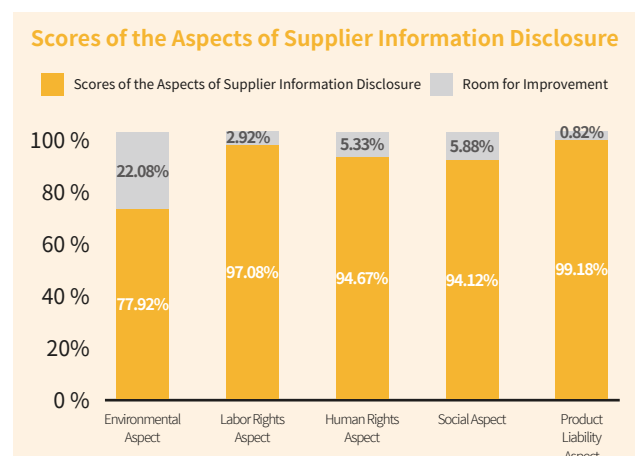
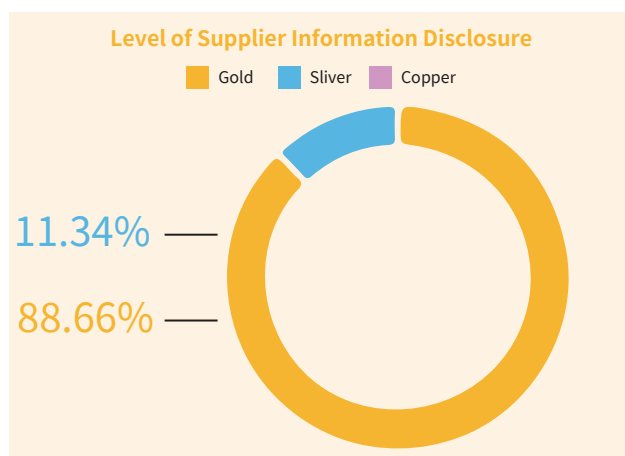
The dealership directly impacts the service quality of TSC products to consumers. We plan the dealership based on the overall marketing strategy and merchandise access strategies (including coverage, number of access levels, single vs. multiple access, and vertical vs. horizontal marketing systems) and follow the Dealer Selection Criteria and the Government Procurement Act when selecting and auditing dealers. The contract management of dealers is handled in accordance with the principles of the management of suppliers and contractors.

## Supplier ESG Evaluation

TSC conducts ESG evaluations annually for suppliers with procurement amounts exceeding NTD 5 million to complete an ESG self-assessment questionnaire, whose content would be adjusted each year based on the current situation of TSC, the international trends and reference to GRI Standards. In addition to the introduction of GRI Standard Topics, specifications and regulations of RBA, Ecovadis and ISO 20400 were also referred in the revision of the questionnaire, which is divided into five aspects, including environmental, labor rights, human rights, social and product liability aspects. A total of 97 suppliers completed the self-evaluation in 2024.

According to the self-evaluation results, the suppliers are divided into three levels, gold, silver and copper based on the scores. All the suppliers in this evaluation scored more than 60 points, with 100% of passing rate. Among them, 86 suppliers achieved a Gold rating with scores above 85, accounting for 88.66% of the total. In 2024, all our suppliers did not use child labor or restrict their employees' freedom of association. In addition, further analysis of the five major aspects was conducted, and each aspect scored more than 60 points averagely. The scores were lower only in the environmental aspect because TSC sets higher requirements in environmental management, leading to the lower scores among the suppliers. However, all the suppliers comply with relevant laws and regulations. We will refer to the results of the suppliers' self-assessment and adjust the contents of the questionnaire. TSC will strengthen the management of suppliers with lower assessment scores to improve the procurement system and enhance the efficiency of procurement. In the future, we will also continue to promote the assessment of the five major aspects of corporate social responsibility in our suppliers of all categories to enhance our partners' implementation and management of ESG.

### Analysis of Supplier ESG Evaluation

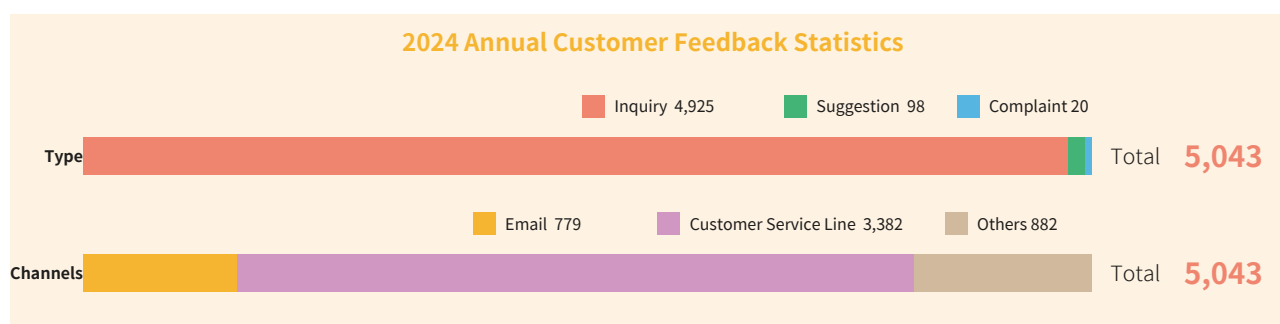


### 4.3.3 Customer Relationship Management

TSC has established multiple communication channels such as the customer service line (0800-026-168), the website customer service mailbox (tsc01@taisugar.com.tw), and the FB TSC Fanpage and assign designated personnel to handle and respond to public and consumer opinions (including inquiries, suggestions, and complaints). The Company has issued the “Customer Compliant Handling Guidelines” in accordance with the Executive Yuan’s Consumer Protection Act. In addition, we also implement the duty of confidentiality of customer information and provide a transparent and effective consumer complaint procedure to handle consumers’ or customers’ complaints fairly and immediately. In addition, through the Customer Opinion Management System, the competent business units are immediately informed of the opinions and a response is required to be given within 3 days. The principle is to handle complaints fast, professionally, and satisfactorily. In 2024, a total of 5,043 inquiries and opinions were received, and all of them were handled properly. In 2024, there were no major consumer disputes at TSC.

#### 2024 Annual Customer Feedback Statistics

|          |                       |              |
|----------|-----------------------|--------------|
| Type     | Inquiry               | 4,925        |
|          | Suggestion            | 98           |
|          | Complaint             | 20           |
|          | <b>Total</b>          | <b>5,043</b> |
| Channels | Email                 | 779          |
|          | Customer Service Line | 3,382        |
|          | Others                | 882          |
|          | <b>Total</b>          | <b>5,043</b> |



To continuously improve our products and services, the Company conducts a Customer Satisfaction Survey annually. In addition to compiling the survey results and holding review meetings, the analysis reports and meeting minutes are also submitted to relevant departments for reference and appropriate action. 2024 The Ministry of Economic Affairs' State-Owned Enterprises Affairs outsourced TSC's customer satisfaction survey, and the score for customer satisfaction survey in 2024 was 97.31 points, a increase of 0.62 points compared with 2023 (96.69 points).

#### Customer Communication Channels

- ▶ Toll-free Hotline
- ▶ TSC Line@
- ▶ Email
- ▶ Satisfaction Survey
- ▶ Written Opinions
- ▶ TSC Facebook Fanpage
- ▶ Service Desk
- ▶ Official Channel
- ▶ Audit Committee Mailbox



## 4.4 Social Engagement and Care for the Disadvantaged

To promote local harmony and enhance the well-being of surrounding communities, TSC has formulated the “TSC Guidelines for Community Relations” in accordance with the Ministry of Economic Affairs’ Guidelines for Community Engagement by State-Owned Enterprises and the Guidelines on Budget Execution for Subsidies and Donations to Civil Organizations and Individuals by Central Government Agencies. An annual budget is allocated to strengthen relationships between TSC and its affiliated units with neighboring communities, thereby fostering a positive image as a good neighbor. In 2024, we organized educational and cultural activities and public welfare activities for the elderly, the weak, and the physically and mentally disabled, with a total of 135 public welfare activities, donating NTD 4.749 million in total.

TSC’s annual event “Taisugar Charity Run” was held at the Taisugar Liuying Jianshanpi Resort. Ranking bonuses were set for the 21km half marathon group and the 11km health run group. For each participant, Taisugar donated NTD 50 worth of products to the Eden Social Welfare Foundation for charity (a total of NTD 120,000), fully implementing the spirit of this year’s run of “Running into nature and spreading kindness forever.”



Taisugar Charity Run Starting Point



Taisugar Charity Run Rest Stop

In addition to allocating funds to assist disadvantaged groups, each division also implements corporate social responsibility through marketing planning activities for its own products and locations, publicizes and promotes actions and concepts that are beneficial to the public, and contributes to local revitalization.

### 4.4.1 Leisure Business Promotes Co-prosperity with Communities

Some of the Leisure Business Division’s distribution outlets have the advantage of being the first to interact with the public. While promoting sustainable tourism, Taiwan Sugar Corporation also actively utilizes its operating conditions and core capabilities to engage with the community and jointly promote social harmony.

#### Interaction between Jianshanpi and Local People

Jianshanpi was originally a reservoir that was built to ensure water source for sugar factory production and farmland irrigation. As the domestic sugar industry shrank, it was transformed into a leisure resort and practiced the spirit of sustainable tourism. Without compromising the natural environment, cultural heritage and social structure, it achieved a balance between the economic, social and environmental benefits of tourism, including the protection of the local ecological environment, respect and support for local culture, and participation and contribution to the local community. With the efforts of actively developing healthy eco-tourism, promoting no-trace meetings and ecological education, and obtaining environmental education facilities and environmentally friendly hotel certification, Taisugar Liuying Jianshanpi Resort won the first Taiwan Tourism Golden Tourism Award in 2024 and was the only tourism and amusement industry group to be commended.

TSC continues to implement ecological restoration in the Jianshanpi Park. Regular environmental education courses include Honey-Seeking Scientists, Wild Vision and other certified environmental education courses. In addition, theme seasonal activities are planned, such as Insect Adventure King Parent-Child Camp, Reservoir Reality Puzzle, Moonlight Frogs and Fireflies, and Rhinoceros Beetle Kid's Fun Fest. In 2024, we promoted ecological experience for local children, organized 4 sessions of "Rhinoceros Beetle Little Warriors" for kindergartens, with 163 participants. We also organized 6 sessions of "Ecological Explorer Workshops" with the nearby I Xinshan Elementary School. In response to the annual "2024 Xilaya Fun Speeding" event hosted by the Siraya National Scenic Area Headquarters, we formed the "Dream Butterfly Flying Team" with the local Xinshan Elementary School. Through the co-creation of racers with recycled materials workshop, we made use of iron parts and recycled plastic bottles, cartons and other materials to create a gorgeous butterfly-shaped racer, so that children can experience the fun and creativity of the activity while deepening their understanding of the structure, characteristics and ecology of butterflies.



Butterfly Fun Ride



Charity Tourism

In addition, we cooperated with the Taiwan Fund for Children and Families-North Tainan Family Service Center to hold the "Playful Day at Jianshanpi, TFCF is By Your Side" charity event, inviting about 80 disadvantaged families to the Jianshanpi Resort where the Cypress trees were in full bloom, so that busy parents could temporarily put down their work and accompany their children to appreciate the beautiful scenery, try heat-set painting DIY activities, have an outdoor picnic, and participate in children's sketching competitions and other activities, to enjoy a rare parent-child happy time. We hope that this event will set an example and arouse the concern and care of companies and the general public for charities and disadvantaged groups.

## Evergreen Plaza Hotel participates in Community Building Initiatives

In recent years, Evergreen Plaza Hotel has been committed to green procurement, green marketing, and advocacy to reduce the use of disposable amenities. It not only promotes local concepts such as "green tourism", "Green Mark Hotels" and "green restaurants", but also actively participates in environmental education. It cooperates with the surrounding Barclay Park Sustainable Management Association to promote the "Walk to Barclay" environmental ecology education courses and activities, inviting tourists to Tainan to explore the Barkley Memorial Park — a micro-ecological oasis that serves as a green sanctuary within the city. This park plays a vital role in preserving the cultural and historical legacy of Tainan, promoting sustainable urban development, and contributing to global ecological conservation efforts. Through immersive, on-site experiences, travelers can witness how green tourism is seamlessly integrated into everyday travel. These encounters offer valuable insights and inspire the development of environmentally and socially responsible travel practices that align with the principles of sustainability.

Every year, we continue to fulfill our corporate social responsibility through the hotel's platform, including the Wednesday Charity Day event at Taitang Eat the World Buffet Restaurant, inviting guests to make a small donation of NTD 50 to enjoy a 30% off + 10% discount on dining, and to spread happiness and do charity with Evergreen Plaza Hotel; in 2024, we were fortunate to invite the Chang Rongfa Charity Foundation to respond to support and donate funds to Tobias Social Welfare Foundation through the Evergreen Plaza Hotel platform, so that more people will have the opportunity to recognize and help the needs of early treatment cases and mentally impaired elderly people in the society, thereby serving as a catalyst to inspire greater public awareness and compassion for the underprivileged. Other



charitable deeds include the Micro Social Welfare Happy Social Worker Day, the year-end charity gathering, and the voting and donation activities for the charity painting exhibition on the 2nd floor of the hotel, as well as the holding of many charity lectures and the "Return to the Sugarcane Field" Happy Charity Market, which embodies the local neighborliness and the practice of social charity care.



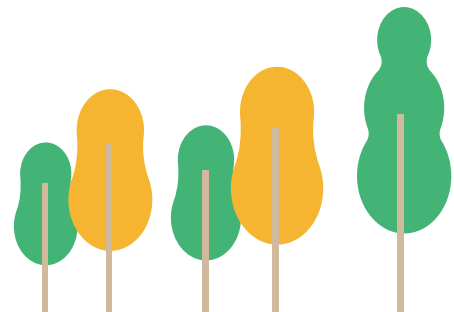
Voting and Donation Activities for the Charity Painting Exhibition



Wednesday Charity Day event at Taitang Eat the World Buffet Restaurant



Walk to Barclay



#### 4.4.2 Gas Stations as Channels for Public Welfare

The Petroleum Business Division continues to uphold the original intention by not only providing convenient energy supply services for the surrounding communities and travelers at each station but also engaging in social welfare activities through our 73 gas stations. Through the procurement, sale, and donation of agricultural products, it aims to expand its positive impact on local communities.

#### Charity Platform in the Communities

TSC gas stations have made long-term investment in public welfare activities, and we use the gas stations as a channel for people to do good deeds and provide a charity platform in the communities. Consumers with membership can get points after filling gas. The points gathered can either be used to exchange TSC merchandise or donate to charity groups to provide long-term and stable source of materials for the disadvantaged groups and encourage the public to join public welfare activities and form a virtuous circle in the society.

When refueling, customers may use the "Village Warm Points Collect Card)" or the "Love Point Collecting Card" to donate their accumulated points to rural areas or charitable organizations. Alternatively, through the "TSC Gas Station Cloud Member App," users can directly transfer digital points to designated recipients, allowing them to redeem goods based on their annual needs. In 2024, the total donated points from the "Community Care Point Card" and the "Charity Point Card" were equivalent to more than NTD 709,002 worth of goods at market value. These donations benefited one village and three social welfare organizations, which are gradually redeeming the points for daily necessities to support disadvantaged groups. As of now, goods valued at NTD 93,946 have already been redeemed.



Eden Foundation Love Point Collecting Card Exchange for Supplies



Dazhu Village in Xihu Township, Changhua County (Tangyou Station) exchanged for materials with the Village Warm Points Collect Card

## 4.5 Collaboration with Allies Promoting Diplomacy

As a state-owned enterprise, TSC responds to the government's diplomatic policy needs and uses its many years of experience in agricultural products and sales to provide specific and substantial assistance to our diplomatic allies in Central and South America from an economic and social perspective, and to promote exchanges and cooperation between countries.

### 4.5.1 Guatemala Coffee Contract Farming

Since 2017, Taiwan Sugar Corporation has been committed to importing coffee beans from Central and South America for sale in the Taiwan market. As of the end of 2023, a total of about 310 metric tonnes have been imported. Guatemala and Taiwan are long-term and loyal allies. Since the establishment of diplomatic relations in 1933, the two sides have actively promoted various substantive exchanges and cooperation. In 2023, Taiwan Sugar Corporation cooperated with national policies and purchased rainforest-certified coffee beans from its ally nation Guatemala. In 2024, TSC purchased 64.8 metric tonnes (accounting for 2.9% of the annual food procurement amount of the Marketing Business Division), and will continue to test and evaluate the feasibility of purchasing coffee beans from other producing areas in Guatemala.



### High Lands Small Farms Coffee - Guatemala Antigua

Guatemala's volcanic geology and climate have unique advantages and are very suitable for growing coffee trees. At high altitudes, the large temperature difference between day and night makes coffee trees grow slowly and retain more sugar. Due to the low temperature, enzyme molecules are produced, and the flavor is more layered and sweeter. Therefore, the higher the altitude, the higher the grade of the coffee beans.

There are eight major coffee bean producing areas in Guatemala. Taiwan Sugar Corporation carefully selects the most prestigious "Antigua coffee beans". These strictly selected coffee beans are high-quality SHB (strictly hard beans) grown at an altitude of over 1,500 meters. They are 100% Arabica beans, rich in Central and South American character, with a rich and sweet fruity aroma, complemented by creamy nutty notes and a hint of caramel in the finish, offering a multi-layered and indulgent flavor experience. After being imported into Taiwan, it is roasted and manufactured to make a boutique coffee that suits the tastes of people in Taiwan.



In view of the keen competition in Taiwan's coffee market, the Marketing Business Division has spared no effort to actively promote coffee products through a number of activities such as coffee tasting sessions, high-speed rail car press conference, coffee puncair tours across Taiwan, coffee and music fair and in-store tastings. It has cooperated with many well-known corporations such as the High Speed Rail Corporation, AGC Display Glass Taiwan Inc., China Airlines, CPC Corporation and FamilyMart, and has been favored by Taiwanese consumers, gradually increasing its popularity and opening up the market.

Starting from 2024, the High Speed Rail Corporation replaced hot coffee drink in its cars with Taiwan Sugar Corporation's Guatemalan Highlands Smallholder Farmer Coffee from the 1st to the 7th of each month. Starting from July of the same year, China Airlines' First Class VIP Lounges in Terminal 1 and Terminal started to use our company's 1 pound packed of Antigua coffee beans. In November, CPC Corporation commissioned our company to provide "CUP & GO Coffee: Highlands Smallholder Farmer Single-Origin Coffee 1 Pound packed Beans" and provides freshly brewed coffee services at "CUP & GO". Our company's coffee products are sold via distribution channels including Taisugar's own retail outlets and major supermarkets (Carrefour, 「MEGA PX Mart (formerly RT-Mart)」 and A-Mart). In addition, we have contacted major companies to use Taiwan Sugar Corporation's coffee beans, and Taiwan Sugar Corporation will provide coffee machines. This preferential project has been well received by companies/enterprises.



Taiwan High-speed Rail Provides Taisugar Smallholder Coffee



Taisugar Coffee Truck (Puncars) are on Duty at Dadaocheng Wharf

## One Cup of Coffee, One Blessing, One Hope

In 2023, Taiwan Sugar Corporation purchased raw coffee beans from smallholder farmers in the "highlands" and "remote areas" of Guatemala, helping a total of 61 Antiguan smallholder farmers so that they can directly obtain profits without being maliciously exploited. These smallholder farmers picked fully ripe coffee beans by hand, and each bean was ripe and plump. Through professional roasting, the aroma and flavor of the coffee carefully grown by local smallholder farmers are perfectly presented. Taisugar then sells boutique coffee in the form of coffee filters and coffee beans at affordable prices to increase sales.



Local Coffee Farmers Hand-pick Ripe Beans



Professional Coffee Cupping

Since 2018, TSC has returned part of its coffee revenue to coffee producing countries, and has built three schools in remote areas in Honduras where it was originally sourced. To continue the spirit of public welfare coffee: "One cup, one blessing, and one hope", TSC cooperated with the local non-profit organization "Guatemala Próspera" in Guatemala to expand the existing school building into a middle school, providing classroom resources for students in grades 7 to 9, so that the seeds of education can continue to grow and thrive; in 2024, the construction of the fourth school in Guatemala was completed, and a new classroom and principal's office were officially put into use, benefiting 275 kindergarten and elementary school students, providing a better learning environment and help school administration.



Sacatepéquez Sumpango Launch of New Educational Facilities at a public elementary school



## 4.5.2 Mentoring and guidance for commercial production of orchids in Paraguay

Paraguay is Taiwan's only diplomatic ally in South America. After establishing diplomatic ties in 1957, the two countries have maintained a firm friendship for about 66 years. Although Taiwan and Paraguay are geographically far apart, the two countries have a close and friendly cooperative relationship. Taiwan Sugar Corporation also maintains close collaboration with Paraguay in related business areas in alignment with national policies, fulfilling its



responsibilities as a state-owned enterprise and supporting the government in advancing diplomatic efforts.

Taisugar's Agriculture Business Division has extensive experience in orchid cultivation and has been committed to sharing Taiwan's agricultural technology and management experience with international peers to promote the sustainable development of agriculture. Since its participation in 2019 in the International Cooperation and Development Foundation (ICDF)'s Paraguay Orchid Commercial Production Guidance Program to assist Paraguay in developing the local Phalaenopsis industry, a number of important results have been successfully achieved, including assistance and establishment of a production and sales business model, personnel training and technology development.

During the implementation of the plan, Taiwan Sugar Corporation sent technical consultants to the local area to guide local businesses in production and cultivation techniques, helping Paraguay's first private investment company, Floricultura del Paraguay S.A., to engage in commercial production of Phalaenopsis, and the greenhouse construction was completed and production operations started in 2022. We also supported the holding of multiple marketing exhibitions and sales to successfully introduce Phalaenopsis. This not only enriched the local flower market, but also brought new economic opportunities to Paraguay.

In the face of the challenges of globalization, agricultural professionals need to constantly improve themselves and learn the latest technology and management experience. In 2024, under the framework of agricultural technology cooperation between the two governments, TSC's Precision Agriculture Business Division arranged a 24-day internship course in Taiwan to assist in training two technicians from Paraguayan Flower Company in orchid cultivation management, and gain an in-depth understanding of various aspects of orchid greenhouse cultivation, such as greenhouse environment control, water quality management, fertilizer application, pest and disease control, and other technologies. This field operation opportunity not only helped them to have a deeper understanding of the technical details of orchid cultivation, but also helped Paraguayan agricultural professionals better cope with local challenges, improve the efficiency and sustainability of agricultural production, and inject new impetus into local orchid production.



Explain the Production Process of Vegetative Propagation of Bottle Seedlings of Phalaenopsis



Practice Using the Watering Machine

In order to strengthen business cooperation with Taiwan Sugar Corporation and promote the continued growth of trade between the two sides, Ambassador Carlos José Fleitas R. of the Embassy of the Republic of Paraguay in the Republic of China (Taiwan) and Minister of Industry and Commerce Francisco Javier Giménez visited the Taipei office of Taiwan Sugar Corporation on the morning of May 7 and May 22, 2024, respectively. During the talks, both parties designated contact windows for each other to facilitate subsequent exchanges and discussions on cooperation matters. Taiwan Sugar Corporation will also conduct a feasibility assessment of the cooperation projects proposed by Paraguay. We look forward to more opportunities for exchanges and cooperation in the future to continue the firm friendship between the two countries.



Paraguayan Ambassador Visits TSC



Paraguayan Minister of Industry and Commerce Visits TSC

# CHAPTER 5



Sustainability Aspect

## TAKING CARE OF

## TAIWAN SUGAR CORPORATION PARTNERS

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## Material Topics

☒ achieve
 ☐ unaccomplished

Employment Practices, Employee Diversity and Equal Opportunity, Freedom of Association and Collective Bargaining, Forced or Compulsory Labor, Occupational Health and Safety

## 2024 Goals and Achievements

- ☒ To assist each unit in enhancing the concept of equality, and every year each person is provided with 2 hours of gender equality training.
  - ☒ In 2024, a total of 13 classes with a blended model integrating physical instruction, video conferencing, and online courses were offered, with a total of 3,109 trainees, accounting for 99.90% of all employees, and an average training time of 2.51 hours.

SDG 5.1



- ☒ To assist various units in implementing employee assistance programs.
  - ☒ In order to expand the effectiveness of the employee assistance program and help employees solve problems related to their work, life and health, we provided guidance to each unit to build an "Employee Care Group" with 133 care group members and established 65 employee care resources to provide immediate assistance to employees when they encounter problems, with a total of 47 people receiving the assistance.
- ☒ To carry out welfare measures to take care of employees.
  - ☒ In 2024, 4,234 people were benefited (medical subsidies, injury and illness condolence money, health check-up subsidies, subsidies for TSC-owned tourist attractions, subsidies for recreational facilities, childbirth and education subsidies, emergency relief and loans, and medical insurance payments, etc.), with an amount of approximately NTD 21.23 million.
- ☒ Regularly hold labor-management conference with representatives appointed by both employers and employees.
  - ☒ A total of 69 labor-management conferences were held in 2024, and all proposals were immediately responded for smooth and good labor-management communication.
- ☐ No occupational diseases and major work-related deaths.
  - ☒ In 2024, there were 2 occupational accidents involving non-employee workers (contractors). For information regarding the incident and subsequent, and improvement measures, please refer to the explanation in Statistics of Occupational Injury under section 5.3.1 "Occupational Safety and Health Management System".
- ☒ To promote industrial safety and environmental protection month, disaster prevention education & training and emergency response drills with full participation.
  - ☒ Organized a total of 146 sessions of disaster prevention education and emergency response drills, with a total of 2,381 participants.
  - ☒ A total of 126 education and training sessions were conducted, with a total of 4,221 participants.
- ☒ To introduce health examination service plans.
  - ☒ In 2024, the "Execution of Abnormal Workload-trigger Disorders Management Plans" was implemented, and all units completed 98 consultation sessions, serving a total of 476 employees.
  - ☒ The employees informed of major abnormalities in the health checkups would receive re-inspection notice for the return visit within 10 working days, and a total of 282 people paid return visits.

SDG 8.2 SDG 8.8



## 2025 Goals

- ☐ To assist each unit in enhancing the concept of equality, and every year each person is provided with 2 hours of gender equality training.
- ☐ To assist each unit in promoting diversity and gender equality among employees (e.g. equal pay for equal work)

SDG 5.1



- ☐ To assist various units in implementing employee assistance programs and promoting comprehensive health management programs.
- ☐ 100% of employees are covered by collective agreements. This negotiation is to promote unity, protect employee rights, and improve employee welfare and working conditions.
- ☐ Zero forced or compulsory labor.
- ☐ No occupational diseases and major work-related deaths.
- ☐ To promote industrial safety and environmental protection month, disaster prevention education & training and emergency response drills with full participation.
- ☐ To continue to introduce health examination service plans.

SDG 8.2 SDG 8.8





## Material Topics

☒ achieve ☐ unaccomplished

Employment Practices, Employee Diversity and Equal Opportunity, Freedom of Association and Collective Bargaining, Forced or Compulsory Labor, Occupational Health and Safety

### Medium-and Long-term Objectives

- ▶ To Safeguard gender rights, eliminate gender discrimination, and promote gender equality.
- ▶ There will be no discrimination based on gender in job changes such as promotion or job transfer.

SDG 5.1



- ▶ To foster a unified and harmonious labor-management relationship, and promote employee benefits and welfare.
- ▶ To improve the company's operating performance and promote employee benefits and welfare.
- ▶ When the current collective agreement expires, we will continue to negotiate in good faith and sign a new agreement with the union to achieve labor-management harmony and a win-win situation.
- ▶ To Eliminate all forms of forced or coerced labor.
- ▶ To have all the business units at TSC be verified by ISO 45001 and TOSHMS.
- ▶ To achieve the highest occupational safety and health goals of "zero disaster," "zero accident," and "zero injury."

SDG 8.2 SDG 8.8



## 5.1 Talents and Organization Optimization

Employees are the root of an enterprise. Stepping toward sustainable development, cultivating talents and improving organizational efficiency are the focuses of the management innovation. The labor-employment relations and employee management at TSC are all compliant with relevant laws and regulations. Coupled with the Company's measures of internal human resources development training and employee benefits, TSC can create diverse channels for its employees' career development while working on corporate development, providing competitive benefits to attract and retain talents, creating a good working environment that can achieve a win-win situation for both the employer and the employees for mutual prosperity.

### 5.1.1 Talent Recruitment and Turnover



#### Talent Recruitment

The recruitment is based on the Employment Services Act, Labor Standards Act and "Regulations for the Employment of the Personnel of Business Units Affiliated with the Ministry of Economic Affairs." In addition, for specialized or technical personnel with special business nature, it is possible to hire them in an open manner as contract employees. Recruitment of talents complies with legal regulations that require the protection of employee human rights, personal privacy, and the prohibition of improper discrimination. In the recruitment of talents, the Company upholds the principles of fairness, justice and integrity. Recruitment, selection, and hiring of employees are all in compliance with government regulations. There will be no discrimination and differential remuneration.



#### Talent Retention

In order to retain competitive talents, TSC strives to establish a friendly working environment, pay attention to the balance between work and life, provide employees with training and development opportunities and encourage employees to continuously improve themselves to achieve the development of individual careers. In recent years, new blood has been activated and most new employees recruited are under 30 years old. The number of employees entering and leaving TSC in the last three years was as follows.



### The Number of New Employees in the Last Three Years

| Year                          |                        | 2022                  |                       |                         |                          | 2023                  |                        |                         |                         | 2024                  |                       |                         |                         |
|-------------------------------|------------------------|-----------------------|-----------------------|-------------------------|--------------------------|-----------------------|------------------------|-------------------------|-------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Gender                        | Age                    | No. of Male Employees | Male New Hire Rate(%) | No. of Female Employees | Female New Hire Rate (%) | No. of Male Employees | Male New Hire Rate (%) | No. of Female Employees | Female New Hire Rate(%) | No. of Male Employees | Male New Hire Rate(%) | No. of Female Employees | Female New Hire Rate(%) |
|                               | Under 30 Years Old     | 54                    | 18.9                  | 32                      | 17.6                     | 69                    | 27.8                   | 28                      | 18.3                    | 93                    | 28.8                  | 36                      | 19.7                    |
|                               | 31-50 Years Old        | 23                    | 3.3                   | 21                      | 6.7                      | 45                    | 5.7                    | 20                      | 5.4                     | 63                    | 7.6                   | 25                      | 6.4                     |
|                               | 51 Years Old and Above | 1                     | 0.1                   | 2                       | 2.2                      | 3                     | 0.2                    | 0                       | 0                       | 3                     | 0.2                   | 0                       | 0                       |
| Total Number of New Employees |                        | 133                   |                       |                         |                          | 165                   |                        |                         |                         | 220                   |                       |                         |                         |
| Total Number of Employees     |                        | 3,171                 |                       |                         |                          | 3,143                 |                        |                         |                         | 3,112                 |                       |                         |                         |
| New Hire Rate (%)             |                        | 4.2                   |                       |                         |                          | 5.2                   |                        |                         |                         | 7.1                   |                       |                         |                         |

Note:

1. New employee numbers include those retired/left within the recruiting year.
2. New hire rate (%): Number of new employees in the category for the current year/ Total number of employees in the category at the end of the year.
3. The total number of employees does not include the number of those on leave without pay for the current year.



### The Number of Retired/Resigned Employees in the Last Three Years

| Year                                       |                        | 2022                  |                                     |                         |                                       | 2023                  |                                     |                         |                                       | 2024                  |                                     |                         |                                       |
|--------------------------------------------|------------------------|-----------------------|-------------------------------------|-------------------------|---------------------------------------|-----------------------|-------------------------------------|-------------------------|---------------------------------------|-----------------------|-------------------------------------|-------------------------|---------------------------------------|
| Gender                                     | Age                    | No. of Male Employees | Turnover Rate of male Employees (%) | No. of Female Employees | Turnover Rate of Female Employees (%) | No. of Male Employees | Turnover Rate of male Employees (%) | No. of Female Employees | Turnover Rate of Female Employees (%) | No. of Male Employees | Turnover Rate of male Employees (%) | No. of Female Employees | Turnover Rate of Female Employees (%) |
|                                            | Under 30 Years Old     | 21                    | 7.3                                 | 7                       | 3.8                                   | 23                    | 9.3                                 | 4                       | 2.6                                   | 24                    | 7.4                                 | 3                       | 1.6                                   |
|                                            | 31-50 Years Old        | 16                    | 2.2                                 | 8                       | 2.5                                   | 20                    | 2.6                                 | 8                       | 2.2                                   | 23                    | 2.8                                 | 5                       | 1.3                                   |
|                                            | 51 Years Old and Above | 133                   | 8.3                                 | 7                       | 7.8                                   | 179                   | 12                                  | 12                      | 13.3                                  | 199                   | 15.2                                | 10                      | 12.5                                  |
| Total Number of Retired/Resigned Employees |                        | 192                   |                                     |                         |                                       | 246                   |                                     |                         |                                       | 264                   |                                     |                         |                                       |
| Total Number of Employees                  |                        | 3,171                 |                                     |                         |                                       | 3,143                 |                                     |                         |                                       | 3,112                 |                                     |                         |                                       |
| Turnover Rate (%)                          |                        | 6.1                   |                                     |                         |                                       | 7.8                   |                                     |                         |                                       | 8.5                   |                                     |                         |                                       |

Note:

1. Turnover rate (%) = the number of retired/resigned employees in that category for the current year/the total number of employees in that category at the end of the year.
2. The number of retired/resigned employees includes employees who volunteer to resign or are fired, retire, or who die while on duty.
3. The total number of employees does not include the number of those on leave without salary for the current year.

## 5.1.2 Labor Structure

100% of the senior management of Taiwan Sugar Corporation (including the chairman, president, vice president and the heads and deputy heads of each unit) are residents of Taiwan, of which 7.69% are women. TSC has no foreign employees and part-time employees. We hire (employ) employees based on professional competence and experience, and all the employees are protected by the Labor Standards Act. The ratio of male to female employees is approximately 3.75:1. However, there is no differential treatment or discrimination in terms of employment, salary, performance appraisal and promotion due to gender or marriage status. Job promotions or job transfers in each unit are subject to change, and there is no discrimination based on gender. Due to the unique nature of the Company's industry, the ratio of female employees in early days was rather low. As the Company diversifies its operations toward the service sector, the proportion of female employees has gradually increased. Nevertheless, adequate work experience and training are still required to qualify for managerial positions. Currently, the proportion of female managers in TSC increased from 6.6% to 8.1% over the three years (having reached the target set by MOEA).

TSC primarily operates in the agriculture and animal husbandry industry, with a majority of employees being males. Male employees account for 78.95% while female employees account for 21.05% of all employees. A joint examination is established based on medium- and long-term manpower planning and the manpower needs of the respective units to recruit new employees, those who are enrolled will be assigned to the units in need of manpower for adequate jobs. The distribution and composition of TSC's staff in recent three years are as follows.

### Total Number of Employees

Unit: person

| Year                      | 2022  |        | 2023  |        | 2024  |        |
|---------------------------|-------|--------|-------|--------|-------|--------|
| Gender                    | Male  | Female | Male  | Female | Male  | Female |
| Item                      |       |        |       |        |       |        |
| Total Number of Employees | 3,171 |        | 3,143 |        | 3,112 |        |
| Dispatched Personnel      | 1,313 | 379    | 1,307 | 393    | 1,219 | 400    |
| Employed Personnel        | 1,264 | 168    | 1,213 | 188    | 1,230 | 225    |
| Contract-based Personnel  | 5     | 1      | 5     | 1      | 5     | 1      |
| Contracted Personnel      | 3     | 38     | 3     | 33     | 3     | 29     |

Note:

- According to Article 5 of the "Regulations for the Employment of the Personnel of Business Units Affiliated with the Ministry of Economic Affairs," personnel dispatched with rank 6 or above are called dispatched personnel; those who are employed with rank 5 or below are called employed personnel. In addition, for the needs of the business, for specialized or technical personnel with special business nature, it is possible to hire them in an open manner. Employees with rank 6 or above are contract based personnel, the ones with rank 5 or below are contracted personnel.
- Employed personnel and contracted personnel are workers, while dispatched personnel and contract based personnel are staffs.



## Gender and Age Distribution of Managerial Personnel

Unit: person

| Year                                 |                        | 2022             | 2023             | 2024             |
|--------------------------------------|------------------------|------------------|------------------|------------------|
| Item /Gender                         | Age                    | Number of people | Number of people | Number of people |
| Managerial Personnel                 | Under 30 Years Old     | 4                | 5                | 4                |
|                                      | 31-50 Years Old        | 54               | 55               | 72               |
|                                      | 51 Years Old and Above | 469              | 466              | 424              |
|                                      | Under 30 Years Old     | 1                | 1                | 1                |
|                                      | 31-50 Years Old        | 20               | 18               | 25               |
|                                      | 51 Years Old and Above | 16               | 20               | 18               |
| Total Number of Managerial Personnel |                        | 564              | 565              | 544              |
| Total Non-Managerial Personnel       |                        | 2,607            | 2,578            | 2,568            |

Note:

1. In this table, 'Managerial Personnel' refers to dispatched personnel who receive managerial-level salaries.
2. The average monthly salary of non-managerial personnel in 2024 is NTD 62,756.93 and the median is NTD 61,995. The average is NTD 1,923.05 higher than the previous year, and the median is NTD 841 lower than the previous year.

## Age and Gender Distribution of Employees

| Year                   |        | 2022  |        | 2023  |        | 2024  |        |
|------------------------|--------|-------|--------|-------|--------|-------|--------|
| Age Group              | Gender | Male  | Female | Male  | Female | Male  | Female |
|                        |        |       |        |       |        |       |        |
| Under 30 Years Old     |        | 286   | 182    | 248   | 153    | 323   | 183    |
| 31-40 Years Old        |        | 334   | 207    | 392   | 239    | 423   | 253    |
| 41-50 Years Old        |        | 372   | 107    | 391   | 133    | 406   | 139    |
| 51 Years Old and Above |        | 1,593 | 90     | 1,497 | 90     | 1,305 | 80     |
| Total                  |        | 2,585 | 586    | 2,528 | 615    | 2,457 | 655    |

Looking at the distribution of age and gender among the employees, the total number of females have increased by 6.50% compared to 2023, showing that the manpower structure in the Company is now being adjusted. In 2024, the non-employee workers were all contracted labor (including laborers stationed overseas), and the total number amounted to 2,192, which showed no significant fluctuation compared to the previous year (2,204 people).

## The Company's Non-Employee Worker Information

| Type of Worker        | Contractual Relationship with the Company | Number of Workers |
|-----------------------|-------------------------------------------|-------------------|
| Cleaning Staff        | Contracted                                | 325               |
| Security Personnel    | Contracted                                | 73                |
| Pig Breeder           | Contracted                                | 427               |
| Gas Station Attendant | Contracted                                | 748               |
| Others                | Contracted                                | 619               |
| Total                 |                                           | 2,192             |

**Note:**

Employment of manpower through contracting or outsourcing arrangements: Taiwan Sugar Corporation has a large number of contracts for outsourced labor services with a huge amount of money. In 2024, a total of 2,192 workers were dispatched.

Details concerning TSC's "Oversight of Contractors' Compliance with Labor Laws" are as follows:

Taiwan Sugar Corporation continues to conduct on-site visits to labor contract management to discover deficiencies in contract management, such as failure to fulfill procurement contracts or labor contracts, contractors violating Government Procurement Act and Labor Standards Act, and failure to purchase social and commercial insurance in accordance with regulations. These deficiencies have a great impact on the rights and interests of workers, so it is relatively important to urge contractors to comply with relevant laws and regulations to protect the rights and interests of dispatched workers. Taiwan Sugar Corporation's subsequent improvement measures include:

1. Promote the "Reference Principles for Labor Contracting by Government Agencies (Institutions)" revised by the Ministry of Labor and include it in the management of labor procurement.
2. Establish a public version of the labor contract for contractors to use as a reference. If the contractor modifies or makes its own labor contract, it must be reviewed by the contract management unit. In case of omissions or violations of regulations, if not corrected after being notified, they will be dealt with or notified to the labor authority for investigation.
3. Require all units to implement contract management, and conduct random visits to the dispatched workers at irregular intervals every month to understand whether the contractors fulfill the contract to protect the rights of workers. If there are any abnormal circumstances, the reasons should be immediately identified and handled appropriately.
4. Strengthen the education and training of contract management personnel to improve the knowledge of labor procurement and labor rights.
5. Provide and publicize the channels for dispatched workers to file complaints, such as the receiving units, complaint methods and procedures, etc., instill in dispatched workers the concept of safeguarding their own rights and interests, and seek channels to solve problems when their labor rights are compromised. If they believe that they have not been properly handled, they will assist in applying for labor-capital dispute mediation to the Labor Bureau of the municipal or county (city) government.
6. Strengthen supervision of contractors to comply with laws and regulations to prevent illegal incidents.



## Hiring and Caring for Disadvantaged Groups

In order to protect equal employment opportunities for disadvantaged and related ethnic groups, we have complied with the relevant provisions of People with Disabilities Rights Protection Act and Indigenous Peoples Employment Rights Protection Act in the employment of physically and mentally disabled persons and indigenous peoples. As of the end of 2024, the company employed 24 indigenous people and 113 people with disabilities in compliance with the employment regulations. There was no report of infringement of the aborigines' right in the Company in 2024.

The Company's actions related to indigenous people's rights are carried out in accordance with the provisions of the "Indigenous Peoples Employment Rights Protection Act." We have also established the "TSC's Key Points for Handling Complaints by Employees," which targets at all employees (including aboriginal employees). Those who believe that the Company's system, methods, or administrative measures have not addressed matters that have harmed their legitimate rights and interests, the personnel regulations have not been implemented properly and have affected their personal work morale or rights, or other matters related to official duties that make it necessary to file a complaint, may file a complaint to safeguard their legitimate rights and interests.

### Employment Rate of Disadvantaged Workers in 2024

| Total Number of Employees | People with Disabilities | Indigenous People |
|---------------------------|--------------------------|-------------------|
| 3,112                     | 113                      | 24                |
| 100%                      | 3.63%                    | 0.77%             |

## 5.1.3 Employee Empowerment

TSC attaches great importance to the development of each employee's work function and lifelong learning. By the end of November each year, we ask the various departments and units to organize curriculum that enhance the operation and management performance of each unit, and sent to the HR Department of the Company for the annual educational and training schedules and to serve as the basis for allocating education and training expenses. To cultivate employees' knowledge and professional skills for the improvement of the work performance and quality, TSC has formulated the Key Points of Implementation of Human Resources Cultivation and Development. The minimum number of training hours per person per year is set according to the positions and ranks of employees. The promotion system and education and training are implemented to improve the knowledge and skills of employees and cultivate correct working attitudes.



Keynote speech on "Digital Reinvention: Creating a New Future with A"

## Training Hours and Costs

TSC will immediately carry out relevant education and training on employee benefits, safety and health and internal control of the Company after the employment. We constantly explore the needs of organizations and individuals, review them at all times and gradually carry out all necessary trainings to enhance their knowledge and skills required for career development.

In 2024, the number of trainees was 3,112 (average number from January to December), with 173,688 training hours in total, and the average training hours per person (including physical and online) were 55.81 hours, an increase of 7.06 hours compared with 2023 (average 48.75 hours), and the staff training expenses totaled NTD 35,591 thousand.

### The Category and Gender of the Trainees and Average Number of Training Hours

| Year                |        | 2022      |                      |                        | 2023      |                      |                        | 2024      |                      |                        |
|---------------------|--------|-----------|----------------------|------------------------|-----------|----------------------|------------------------|-----------|----------------------|------------------------|
| Item                | Gender | Total no. | Total Training Hours | Average training Hours | Total no. | Total Training Hours | Average training Hours | Total no. | Total Training Hours | Average training Hours |
| Management          | Male   | 1,048     | 43,184               | 41.21                  | 1,115     | 47,990               | 43.04                  | 1,120     | 57,367               | 51.22                  |
|                     | Female | 153       | 7,575                | 49.51                  | 187       | 11,333               | 60.60                  | 200       | 14,618               | 73.09                  |
| Permanent Employees | Male   | 1,587     | 62,031               | 39.09                  | 1,398     | 67,641               | 48.38                  | 1,329     | 73,290               | 55.15                  |
|                     | Female | 383       | 20,872               | 54.5                   | 425       | 25,817               | 60.75                  | 426       | 26,847               | 63.02                  |
| Temporary Employees | Male   | 8         | 120                  | 15                     | 7         | 321                  | 45.86                  | 8         | 401                  | 50.13                  |
|                     | Female | 39        | 750                  | 19.23                  | 34        | 1,231                | 36.21                  | 29        | 1,165                | 40.17                  |

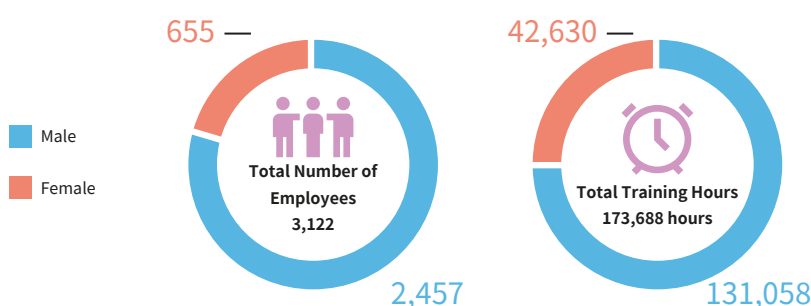
Note:

- Formula: Average training hours of male employees in 2024 = Total training hours of male employees in 2024/Total number of male employees in 2024.
- The total number of employees is based on the average headcount from January to December 2024. Managerial Personnel includes the personnel with rank 7 (inclusive) or above; formal employees include the personnel with rank 6 or below and the evaluators; permanent employees include dispatched and employed ones; temporary employees include contract-based personnel and contracted personnel.
- The Company was in sugar manufacturing industry in early days. Due to the business model, the proportion of male and female employees was very different. In recent years, the proportion of newly recruited female employees has increased significantly. The Company has arranged intensive training courses so that new recruits can get familiar with the business earlier, resulting in their higher average training hours than male employees.
- Managerial Personnel+ Permanent Employees+ Temporary Employees= Total number of Employees.

### Average Hours for Employee Learning and Development in 2024 (By Gender)

|                                   | Total Number of Employees | Male    | Female |
|-----------------------------------|---------------------------|---------|--------|
| Total Training Hours              | 173,688                   | 131,058 | 42,630 |
| Total Number of Employees         | 3,112                     | 2,457   | 655    |
| Average Training Hours per Person | 55.81                     | 53.34   | 65.08  |

Note: The total number of employees was the statistical data as of December 2024.





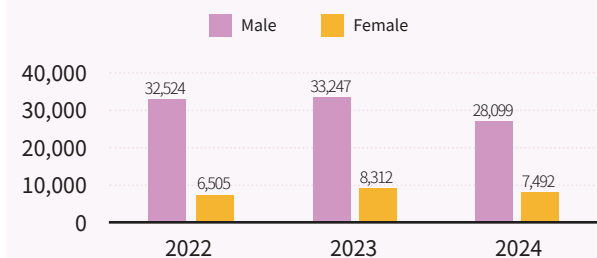
## Average Employee Training Costs (By Gender)

| Year   |      | 2022                                   |                                       | 2023                                   |                                       | 2024                                   |                                       |
|--------|------|----------------------------------------|---------------------------------------|----------------------------------------|---------------------------------------|----------------------------------------|---------------------------------------|
| Gender | Item | Total Training Expenses (NTD thousand) | Average Training Costs (NTD thousand) | Total Training Expenses (NTD thousand) | Average Training Costs (NTD thousand) | Total Training Expenses (NTD thousand) | Average Training Costs (NTD thousand) |
| Male   |      | 32,524                                 | 12.31                                 | 33,247                                 | 12.97                                 | 28,099                                 | 11.44                                 |
| Female |      | 6,505                                  | 11.31                                 | 8,312                                  | 13.78                                 | 7,492                                  | 11.44                                 |

Note: Calculation formula: Average training costs= 2024 total training costs/ average trainees from January to December in 2024; the total training costs= 2024 average training costs\* average trainees from January to December in 2024.

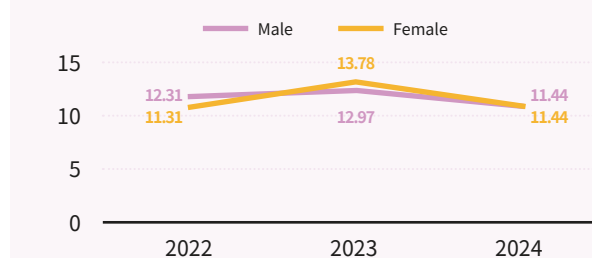
Total Training Expenses

Unit: NTD thousand



Average Training Costs

Unit: NTD thousand



## All-around Development

The employee training is based on the sustainable development of the enterprise, with the indicators of promoting and activating the development of talent function. TSC attaches importance to the all-round learning of employees and provides diversified and innovative training channels to implement life-long learning to create a learning-type organization and cultivate professional manpower meeting the company's business needs.

The Company has formulated the "TSC Education and Training Operation Guidelines" and provides regular and comprehensive training resources and learning environment, including coordinating the general training by the Company, independent training organized by each unit in accordance with the individual business needs, supervisor training, practitioner expertise, participation in training outside the company, on-the-job training, knowledge sharing activities, digital learning courses. We enable more efficient growth and learning of our employees with a solid education and training system, creating a company brand with value and competitiveness.

In addition, we also promote the Implementation Guidelines for Management Associate (MA) and select new employees with good performance and development potential as the management associates to receive systematic learning courses, rotations, project assignments, combined with the mentorship and coaching guidance and other development activities for the three-stage internship and cross-departmental rotation training to accelerate the cultivation of future first-line supervisors. As of 2024, a total of 126 employees have been listed as qualified MA, and among them, 28 have been promoted to first-line supervisors.

## Number of Employees in Various Courses in 2024

| Course Type                       | No. of Trainees | Male    | Female |
|-----------------------------------|-----------------|---------|--------|
| New Staff Training                | 226             | 167     | 59     |
| First-line Supervisor Training    | 40              | 24      | 16     |
| Mid-level Manager Training        | 40              | 25      | 15     |
| Expertise and Technology Training | 173,382         | 130,842 | 42,540 |
| Total                             | 173,688         | 131,058 | 42,630 |

Note:

The number of new employees trained was 226, which is a difference of 6 people compared to the number of 220 as written on p.158. This discrepancy arises from the inclusion of reserve candidates who were selected after the completion of the new staff training program. These reserve candidates will be scheduled to participate in the training program for the next year (2025).

### Education and Training

### The Performance and Results in 2024

|                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Promotion of Digital Education                 | <p>To promote diversified learning channels and enhance training effectiveness, TSC implemented a hybrid course format comprising digital and in-person sessions. In 2024, we organized one class each of "New Employee Training Camp," "New Factory Worker Training Camp," and "Mid-level Manager Training Course," and "First-line Supervisors Training Course."</p> <p>Promoting digital learning education and training, the total reading certification hours for the entire company in 2024 amounted to 40,397hours, estimated to save approximately NTD 8.0794 million in training costs.</p> |
| In-service Education Advancement Subsidies     | <p>Encouraging colleagues to pursue further education while on the job, enriching their skills and knowledge, in accordance with the "TSC Education and Training Operation Guidelines." For those pursuing master's degrees or credit courses related to their duties during their free time, we offer subsidies for on-the-job education. In 2024, a total of 101 applications were submitted, with subsidies amounting to NTD 1,714,443, contributing to the improvement of colleagues' quality and performance.</p>                                                                               |
| Tuition Subsidies for Foreign Language studies | <p>Encouraging colleagues to actively learn foreign languages, we provide subsidies for language learning tuition fees and assistance with registration fees for language proficiency tests. Bonuses are awarded to those who pass the tests. In 2024, a total of 53 applications were submitted, with subsidies totaling NTD 348,005, effectively enhancing colleagues' foreign language skills.</p>                                                                                                                                                                                                |

## 5.2 Human Rights Protection and Labor/Management Relations

TSC has been upholding the concept that the employees are the Company's most important assets, and it also attaches great importance to the employees' working environment, development and care. Continue to promote various employee care measures in an attempt to establish the working environment of enjoying work and life, warm and caring to create an organizational culture of good interaction.

In terms of the human rights protection, in addition to abiding by various human rights laws and regulations strictly, TSC also recruits, appoints, rewards, and promotes talents based on qualifications, and our employees will not be discriminated or receive differential treatment on the ground of difference in race, class, language, thought, religion, political affiliation, place of ancestry, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, physical and mental disabilities, star sign, blood type, and trade union membership.

TSC protects human rights in every contract with suppliers in accordance with national human rights laws and the Labor Standards Act, requiring our suppliers to provide health and labor insurance for their employees, and not to perform forced labor, not to use child labor (15 years of age but under 16), and to implement gender equality in



Employment. Once a supplier is found to violate regulations of gender equality in employment, freedom of association, prevention of sexual harassment, normal vacations, or no payment of overtime pay, such supplier is immediately required to make improvement within a certain time frame and may also be fined for breach of contract. If no improvement is made or frequent breach of contract is found, TSC can terminate the contract with such supplier. The human rights protection and requirements for manufacturers of major investment projects are the same as those for our suppliers. Suppliers who have cooperated with TSC for a long time also gradually attach importance to human rights.

In terms of labor relations management, TSC has provided multiple communication channels and signed collective agreement with TSC Federation of Labor Unions for both the employer and the employees to follow. It is hoped that a happy enterprise aiming for a win-win partnership with its employees can be established.

## Performance Assessment and Rewards & Punishments

The purpose of employee appraisal not only focuses on the annual performance assessment of the employees but also on the stimulation of the development of their potentials. The personnel appraisal is carried out in accordance with the Key Points of Practitioner's General and Project Evaluation and Key Points of Annual Evaluation of Practitioners, and the appraisal methods are divided into annual evaluation, general and project evaluation, and evaluation for performance bonus. All the employees at TSC are subject to annual performance assessment. The direct supervisors conduct initial appraisal of the performance and submitted it to the indirect supervisor of the department for reassessment, and the performance is verified in accordance with their responsibilities. Starting from 2015, the Company formulated the procedures and matters regarding the annual assessment of employees in order to promote the spirit of performance appraisal, awarding superior and eliminating the inferior and encourage performance of the employees. In addition, in order to make the system prudent and careful, we enhanced the audit level and established a review team to enforce the controversial administrative power based on the harmony of the employer-employee relationship. In 2024, a total of 88.85% of employees of the Company received performance appraisal.

### Statistical Table of Performance Evaluation

| Items                                                                          | Appointed Personnel | Hired Personnel | Contract Employee | Temporary Employees | Total  |
|--------------------------------------------------------------------------------|---------------------|-----------------|-------------------|---------------------|--------|
| Proportion of Male Employees Receiving Performance Evaluation                  | 1,251               | 1,140           | 5                 | 3                   | 2,399  |
| Proportion of Female Employees Receiving Performance Evaluation                | 390                 | 184             | 1                 | 31                  | 606    |
| Total Number of Employees in the Category                                      | 1,773               | 1,567           | 6                 | 36                  | 3,382  |
| The Total Proportion of those Receiving Performance Evaluation in the Category | 92.55%              | 84.49%          | 100%              | 94.44%              | 88.85% |

Note:

- Calculation method: (The number of people receiving appraisal in the category in the current year/ the number of total employees in the category in the current year) x100%.
- In 2024, 3,005 people received the appraisal and 377 did not, with the assessment rate of 88.85%. Among them, those who did not participate in the performance appraisal included (1) Those who have been formally employed for less than half a year in the appraisal year; (2) Those who have been in continuous employment for at least 6 months but have not completed 1 year of formal service in the appraisal year, and after excluding gender equality leave and official leave, the number of leave days exceeded half of their employee days; and (3) Those who have completed 1 year of formal service, and after excluding gender equality leave and official leave, the number of leave days exceeded half of the total days in the year.

The operational performance bonus is divided into "assessment bonus" and "performance bonus" as prescribed in the "Key Points for the Implementation of Performance Bonus Plan of the State-owned Enterprises Affiliated to the Ministry of Economic Affairs." Assessment bonus has to be granted in accordance with the results of work assessment; performance bonus is distributed when there is surplus in the company. The total allocated amount of the bonuses was amended in 2012 by MOEA to the limit of no more than 4.4 months' salary.

## Collective Agreement

On October 24, 2023, Taiwan Sugar Corporation officially signed a collective agreement with the Taiwan Sugar Labor Union, which is valid for 3 years. Both parties are currently abiding by the agreement. The contents of this agreement include employees' working hours, leave, appraisal, retirement and pension, etc. It also includes many rights and benefits superior to the current labor laws to implement a win-win situation for the Union's rights and interests and the Company's sustainable operation with the caring for the employees. It is hoped that the labor and management can move forward towards the Company's vision of sustainable development based on existing integrity and harmonious communication.

## Human Rights Training to Protect the Employees' labor Right and Communication Channels

In order to strengthen and implement human rights, regular human rights-related courses are held, including the implementation of gender mainstreaming, sexual harassment prevention and control, the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) and seminars or courses related to gender equality, labor laws and Labor Standards Act. In 2024, a total of 13 classes of physical combined video courses and digital learning courses were offered, with a total of 3,109 trainees, accounting for 99.90% of all employees.

In terms of labor rights, TSC strictly abides by various labor laws. We have established employee grievance system has been established, with accessible and transparent complaint channels. TSC also commits itself to prevention and control measures for sexual harassment. Apart from advocating in orientation training, it also sets up special hotlines, faxes or e-mail boxes to handle sexual harassment complaints. If a complaint is received, the privacy of the parties should be protected during the investigation process in order to provide employees with a work environment free from sexual harassment. Education and training programs such as gender mainstreaming, sexual harassment prevention and gender impact assessment are continuously arranged from time to time to enhance employees' awareness of gender sensitivity and gender mainstreaming. During the 2024 employee recruitment reporting period, there was 1 discrimination or sexual harassment case, and 1 case was handled or resolved. Although a sexual harassment complaint occurred, it was immediately responded to and assisted in resolving the issue in accordance with relevant procedures.

## Labor-management Conference

The Labor Conference aims to dissolve differences and seek consensus. It consists of representatives of both employers and employees and discusses and effectively communicates relevant issues such as labor rights and working conditions. The proposals of the labor conference are all documented, tracked and understood at any time. All employees are provided with timely information on the meeting and an interactive mechanism is established. In addition, it also strengthens the relationship between the Company and its employees through multiple practices such as timely communication with labor representatives, issuing company publications and setting up mailboxes to enhance employee satisfaction. Both employers and employees timely exchange opinions or negotiate with each other in terms of the issues of common concern between them. In 2024, all units held a total of 69 labor conferences. The proposals are all immediately responded, and the communication channel between labor and management is smooth, and no labor dispute or loss was caused by it.





## Advance Notice of Operation Change

Where TSC terminates a labor contract pursuant to Article 11 or the provisions of Article 13, the provisions set forth below shall govern the minimum period of advance notice :

- ▶ Where a worker has worked continuously for more than three months but less than one year, the notice shall be given ten days in advance.
- ▶ Where a worker has worked continuously for more than one year but less than three years, the notice shall be given twenty days in advance.
- ▶ Where a worker has worked continuously for more than three years, the notice shall be given thirty days in advance.

After receiving the advance notice referred to in the preceding paragraph, a worker may during working hours, ask for leave of absence for the purpose of finding a new job. Such leave of absence may not exceed two work days per week. Wages shall be paid during such leave of absence. Where an employer terminates the contract without serving an advance notice within the time limit prescribed in the first paragraph of this article, he/she shall pay the worker wages for the advance notice period.

## Remuneration System

The overall employee remuneration includes the monthly salary and variable pay (including bonuses). The monthly salary is based on the employee's professional functions and job title, and the variable pay is distributed in accordance with the company's operating performance and individual work performance regardless of gender or region. The salary was not adjusted in 2024. The employed personnel through TSC's independent exams was NTD 32,813. The salary of new recruits is higher than the local (Taiwan) minimum wage, and the ratio of standard salary of female and male entry-level employees to the local minimum salary (the minimum salary in 2024 is NTD 27,470) was 1.19. The ratio of basic salary and remuneration of women and men in the same department, seniority, position and rank is 1:1. The median ratio of TSC's highest annual personal income to the annual income of all employees (excluding the highest-paid individual) was 2.65. The percentage of the Company's highest annual total salary increase is consistent with the median percentage of other employees' average annual total salary increase.

## Employee benefits

In addition to providing the remuneration protection for employees, TSC has also established the "TSC Employee Welfare Committee" in accordance with the "Employee Welfare Fund Act" and "Organization Regulations on Employee Welfare Committee" in order to strengthen the implementation of employee welfare programs in the affiliated units. Handle the planning and implementation of employee welfare issues. A harmonious working environment is therefore created by the perfect welfare system.

| Employee benefit items                                             |                                                  |                                                                                                            |
|--------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Employee and children education loans                              | Condolatory supplement for natural disasters     | Employees' maternity allowance                                                                             |
| Subsidies for kindergarten education for employees' children       | Emergency loans for employees and dependents     | Wedding gift money                                                                                         |
| Employees' and their Children's Award and Scholarship              | Condolatory supplement for major illness/ injury | Employee health examination subsidy                                                                        |
| Employees' and the dependents' medical benefits                    | Employee Welfare Committee Group Insurance       | Mutual aid fund for on-duty deaths of TSC Federation of Labor Unions member (including sponsoring members) |
| Loans for natural disasters                                        | Employees' subsidy of consultation fee           | Subsidy for employees receiving self-paid vaccination                                                      |
| Retired personnel gathering                                        | Workplace Mutual Aid Childhood Education Center  |                                                                                                            |
| Condolatory supplement for death of employees' parents and spouses | Accommodation subsidy in TSC's own hotels        |                                                                                                            |

## Nursery Benefits

There is no difference regarding parental leave without pay due to gender, job titles and work areas. Both male and female employees can apply for parental leave without pay. To retain outstanding employees, if an employee needs to provide care for infant, or for immediate blood relatives of oneself or one's spouse who are over 65 years old or suffering from severe illnesses or injuries, he or she can apply for unpaid leave with job retention, and the months of employment within the year may be aggregated while continuity is not a prerequisite. Participation in another appraisal will be rewarded with performance bonuses based on the appraisal results. Additionally, employees who shorten their working hours by one hour due to childcare are provided with one hour of paid time off daily.

| Year   |                                                                                                                     | 2022 |        |       | 2023 |        |       | 2024 |        |       |
|--------|---------------------------------------------------------------------------------------------------------------------|------|--------|-------|------|--------|-------|------|--------|-------|
| Gender | Items                                                                                                               | Male | Female | Total | Male | Female | Total | Male | Female | Total |
|        | The Number of Employees Eligible to Apply for Parental Leave without Pay (A)                                        | 24   | 23     | 47    | 27   | 23     | 50    | 33   | 27     | 60    |
|        | The Number of Employees who Actually Applied for Parental Leave without Pay in the Current year (B)                 | 7    | 16     | 23    | 3    | 15     | 18    | 7    | 15     | 22    |
|        | The Number of Employees who were Expected to be Reinstated after Parental Leave without Pay in the Current year (C) | 3    | 10     | 13    | 7    | 14     | 21    | 3    | 12     | 15    |
|        | The Number of employees who were actually Reinstated in the Current year (D)                                        | 3    | 10     | 13    | 7    | 14     | 21    | 3    | 12     | 15    |
|        | The Number of Employees who were Actually Reinstated in the Previous Year (E)                                       | 4    | 5      | 9     | 3    | 10     | 13    | 7    | 14     | 21    |
|        | The Number of Employees who were Actually Reinstated in the Previous Year and has been Reinstated for 12 Months (F) | 4    | 5      | 9     | 3    | 10     | 13    | 7    | 13     | 20    |
|        | Reinstatement Rate in the Current Year % (D/C)                                                                      | 100  | 100    | 100   | 100  | 100    | 100   | 100  | 100    | 100   |
|        | Retention Rate in the Current Year % (F/E)                                                                          | 100  | 100    | 100   | 100  | 100    | 100   | 100  | 93     | 95    |

Note:

1. In 2024, a total of 22 employees (7 males and 15 females) applied for parental leave without pay. Additionally, 15 employees (3 males and 12 females) returned from leave and all have continued to work since their reinstatement in 2024.
2. Number of people who should be reinstated = Number of people who expected to be reinstated in the current year after parental leave without pay.
3. Number of people retained in 2024 = Number of people who actually resumed their jobs in 2023 and were still employed as of 2024/12/31.
4. Parental leave reinstatement rate (%) for the year = The number of people who actually reinstated after parental leave in the current year / The number of people who should have been reinstated after parental leave without pay in the current year (D/C).
5. Parental leave retention rate (%) for the year = The number of people who continued to work for one year after returning from parental leave in the previous year / The number of people who actually returned from parental leave in the previous year (F/E).

## A Sound and Complete Retirement System

TSC handles retirement, compensation and severance in accordance with the "Regulations Governing the Pension, Severance and Survivor Payments for Employees of State-owned Enterprises Administered by the Ministry of Economic Affairs." Pensions were allocated in accordance with the ratio of the total salary paid in 2024 (staff: 7.47%; worker: 2%). The pensions contributed are deposited in the special accounts of the trust department of the Bank of Taiwan. The Employee Pension Management Committee and the Supervisory Committee of Business Entities' Labor Retirement Reserve are responsible for management and supervision. For workers choosing new pension system, 6% of their monthly salary is set aside as their retirement pension.

## Other Employee Benefits

To strengthen the connection between employee performance and rewards, various business-related measures and standards have been formulated to issue bonuses, such as the Principles for awarding key performance bonuses to each unit, TSC quality business evaluation plan, The standard table of principles for awarding bonuses for external evaluation of each unit, The key points of foreign language training subsidies and rewards for employees, Key points for implementing knowledge sharing activities, etc. Bonuses are then allocated based on the level of contribution of the units and personnel to reward talents and improve the overall operating performance.



## 5.3 Reinforced Occupational Safety

To maintain occupational safety and health for employees, preemptive prevention is the core concept we uphold to construct a safe and healthy working environment and implement the anticipation of danger and prevention of accidents and diseases before they happen. Through the occupational health and safety related regulations and the implementation of education and training, the correct concept of occupational accident prevention of all employees is enhanced, and the corporate occupational health and safety culture will be deep rooted. In addition, we also promote the participation of workers so that the employer and the employees can jointly formulate the occupational health and safety management system and measures of the Company to give full play to the function of teamwork to jointly reduce the occurrence of disasters. Finally, the internal control is used for the safety and health inspection system on a regular basis to review every part of occupational health and safety, the needs and expectation of stakeholders, occupational health and safety opportunities, and the revisions are made in accordance with the current condition and laws and regulations. Improvement is continuously made through the Plan-Do-Check-Action (P-D-C-A) model so as to achieve zero injuries and diseases.

The Head Office, the units and their subordinate units meeting the conditions prescribed in Article 10 of the “Regulations for Management of Occupational Safety and Health” all established the Occupational Safety and Health Committees. Members of the committee include safety and health managers, full-time nurses and members in different areas within the organization. Through regular meetings, the policy of TSC Labor Safety is communicated and the opinions between representatives of labor and management are exchanged through the Health and Safety Committee to prevent occupational disasters and to protect occupational safety and health. The Occupational Safety and Health Committee reports, coordinates and makes suggestions on the quarterly results of the occupational safety work, the external environmental changes, the occupational safety and health policy, and autonomous management plans. In addition, improvement measures for the environmental conditions, equipment, and operating conditions are discussed.

In the collective agreement signed in 2023, the Company and the TSC Federation of Labor Unions agreed that the Company should handle matters concerning occupational safety and health in accordance with the Occupational Safety and Health Act and other relevant regulations, and actively prevent the occurrence of occupational accidents and diseases in accordance with the government regulations. In the collective agreement, the percentage of health and safety related topics is about 7%.

### 5.3.1 Occupational Safety and Health Management System

A total of 17 units of TSC, including the Headquarters, Xiaogang Plant of the Sugar Business Division, Shanhua Sugar Factory, Huwei Sugar Factory, Biotechnology Business Division, Petroleum Business Division, Kaohsiung Branch, Chungchang Operation Branch, Yunchia Operation Branch, Tainan Operation Branch, Kaohsiung Operation Branch, Pingtung Operation Branch, Livestock Business Division, Agriculture Business Division, Marketing Business Division and Liuying Jianshanpi Resort (Leisure Business Division) have implemented ISO 45001 and CNS 45001 Occupational Safety and Health Management System and passed the verification and obtained certificate in accordance with Article 23 of the Occupational Safety and Health Act where the scale of business entities in the preceding paragraph reaches or exceeds a certain level or have workplaces as stipulated in Article 15 Paragraph 1.

In order to integrate matters regarding occupational safety and health management and improve performance in occupational safety management, the “TSC Occupational Safety and Health Management Information System” was established to manage occupational safety online. In addition to sharing information and saving data online, it also accelerates data transmission and simplifies the procedures. Furthermore, it aims to reduce paper usage for environmental conservation and establishes a communication channel with employees to improve workplace safety and health.

| Items of Occupational Safety Risk Assessment   | Description                                                                                                                                                                                                                              |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Hazard Identification and Risk Assessment      | Establish a platform for risk assessment based on projects or accidents and routine work for each department.                                                                                                                            |
| Contractor Management                          | The projects contracted by all units and documents for contracting management are required to register online for the daily management.                                                                                                  |
| Industrial Safety Reporting and Management     | For emergency and incidents (including natural disasters), all levels of units can be immediately notified through this system.                                                                                                          |
| Occupational Disaster Management               | Industrial safety pollution or false alarms in all units can be notified through the system.                                                                                                                                             |
| The System of Occupational Disaster Statistics | The occupational disaster statistics regarding employee workplaces, traffic accidents, contractors and industrial safety environmental performance indicators are input online by each unit and are calculated and output automatically. |
| License Management System                      | Employees with licenses for industrial safety in all units and the number of HS licenses required will be managed online and the licensees will be notified of on duty training period by email beforehand.                              |
| Health Management                              | The employees' general health checkups and special health checkups will be managed online. The employees who do not undergo the checkups will be notified by email before the next inspection time expires.                              |
| Industrial Safety Inspection                   | The platform is for sharing the supervisor's management by wandering around and content of inspection for industrial safety and improvement measures of each unit.                                                                       |
| Database Management                            | A platform for sharing industrial safety information, industrial safety reporting, regulations regarding industrial safety and documents about industrial safety.                                                                        |

## Hazard Identification and Risk Assessment

The head of each unit assigns personnel for “hazard identification and risk/opportunity assessment operations” for the relevant education and training organized by Occupational Safety and Health Department for 3 hours and more, and such personnel will be responsible for hazard identification and risk/opportunity assessment operations within the unit. Every September, it is necessary for them to confirm the hazard identification and risk/opportunity assessment operations online at the “TSC Occupational Safety and Health Management Information System” and publicize the hazards in the workplace and preventive measures. Hazard identification and risk/opportunity assessment are conducted using a matrix analysis based on the formula: Operational Exposure Frequency × Probability of Occurrence = Risk Possibility. The risks are then categorized into six levels of control. Moreover, when any of the following situations occurs, hazard identification and hazard evaluation of relevant operations have to be re-implemented.

1. When the standard provisions of Taiwan Occupational Safety and Health Management System (TOSHMS) are revised.
2. When the new processes, change of processes, new equipment, change of raw materials, or changes of operating environment conditions (including the development of target plans before taking the non-conforming corrective measures) will obviously affect the case of the risk, hazard identification and risk/opportunity assessment shall be conducted before the changes start.
3. When an unexpected incident happens.
4. When a regulatory change is sufficient to affect the risk scores.
5. When there are more than 3 false alarms of the same nature or in the same area.
6. When it is strongly requested by the stakeholders.
7. When major deficiencies are found in the inspection or audit.

The head of each department should also establish corresponding control measures based on the results of the hazard identification and risk assessment (risk level). Occupational Safety and Health Department also visits the workplace from time to time to discover potential hazards, make suggestions, propose improvement measures, and organize the List of Unacceptable Risks.



## Guidance and Inspection of Industrial Safety

In order to implement the management of industrial safety and strengthen the inspection of industrial safety, the annual "Industrial Safety Inspection Plan" is established according to the nature of business. Items to be improved are proposed and tracked until they are improved to ensure the safety of factory sites, business sites and workplaces and prevent disasters from happening so as to improve occupational safety and health management performance. In addition, through the walking management of high-level executives, high-level executives at all levels will be sent to each unit for guidance and inspections from time to time.

| Year/Item                                              | 2022  | 2023  | 2024  |
|--------------------------------------------------------|-------|-------|-------|
| No. of Annual Industrial Safety Audits                 | 770   | 767   | 786   |
| No. of the Walking Management of High-level Executives | 3,221 | 3,285 | 3,388 |
| No. of Industrial Safety Audits for Contractors        | 907   | 1,054 | 973   |



## Occupational Safety Performance Indicators

TSC attaches great importance to the safety of the working environment of employees and contractors; and is committed to creating a safe operating environment. In 2024, there have not been any occupational disease related cases among our employees and contractors.

### Statistics of Occupational Injuries

| Category                          |                                                             | 2022      | 2023      | 2024      |
|-----------------------------------|-------------------------------------------------------------|-----------|-----------|-----------|
| Employees                         | Working Hours                                               | 6,755,555 | 6,519,468 | 6,287,641 |
|                                   | The Number of Fatalities as a Result of Work-related Injury | 0         | 0         | 0         |
|                                   | Number of Serious Occupational Injury                       | 0         | 0         | 0         |
|                                   | Recordable Occupational Injury                              | 4         | 5         | 4         |
|                                   | The Rate of Fatalities as a Result of Work-related Injury   | 0         | 0         | 0         |
|                                   | Serious Occupational Injury Rate                            | 0         | 0         | 0         |
|                                   | Recordable Occupational Injury Rate                         | 0.59      | 0.76      | 0.63      |
| Nonemployee Workers (Contractors) | Working Hours                                               | 6,300,618 | 6,309,255 | 6,108,868 |
|                                   | The Number of Fatalities as a Result of Work-related Injury | 1         | 1         | 1         |
|                                   | Number of Serious Occupational Injury                       | 1         | 1         | 0         |
|                                   | Recordable Occupational Injury                              | 5         | 7         | 2         |
|                                   | The Rate of Fatalities as a Result of Work-related Injury   | 0.16      | 0.15      | 0.16      |
|                                   | Serious Occupational Injury Rate                            | 0.16      | 0.15      | 0         |
|                                   | Recordable Occupational Injury Rate                         | 0.79      | 1.11      | 0.32      |

Note:

- A total of 4 work-related injuries occurred in 2024, including 1 case of tumbling and 3 case of traffic accidents during work.
- For non-employee workers (contractors), a total of 2 occupational accidents occurred in 2024, including 1 case of fatal falling and 1 case of being clamped. Among them, there was a major occupational accident of fatal fall. The case involved Wang, a worker employed by Fusheng Scaffolding Engineering Company, a subcontractor (third-tier) of Neng Zhi Mechanical Engineering Co., itself a subcontractor (second-tier) of Xin Bai Sheng Co., Ltd., the main contractor commissioned by Tatung Company for the pig farm renovation project of Daxiang No. 2 pig farm of the Livestock Business Division. At 11:20 am on September 24, 2024, he accidentally fell to the ground from a height of about 12 meters while setting up the outer construction scaffolding of the anaerobic fermentation tank. He was subsequently sent to Fangliao General Hospital by ambulance, but died after failed rescue efforts. The Livestock Business Division sent a letter to request all reconstruction projects, supervision units, and Agricultural Circulation Pig Farm Renovation teams to conduct a comprehensive on-site inspection of the CCTV (real-time monitoring system) settings in their high-risk areas and strengthen safety monitoring. All workers engaged in high-altitude operations must use standard backpack safety belts and must be required to enforce the one-lift-per-hook policy to ensure work safety.
- After the accident, every unit has to file the report to the Occupational Safety and Health Management Information System in accordance with the guidelines of injury filing and statistical analysis operation standards.
- Severe occupational injuries (SOI) refer to cases taking 6-month work-related injury leave or longer (excluding deaths).
- Recordable occupational injuries include fatalities, severe occupational injuries, and number of those asking for leave of more than 1 day but less than 6 months. Injuries sustained during commuting to and from work are not included.
- Related calculation formulas:
  - Serious Occupational Injury Rate = (Number of serious occupational injuries (excluding deaths) / working hours) \* 1,000,000
  - Recordable occupational injury rate = (Number of recordable occupational injuries (including deaths and number of serious occupational injury) / working hours) \* 1,000,000
  - The fatal injury rate from occupational injuries = (Number of fatalities from occupational injuries / working hours) \* 1,000,000



### 5.3.2 Safe Working Environment

To reduce occupational safety risks, the company has formulated corresponding operation management process, adopted appropriate preventative measures and implemented necessary control methods for various business. In addition, through training, advocacy, drills and inspections, hazard identification continues to be carried out to control risks within an acceptable level and positively creates a safe working environment.

#### Equipment Safety Management

TSC classifies risks based on the contents of the equipment and operating conditions, formulates the procedures of equipment safety management and plans a plant maintenance and service system based on critical levels. Detailed inspections are planned for dangerous equipment to ensure safe operation of the equipment. During the use of dangerous equipment, automatic inspections, key inspections, operating inspections shall be carried out according to laws. In addition, regular inspections shall be carried out by labor inspection agencies within the statutory period.

For hazardous gas and chemical supply systems, toxic gas monitoring systems, process exhaust gas treatment systems, there are regular inspections and maintenance procedures in place. In the area of equipment, safety management methods are proposed in response to the safety needs of people, incidents, places and objects and they are controlled by standard operating procedures.

#### Emergency Response Management

The Key Points for “Maintenance and Reporting of Fire Safety Equipment” was formulated, and all fire-fighting equipment is regularly inspected to ensure it remains in a standby state at all times. Each unit follows Article 13 of the Fire Service Act and develops a fire protection plan to prevent fire, earthquake and other disasters to ensure the safety of human lives. In addition, we also established the self-defense fire brigades, organize the education and training on disaster preparedness (including reporting, putting out fire, evacuation guidance, safety protection, and first aid courses), implement earthquake preparedness measures, manage fire prevention during construction, establish emergency contact numbers, and plan evacuation routes.

For various situations such as natural disasters, chemical spills and hypoxia operations, TSC has also developed various types of emergency response plans and established an emergency reporting system based on the internal control system of Disasters Handling Guidelines, Guidelines for Disasters Emergency Response and TSC Operation Guidelines for Various Disasters and Emergency Incident Reporting. Each unit conducts earthquake preparedness drills tailored to their jurisdiction or department, promotes earthquake disaster prevention education and publicity, and fosters correct earthquake prevention concepts among all employees. This aims to enhance employees' early earthquake evacuation and response capabilities to achieve the goal of earthquake disaster prevention. In 2024, we cooperated with the National Disaster Prevention Day and organized earthquake disaster prevention education and emergency evacuation drills. We organized 146 sessions in total and 2,381 participants attended the training and drills.



## Education and Training of Occupational Safety and Zero Accident

TSC has developed the annual training program to ensure the industrial safety of the laborers based on the "Occupational Safety and Health Education and Training Rules". Besides, to increase the knowledge and management ability of the persons in charge of workplaces in occupational safety and health, letters are sent to the persons in charge who have not yet received the training to require them to participate in the "Occupational Safety and Health Training" they need.

Before the newly employed or transferred personnel commence their work, each unit must provide training to them based on the nature of their business and work requirements and keep records of the training for review. In 2024, the company conducted a total of 126 sessions for occupational safety and health-related education and training, with 4,221 participants. Among them, 9 sessions were organized, and 479 people were trained.



## Industrial Safety and Environmental Protection Month and Occupational Safety Promotion Assembly

To promote employees' awareness of industrial safety and environmental protection, prevent incidents of occupational hazards and pollution, promote employee safety and health, protect the environment and show good will, the "Industrial Safety and Environmental Protection Month" was introduced in November 2024 to promote content in industrial safety and environmental protection. The content of promotion includes the gate layout, greening, beautification, disaster prevention, earthquake resistance, safety and health, and environmental education of each unit. Safety training is organized, and various promotional activities are carried out. We also implement industrial safety management and inspection of our contractors, 5S activities in area under control, industrial safety inspection, disaster prevention and rescue, various emergency response drills, management of dangerous machinery or equipment and the licenses of the operators, reduction of industrial waste, recycling of waste, and classification of garbage.

To cooperate with the Ministry of Labor, TSC organized the 2024 National Occupational Safety Health Promotion Assembly, focusing on the enhancement of the employees' knowledge and skills of workplace disaster prevention, promoting occupational safety, reinforcing autonomous management and health promoting activities to reduce the occurrence of occupational accidents. This year, each unit organizes the related activity separately based on the characteristics of the business unit. In the Headquarters, the President will lead the employees to make a declaration of labor safety in the meeting of the Occupational Safety and Health Management Committee in the third quarter this year. The number of participants to the 2024 Workplace Safety and Health Week Advocacy Conference Activities amounted to 715 (including participants via video conferencing).





## Establishment of Safety and Health Family

TSC's Liuying Jianshanpi Resort is the first Safety and Health Family ("All for You Safety and Health Family") in Tainan and the whole country focusing on the service industry, sparing no efforts in the promotion of the occupational safety and health in the workplace. For every project and repair operation and various daily operations of all departments, the hazard assessment shall be conducted in advance to find out the hazard point to plan safety maintenance equipment. The responsible persons of the contractors are gathered to be notified of the hazards and required to implement the requirements, and penalties or suspension of work will be imposed if relevant regulations are violated. It was also honored with the Five-star Award for Excellent Unit. The Ministry of Labor has enacted the Labor Occupational Accident Insurance and Protection Act on May 1, 2022. Business units receiving the Five-star Award for Excellent Unit are entitled to a 20% discount in premiums from industry-specific disaster rates to encourage them to actively strengthen occupational safety and health performance. In 2024, it organized occupational safety and health education and training and invited the Safety and Health Family to participate in 1 session.

"Taiwan Sugar Corporation Sugar Business Division Xiaogang Plant" takes this plant as its core enterprise and established the "TSC Xiaogang Safety and Health Family" in 2021, with a total of 20 family members. In order to enable the manufacturers and contractors of the family members to effectively understand the relevant laws and regulations on safety, hygiene and health and the responsibilities of managers at all levels of business units, in 2021, it cooperated with the Labor Standards Inspection Office of the Kaohsiung City Labor Affairs Bureau and the South District Labor Health Service Center. In 2024, it organized occupational safety and health education and training and invited the Safety and Health Family to participate in 2 sessions. The Safety and Health Family was also informed of the relevant occupational safety training of the Linkuang Technology Industrial Park, and family members were encouraged to actively participate in the training.

To assist business units to promote occupational safety, the Yunlin County Government invited TSC's Huwei Sugar Factory to call on more than 20 cooperating manufacturers to jointly establish the Huwei Sugar Factory Safety and Health Family to work together for safety in the workplace. The inaugural ceremony was held in 2022 in conjunction with the annual sugar production commencement ceremony of Huwei Sugar Factory, which has hundred year sugar production history. The Deputy Magistrate of Yunlin County Government, Ms. Xie, Shu-ya and the Factory Director of Huwei Sugar Factory, Mr. Kin, Ming-feng, jointly signed the safety and health agreement. Deputy Magistrate Xie also awarded the signature banner and certificate of core enterprise to jointly declare the promotion of safety in the workplace. Through the communication platform, the Safety and Health family shared industrial safety experience, and knowledge of group safety and health is also provided to assist other factories to improve their management of safety and health. With the professional safety and health guidance, the safety and health lectures for operators, hazard identification and assessment, mutual inspection and observations of factories, preparation of project planning documents, risk evaluation and training and so on are provided to increase the safety awareness, hazard identification, and independent safety management capabilities of small and medium-sized business units, thereby reducing the occurrence of occupational accidents and improving a safe and health working environment. In 2024, 2 sessions of occupational safety and health education training were organized with invitations extended to family members.



### 5.3.3 Employee Health Management

We attach great importance to the health and safety of our employees. In accordance with the Regulations of the Labor Health Protection, we have employed 10 full-time nurses and 6 contract nurses in the Headquarters, the Sugar Business Division and Xiaogang Plant, Yunchia Operation Branch and Huewei Sugar Factory, Tainan Operation Branch and Shanhwa Sugar Factory, Agriculture Business Division, Petroleum Business Division, Livestock Business Division, Leisure Business Division, Kaohsiung Operation Branch and Pingtung Operation Branch respectively, which is superior to the regulations. The total number of employed or contracted nursing staff service covers 100% of the total number of employees.

In addition, based on the needs of each unit, we invited a contract doctor to provide on-site service once every month or quarter to jointly promote the four comprehensive health management programs of special protection, health care, health promotion and employee assistance. We hope to comply with the regulations and meet the practical needs and focus on risk management and employee care. In addition, we strive to prevent occupational injuries and diseases and promote the physical and mental health of our employees.

#### Occupational Hazard Prevention

In order to prevent employees from diseases caused by shift work, night work, long hours of work and other abnormal workloads, we planned a "Implementation of Management Project of Disease Associated with Abnormal Workload." We arranged for doctors to predict the risk of brain and cardiovascular disease associated with workload. Employees with high risks need to consult with the doctors for specific guidance and follow-up. In 2024, 98 events and 476 employees were arranged for this management plan. For employees taking long-term sick leave and public injury leave, injury management and recovery tracking was carried, and the evaluation report of a total of 82 people returning to work was completed.

#### Prevention of unlawful acts in the workplace

The company has established the "Taiwan Sugar Corporation Precautions for Preventing Unlawful Acts in the Performance of Duties" for all units to follow. The company has a zero-tolerance stance on illegal infringements in the workplace. To prevent employees from being treated improperly by employers, supervisors, colleagues, service recipients or other third parties in the workplace while performing their duties, or from being subjected to physical attacks, verbal insults, intimidation, threats and other bullying or violence, resulting in mental or physical harm, the company held 26 public workplace bullying prevention and treatment sessions in 2024, participated by a total of 2,117 people, and 34 education and training sessions participated by a total of 1,763 people.

#### Health Promotion Activities

We held relevant health education lectures to promote employees' self-health management ability and professional growth. There were 69 sessions with 1,929 participants in total. In order to encourage the employees for the follow-up and early treatment, we provide the official leave for self-paid health examination and the Employee Welfare Committee subsidizes up to NTD 10,000 of self-paid health examination fee per person per year. The employees informed of major abnormalities in the health checkups would receive re-inspection notice for the return visit within 10 working days, and a total of 282 people paid return visits.

In addition, free cancer screening services and Maternal Health Protection Plan are provided. In 2024, 1,968 employees received colorectal cancer screening; For the Maternal Health Protection Plan, the regular birth inspection rate among the 15 pregnant female workers was 100%. To take care of the physical and mental health of employees, in addition to requiring all units to actively promote employee assistance programs, there are also chat rooms to help our employees relieve their mental pressure.



By upholding the concept that the talent is the most important asset of the Company, TSC has been committed to the development of a healthy and friendly workplace, planning complete physical and mental balance measures. In addition to requiring all units to actively promote the employee assistance programs, the Employee Care Group has also been set up to help the employees to relieve their mental stress. Furthermore, in 2024, we signed preferential contracts with various psychological counseling centers across Taipei, Yunlin, Chiayi, Tainan, Kaohsiung, and Pingtung (a total of nine centers), allowing employees to conveniently access counseling services nearby. We have also extended various parent-child activities and ecological education activities to employees' families. Apart from ensuring basic safety and health protection, TSC has established basketball courts, badminton courts, tennis courts, and walking trails within the company premises to promote physical fitness among employees. We also encourage our employees to establish sports associations to set autonomous training. Company Cup badminton, table tennis, 3 on 3 basketball games Bowling competition, company singles gathering, karaoke singing contest, fun games competition and hiking activities, and participate in sports competitions held by local governments are also held to allow our employees to show the results of their usual training and to condense the team spirit.



Health Examination



Health Examination



TSC Cup Badminton Games



2024 Ecological hiking activities for staff of the Headquarters Office



2024 TSC Cup 3 on 3 Basketball Games



2024 TSC's "Sweet at Heart: Summer Love" Singles Event



2024 TSC Cup Table Tennis Games



2024 Employee Fun Competition and Hiking Event



# CHAPTER

# 6

## Appendix

|                                                                                                                                                                                                                                                                                                                               |     |
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## Appendix I: British Standards Institution(BSI) Verification statement



### INDEPENDENT ASSURANCE OPINION STATEMENT

#### Taiwan Sugar Corporation 2025 Sustainability Report

The British Standards Institution is independent to Taiwan Sugar Corporation (hereafter referred to as TSC in this statement) and has no financial interest in the operation of TSC other than for the assessment and verification of the sustainability statements contained in this report.

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

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

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

#### Scope

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

1. The assurance scope is consistent with the description of Taiwan Sugar Corporation 2025 Sustainability Report.
2. The evaluation of the nature and extent of the TSC's adherence to AA1000 AccountAbility Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 1 / type 2 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process expect for data relating food industry sustainability disclosure metric.

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

#### Opinion Statement

We conclude that the Taiwan Sugar Corporation 2025 Sustainability Report provides a fair view of the TSC sustainability programmes and performances during 2024. The sustainability report subject to assurance is free from material misstatement and its data relating food industry sustainability disclosure metric based upon testing within the limitations of the scope of the assurance, the information and data provided by the TSC and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate TSC's efforts recognized by its stakeholders.

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

#### Methodology

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

- a review of issues raised by external parties that could be relevant to TSC's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on TSC's approach to stakeholder engagement. However, We had no direct contact with external stakeholders.
- interview with 22 staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- the verification of performance data and claims made in the report through meeting with managers responsible for gathering data relating food industry sustainability disclosure metric.
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data relating food industry sustainability disclosure metric to greater depth during site visits.
- review of supporting evidence relating food industry sustainability disclosure metric to greater depth during site visits for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

## Conclusions

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

### Inclusivity

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

### Materiality

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

### Responsiveness

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

### Impact

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

### Performance information

Based on our work described in this statement and with no conflict of interest with the TSC in relation to providing the assurance of ESG performance information, which has been assured, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, TSC and BSI have agreed upon to include in the scope. In our view, the data and information relating food industry sustainability disclosure metric contained within Taiwan Sugar Corporation 2025 Sustainability Report are reliable.

### GRI Sustainability Reporting Standards (GRI Standards)

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

### Assurance level

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

### Responsibility

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

### Competency and Independence

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



**AA1000**  
Licensed Report  
000-4/V3-N0KON

For and on behalf of BSI:

Statement No: SRA-TW-816873  
2025-05-11

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

A Member of the BSI Group of Companies.

Peter Pu, Managing Director BSI Taiwan

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## Appendix II:

### GRI Sustainability Reporting Standards (GRI Standards) Reference Table

The following content has been verified by an independent third-party and the result is published in the independent assurance report in Appendix I.

" \* " indicates major aspects while, " ● " indicates external verification.

|                                   |                                                                                                                                                          |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| The statement of use              | Taiwan Sugar Corp. has reported in accordance with the GRI Standards for the of January 1, 2024 to December 31, 2024 with reference to the GRI Standards |
| GRI 1 used                        | GRI 1: Foundation 2021                                                                                                                                   |
| Applicable GRI Sector Standard(S) | N/A                                                                                                                                                      |

| GRI Category/ Material Aspects                        | No.  | GRI Index                                                                   | External Verification | Chapter and Section                                                                                                                                                                       | Page                       | Omit/ Remark |
|-------------------------------------------------------|------|-----------------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------|
| <b>General Disclosures</b>                            |      |                                                                             |                       |                                                                                                                                                                                           |                            |              |
| <b>1.The organization and its reporting practices</b> |      |                                                                             |                       |                                                                                                                                                                                           |                            |              |
| GRI 2<br>General Disclosures<br>2021                  | 2-1  | Organizational details                                                      | ●                     | 1.1.1 Company Overview                                                                                                                                                                    | 14                         |              |
|                                                       | 2-2  | Entities included in the organization's sustainability reporting            | ●                     | About this Report                                                                                                                                                                         | 2                          |              |
|                                                       | 2-3  | Reporting period, frequency and contact point                               | ●                     | About this Report<br>Publishing Schedule of the Report<br>Contact Information                                                                                                             | 2<br>202<br>202            |              |
|                                                       | 2-4  | Restatements of information                                                 | ●                     | About this Report                                                                                                                                                                         | 2                          |              |
|                                                       | 2-5  | External assurance                                                          | ●                     | About this Report                                                                                                                                                                         | 2                          |              |
| <b>2.Activities and workers</b>                       |      |                                                                             |                       |                                                                                                                                                                                           |                            |              |
| GRI 2<br>General Disclosures<br>2021                  | 2-6  | Activities, value chain and other business Relationships                    | ●                     | 1.1.1 Company Overview<br>1.1.2 Financial Performance<br>4.3.1 Procurement Policies                                                                                                       | 14<br>17<br>142            |              |
|                                                       | 2-7  | Employees                                                                   | ●                     | 1.1.1 Company Overview<br>5.1.2 Labor Structure                                                                                                                                           | 14<br>159                  |              |
|                                                       | 2-8  | Workers who are not employees                                               | ●                     | 5.1.2 Labor Structure                                                                                                                                                                     | 159                        |              |
| <b>3.Governance</b>                                   |      |                                                                             |                       |                                                                                                                                                                                           |                            |              |
| GRI 2<br>General Disclosures<br>2021                  | 2-9  | Governance structure and composition                                        | ●                     | 1.2.1 Board of Director Structure                                                                                                                                                         | 38                         |              |
|                                                       | 2-10 | Nomination and selection of the highest governance body                     | ●                     | 1.2.1 Board of Director Structure                                                                                                                                                         | 38                         |              |
|                                                       | 2-11 | Chair of the highest governance body                                        | ●                     | 1.2.1 Board of Director Structure                                                                                                                                                         | 38                         |              |
|                                                       | 2-12 | Role of the highest governance body in overseeing the management of impacts | ●                     | 1.1.3 Sustainable Operation and Practices<br>1.2 Corporate Governance<br>1.2.2 Performance Evaluation<br>1.3.1 Internal Control Management<br>1.3.2 Compliance and Information Disclosure | 19<br>37<br>44<br>53<br>56 |              |
|                                                       | 2-13 | Delegation of responsibility for managing impacts                           | ●                     | 1.1.3 Sustainable Operation and Practices                                                                                                                                                 | 19                         |              |
|                                                       | 2-14 | Role of the highest governance body in sustainability reporting             | ●                     | About this Report                                                                                                                                                                         | 2                          |              |
|                                                       | 2-15 | Conflicts of interest                                                       | ●                     | 1.2.1 Board of Director Structure                                                                                                                                                         | 38                         |              |
|                                                       | 2-16 | Communication of critical concerns                                          | ●                     | 1.1.3 Sustainable Operation and Practices<br>1.2.2 Performance Evaluation                                                                                                                 | 19<br>44                   |              |
|                                                       | 2-17 | Collective knowledge of the highest governance Body                         | ●                     | 1.2.1 Board of Director Structure                                                                                                                                                         | 38                         |              |
|                                                       | 2-18 | Evaluation of the performance of the highest governance body                | ●                     | 1.2.2 Performance Evaluation                                                                                                                                                              | 44                         |              |
|                                                       | 2-19 | Remuneration policies                                                       | ●                     | 1.2.2 Performance Evaluation                                                                                                                                                              | 44                         |              |
|                                                       | 2-20 | Process to determine remuneration                                           | ●                     | 1.2.2 Performance Evaluation                                                                                                                                                              | 44                         |              |
|                                                       | 2-21 | Annual total compensation ratio                                             | ●                     | 5.2 Human Rights Protection and Labor/Management Relations                                                                                                                                | 165                        |              |

| GRI Category/ Material Aspects                          | No.   | GRI Index                                                                      | External Verification | Chapter and Section                                                                                                                                                                     | Page                     | Omit/ Remark |
|---------------------------------------------------------|-------|--------------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------|
| 4.Strategy, policies and practices                      |       |                                                                                |                       |                                                                                                                                                                                         |                          |              |
| GRI 2<br>General Disclosures<br>2021                    | 2-22  | Statement on sustainable development strategy                                  | ●                     | Message from the Top<br>1.1.3 Sustainable Operation and Practices                                                                                                                       | 4<br>19                  |              |
|                                                         | 2-23  | Policy commitments                                                             | ●                     | 4.3.2 Supplier Management<br>5.2 Human Rights Protection and Labor/Management Relations<br>5.3 Reinforced Occupational Safety<br>5.3.1 Occupational Safety and Health Management System | 143<br>165<br>170<br>170 |              |
|                                                         | 2-24  | Embedding policy commitments                                                   | ●                     | 4.3.2 Supplier Management<br>5.2 Human Rights Protection and Labor/Management Relations<br>5.3 Reinforced Occupational Safety<br>5.3.1 Occupational Safety and Health Management System | 143<br>165<br>170<br>170 |              |
|                                                         | 2-25  | Processes to remediate negative impacts                                        | ●                     | 1.3.2 Compliance and Information Disclosure<br>4.3.2 Supplier Management                                                                                                                | 56<br>143                |              |
|                                                         | 2-26  | Mechanisms for seeking advice and raising Concerns                             | ●                     | 1.3.1 Internal Control Management<br>4.3.3 Customer Relationship Management                                                                                                             | 53<br>147                |              |
|                                                         | 2-27  | Compliance with laws and regulations                                           | ●                     | 1.3.2 Compliance and Information Disclosure                                                                                                                                             | 56                       |              |
|                                                         | 2-28  | Membership associations                                                        | ●                     | 1.1.1 Company Overview                                                                                                                                                                  | 14                       |              |
| 5.Stakeholder engagement                                |       |                                                                                |                       |                                                                                                                                                                                         |                          |              |
| GRI 2<br>General Disclosures 202                        | 2-29  | Approach to stakeholder engagement                                             | ●                     | 1.1.4 Stakeholder Engagement<br>1.3.2 Compliance and Information Disclosure                                                                                                             | 22<br>56                 |              |
|                                                         | 2-30  | Collective bargaining agreements                                               | ●                     | 5.2 Human Rights Protection and Labor/Management Relations                                                                                                                              | 165                      |              |
| Material Topics                                         |       |                                                                                |                       |                                                                                                                                                                                         |                          |              |
| GRI 3<br>Material Topics 2021                           | 3-1   | Process to determine material topics                                           | ●                     | 1.1.5 Material Topics of Sustainable Development                                                                                                                                        | 28                       |              |
|                                                         | 3-2   | List of material topics                                                        | ●                     | 1.1.5 Material Topics of Sustainable Development                                                                                                                                        | 28                       |              |
| Topic-specific disclosure: 200 series (Economic topics) |       |                                                                                |                       |                                                                                                                                                                                         |                          |              |
| Economic Performance                                    |       |                                                                                |                       |                                                                                                                                                                                         |                          |              |
| GRI 201<br>Economic Performance<br>2016                 | 201-1 | Direct economic value generated and distributed                                |                       | 1.1.2 Financial Performance                                                                                                                                                             | 17                       |              |
|                                                         | 201-2 | Financial implications and other risks and opportunities due to climate change | ●                     | 1.1.5 Material Topics of Sustainable Development<br>2.1 Task Force on Climate-related Financial Disclosures (TCFD)<br>2.2 Net Zero Transition Strategy                                  | 28<br>70<br>89           |              |
|                                                         | 201-3 | Defined benefit plan obligations and other retirement plans                    |                       | 5.2 Human Rights Protection and Labor/Management Relations                                                                                                                              | 165                      |              |
|                                                         | 201-4 | Financial assistance received from government                                  |                       | 1.1.2 Financial Performance                                                                                                                                                             | 17                       |              |
| Market Presence                                         |       |                                                                                |                       |                                                                                                                                                                                         |                          |              |
| GRI 202<br>Market Presence 2016                         | 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage   |                       | 5.2 Human Rights Protection and Labor/Management Relations                                                                                                                              | 165                      |              |
|                                                         | 202-2 | Proportion of senior management hired from the local community                 |                       | 5.1.2 Labor Structure                                                                                                                                                                   | 159                      |              |



| GRI Category/ Material Aspects                               | No.   | GRI Index                                                                       | External Verification | Chapter and Section                                                                           | Page      | Omit/ Remark |
|--------------------------------------------------------------|-------|---------------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------------------|-----------|--------------|
| Topic-specific disclosure: 200 series (Economic topics)      |       |                                                                                 |                       |                                                                                               |           |              |
| * Indirect Economic Impacts                                  |       |                                                                                 |                       |                                                                                               |           |              |
| GRI 3<br>Indirect Economic Impacts Material Topics 2021      | 3-3   | Management of material topics                                                   | ●                     | 1.1.5 Material Topics of Sustainable Development<br>3. Leveraging Natural Capital             | 28<br>108 |              |
| GRI 203: Indirect Economic Impacts 2016                      | 203-1 | Infrastructure investments and services supported                               | ●                     | 3.2.3 Promote scientific breeding                                                             | 120       |              |
|                                                              |       |                                                                                 |                       | 3.3 Conservation of ecological and cultural resources                                         | 125       |              |
|                                                              |       |                                                                                 |                       | 4.4 Social Care and Collaboration with Allies                                                 | 148       |              |
|                                                              |       |                                                                                 |                       | 4.5 Collaboration with Allies Promoting Diplomacy                                             | 151       |              |
|                                                              | 203-2 | Significant indirect economic impacts                                           | ●                     | 1.1.2 Financial Performance                                                                   | 17        |              |
|                                                              |       |                                                                                 |                       | 3. Leveraging Natural Capital                                                                 | 108       |              |
| Procurement Practices                                        |       |                                                                                 |                       |                                                                                               |           |              |
| GRI 204<br>Procurement Practices 2016                        | 204-1 | Proportion of spending on local suppliers                                       |                       | 4.3.1 Procurement Policies                                                                    | 142       |              |
| * Anti-corruption                                            |       |                                                                                 |                       |                                                                                               |           |              |
| GRI 3<br>Anti-corruption Material Topics 2021                | 3-3   | Management of material topics                                                   | ●                     | 1. Stepping Toward Sustainable Governance<br>1.1.5 Material Topics of Sustainable Development | 12<br>28  |              |
| GRI 205<br>Anti-corruption 2016                              | 205-1 | Operations assessed for risks related to corruption                             | ●                     | 1.3.1 Internal Control Management                                                             | 53        |              |
|                                                              | 205-2 | Communication and training about anticorruption policies and procedures         | ●                     | 1.3.1 Internal Control Management                                                             | 53        |              |
|                                                              | 205-3 | Confirmed incidents of corruption and actions Taken                             | ●                     | 1.3.1 Internal Control Management                                                             | 53        |              |
| Anti-competitive Behavior                                    |       |                                                                                 |                       |                                                                                               |           |              |
| GRI 206<br>Anti-competitive Behavior 2016                    | 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices |                       | 1.3.1 Internal Control Management                                                             | 53        |              |
| Topic-specific disclosure: 300 series (Environmental topics) |       |                                                                                 |                       |                                                                                               |           |              |
| Materials                                                    |       |                                                                                 |                       |                                                                                               |           |              |
| GRI 301<br>Materials 2016                                    | 301-1 | Materials used by weight or volume                                              |                       | 4.3.1 Procurement Policies                                                                    | 142       |              |
|                                                              | 301-2 | Recycled input materials used                                                   |                       | 4.3.1 Procurement Policies                                                                    | 142       |              |
|                                                              | 301-3 | Reclaimed products and their packaging materials                                |                       | 4.3.1 Procurement Policies                                                                    | 142       |              |
| * Energy                                                     |       |                                                                                 |                       |                                                                                               |           |              |
| GRI 3<br>Energy Material Topics 2021                         | 3-3   | Management of material topics                                                   | ●                     | 1.1.5 Material Topics of Sustainable Development<br>2. Building Climate Resilience            | 28<br>68  |              |
| GRI 302<br>Energy 2016                                       | 302-1 | Energy consumption within the organization                                      | ●                     | 2.3.1 Statistics of Energy and Carbon Emission                                                | 97        |              |
|                                                              | 302-3 | Energy intensity                                                                | ●                     | 2.3.1 Statistics of Energy and Carbon Emission                                                | 97        |              |
|                                                              | 302-4 | Reduction of energy consumption                                                 | ●                     | 2.2.3 Equipment Improvement<br>2.3.1 Statistics of Energy and Carbon Emission                 | 93<br>97  |              |

| GRI Category/ Material Aspects                                      | No.   | GRI Index                                                                                                                                 | External Verification | Chapter and Section                                                                                                | Page             | Omit/ Remark |
|---------------------------------------------------------------------|-------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------|------------------|--------------|
| <b>Topic-specific disclosure: 300 series (Environmental topics)</b> |       |                                                                                                                                           |                       |                                                                                                                    |                  |              |
| <b>* Water and Effluents</b>                                        |       |                                                                                                                                           |                       |                                                                                                                    |                  |              |
| GRI 3<br>Water and Effluents<br>Material Topics 2021                | 3-3   | Management of material topics                                                                                                             | ●                     | 1.1.5 Material Topics of Sustainable Development<br>2. Building Climate Resilience                                 | 28<br>68         |              |
|                                                                     |       |                                                                                                                                           |                       |                                                                                                                    |                  |              |
| GRI 303<br>Water and Effluents<br>2018                              | 303-1 | Interactions with water as a shared resource                                                                                              | ●                     | 2.3 Green Production<br>2.3.2 Pollution Prevention and Control<br>3.2.2 Diffusion of Resource Recycling Technology | 97<br>100<br>118 |              |
|                                                                     | 303-2 | Management of water discharge-related impacts                                                                                             | ●                     | 2.3.2 Pollution Prevention and Control                                                                             | 100              |              |
|                                                                     | 303-3 | Water withdrawal                                                                                                                          | ●                     | 2.3.2 Pollution Prevention and Control                                                                             | 100              |              |
|                                                                     | 303-4 | Water discharge                                                                                                                           | ●                     | 2.3.2 Pollution Prevention and Control                                                                             | 100              |              |
|                                                                     | 303-5 | Water consumption                                                                                                                         | ●                     | 2.3.2 Pollution Prevention and Control                                                                             | 100              |              |
|                                                                     |       |                                                                                                                                           |                       |                                                                                                                    |                  |              |
| <b>Biodiversity</b>                                                 |       |                                                                                                                                           |                       |                                                                                                                    |                  |              |
| GRI 304<br>Biodiversity 2016                                        | 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas |                       | 3.3 Conservation of ecological and cultural resources                                                              | 125              |              |
|                                                                     | 304-2 | Significant impacts of activities, products and services on biodiversity                                                                  |                       | 3.3 Conservation of Ecological and Cultural Resources                                                              | 125              |              |
|                                                                     | 304-3 | Habitats protected or restored                                                                                                            |                       | 3.3 Conservation of Ecological and Cultural Resources                                                              | 125              |              |
|                                                                     | 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations                                |                       | 3.3 Conservation of Ecological and Cultural Resources                                                              | 125              |              |
| <b>* Emissions</b>                                                  |       |                                                                                                                                           |                       |                                                                                                                    |                  |              |
| GRI 3<br>Emissions Material Topics 2021                             | 3-3   | Management of material topics                                                                                                             | ●                     | 1.1.5 Material Topics of Sustainable Development<br>2. Building Climate Resilience                                 | 28<br>68         |              |
|                                                                     |       |                                                                                                                                           |                       |                                                                                                                    |                  |              |
| GRI 305<br>Emissions 2016                                           | 305-1 | Direct (Scope 1) GHG emissions                                                                                                            | ●                     | 2.3.1 Statistics of Energy and Carbon Emission                                                                     | 97               |              |
|                                                                     | 305-2 | Energy indirect (Scope 2) GHG emissions                                                                                                   | ●                     | 2.3.1 Statistics of Energy and Carbon Emission                                                                     | 97               |              |
|                                                                     | 305-3 | Other indirect (Scope 3) GHG emissions                                                                                                    | ●                     | 2.3.1 Statistics of Energy and Carbon Emission                                                                     | 97               |              |
|                                                                     | 305-4 | GHG emissions intensity                                                                                                                   | ●                     | 2.3.1 Statistics of Energy and Carbon Emission                                                                     | 97               |              |
|                                                                     | 305-5 | Reduction of GHG emissions                                                                                                                | ●                     | 2.2.1 Energy Transition<br>2.3 Green Production<br>2.3.1 Statistics of Energy and Carbon Emission                  | 90<br>97<br>97   |              |
|                                                                     | 305-6 | Emissions of ozone-depleting substances (ODS)                                                                                             | ●                     | 2.3.1 Statistics of Energy and Carbon Emission                                                                     | 97               |              |
|                                                                     | 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions                                                           | ●                     | 2.3.2 Pollution Prevention and Control                                                                             | 100              |              |
| <b>* Waste</b>                                                      |       |                                                                                                                                           |                       |                                                                                                                    |                  |              |
| GRI 3<br>Waste Material Topics 2021                                 | 3-3   | Management of material topics                                                                                                             | ●                     | 1.1.5 Material Topics of Sustainable Development<br>2. Building Climate Resilience                                 | 28<br>68         |              |
|                                                                     |       |                                                                                                                                           |                       |                                                                                                                    |                  |              |
| GRI 306<br>Waste 2020                                               | 306-1 | Waste generation and significant waste-related impacts                                                                                    | ●                     | 2.3.3 Waste Management<br>3.2.2 Diffusion of Resource Recycling Technology                                         | 103<br>118       |              |
|                                                                     | 306-2 | Management of significant waste-related impacts                                                                                           | ●                     | 2.3.3 Waste Management<br>3.2.2 Diffusion of Resource Recycling Technology                                         | 103<br>118       |              |
|                                                                     | 306-3 | Waste generated                                                                                                                           | ●                     | 2.3.3 Waste Management                                                                                             | 103              |              |
|                                                                     | 306-4 | Waste diverted from disposal                                                                                                              | ●                     | 2.2.2 Process Improvement<br>2.3.3 Waste Management                                                                | 91<br>103        |              |



| GRI Category/ Material Aspects                                    | No.                     | GRI Index                                                                                                     | External Verification                                  | Chapter and Section                                                                                                  | Page              | Omit/ Remark |
|-------------------------------------------------------------------|-------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------|--------------|
| Topic-specific disclosure: 300 series (Environmental topics)      |                         |                                                                                                               |                                                        |                                                                                                                      |                   |              |
| * Waste                                                           |                         |                                                                                                               |                                                        |                                                                                                                      |                   |              |
| GRI 306<br>Waste 2020                                             | 306-5                   | Waste directed to disposal                                                                                    | ●                                                      | 2.3.2 Pollution Prevention and Control<br>2.3.3 Waste Management<br>3.2.2 Diffusion of Resource Recycling Technology | 100<br>103<br>118 |              |
| * Supplier Environmental Assessment                               |                         |                                                                                                               |                                                        |                                                                                                                      |                   |              |
| GRI 3<br>Supplier Environmental Assessment Material Topics 2021   | 3-3                     | Management of material topics                                                                                 | ●                                                      | 1.1.5 Material Topics of Sustainable Development<br>4. Creating Social Value                                         | 28<br>121         |              |
| GRI 308<br>Supplier Environmental Assessment 2016                 | 308-1                   | New suppliers that were screened using environmental criteria                                                 | ●                                                      | 4.3.1 Procurement Policies                                                                                           | 142               |              |
|                                                                   | 308-2                   | Negative environmental impacts in the supply chain and actions taken                                          | ●                                                      | 4.3.2 Supplier Management                                                                                            | 143               |              |
| Topic-specific disclosure: 400 series (Social topics)             |                         |                                                                                                               |                                                        |                                                                                                                      |                   |              |
| Employment                                                        |                         |                                                                                                               |                                                        |                                                                                                                      |                   |              |
| GRI 401<br>Employment 2016                                        | 401-1                   | New employee hires and employee turnover                                                                      |                                                        | 5.1.1 Talent Recruitment and Turnover                                                                                | 157               |              |
|                                                                   | 401-2                   | Benefits provided to full-time employees that are not provided to temporary or parttime employees             |                                                        | 5.2 Human Rights Protection and Labor/Management Relations                                                           | 165               |              |
|                                                                   | 401-3                   | Parental leave                                                                                                |                                                        | 5.2 Human Rights Protection and Labor/Management Relations                                                           | 165               |              |
| * Labor/Management Relations                                      |                         |                                                                                                               |                                                        |                                                                                                                      |                   |              |
| GRI 3<br>Labor/Management Relations Material Topics 2021          | 3-3                     | Management of material topics                                                                                 | ●                                                      | 1.1.5 Material Topics of Sustainable Development<br>5. Taking Care of Taiwan Sugar Corporation Partners              | 28<br>156         |              |
| GRI 402<br>Labor/Management Relations 2016                        | 402-1                   | Minimum notice periods regarding operational Changes                                                          | ●                                                      | 5.2 Human Rights Protection and Labor/Management Relations                                                           | 165               |              |
| * Occupational Health and Safety                                  |                         |                                                                                                               |                                                        |                                                                                                                      |                   |              |
| GRI 3<br>Occupational Health and Safety 2018 Material Topics 2021 | 3-3                     | Management of material topics                                                                                 | ●                                                      | 1.1.5 Material Topics of Sustainable Development<br>5. Taking Care of Taiwan Sugar Corporation Partners              | 28<br>156         |              |
| GRI 403<br>Occupational Health and Safety 2018                    | 403-1                   | Occupational Safety and Health Management System                                                              | ●                                                      | 5.3.1 Occupational Safety and Health Management System                                                               | 170               |              |
|                                                                   | 403-2                   | Hazard identification, risk assessment, and incident investigation                                            | ●                                                      | 5.3.1 Occupational Safety and Health Management System                                                               | 170               |              |
|                                                                   | 403-3                   | Occupational health services                                                                                  | ●                                                      | 5.3.3 Employee Health Management                                                                                     | 177               |              |
|                                                                   | 403-4                   | Worker participation, consultation, and communication on occupational health and safety                       | ●                                                      | 5.3 Reinforced Occupational Safety                                                                                   | 170               |              |
|                                                                   | 403-5                   | Worker training on occupational health and safety                                                             | ●                                                      | 5.3.1 Occupational Safety and Health Management System                                                               | 170               |              |
|                                                                   |                         |                                                                                                               |                                                        | 5.3.2 Safe Working Environment                                                                                       | 174               |              |
|                                                                   | 403-6                   | Promotion of worker health                                                                                    | ●                                                      | 5.3.3 Employee Health Management                                                                                     | 177               |              |
|                                                                   | 403-7                   | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | ●                                                      | 5.3.2 Safe Working Environment                                                                                       | 174               |              |
|                                                                   | 403-8                   | Workers covered by an occupational health and safety management system                                        | ●                                                      | 5.3.1 Occupational Safety and Health Management System                                                               | 170               |              |
|                                                                   | 403-9                   | Work-related injuries                                                                                         | ●                                                      | 5.3.1 Occupational Safety and Health Management System                                                               | 170               |              |
| 403-10                                                            | Work-related ill health | ●                                                                                                             | 5.3.1 Occupational Safety and Health Management System | 170                                                                                                                  |                   |              |

| GRI Category/ Material Aspects                                                 | No.   | GRI Index                                                                                                      | External Verification | Chapter and Section                                                                                                              | Page              | Omit/ Remark |
|--------------------------------------------------------------------------------|-------|----------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------|
| Topic-specific disclosure: 400 series (Social topics)                          |       |                                                                                                                |                       |                                                                                                                                  |                   |              |
| Training and Education                                                         |       |                                                                                                                |                       |                                                                                                                                  |                   |              |
| GRI 404<br>Training and Education 2016                                         | 404-1 | Average hours of training per year per employee                                                                |                       | 5.1.3 Employee Empowerment                                                                                                       | 162               |              |
|                                                                                | 404-2 | Programs for upgrading employee skills and transition assistance programs                                      |                       | 5.1.3 Employee Empowerment<br>5.2 Human Rights Protection and Labor/Management Relations                                         | 162<br>165        |              |
|                                                                                | 404-3 | Percentage of employees receiving regular performance and career development review                            |                       | 5.2 Human Rights Protection and Labor/Management Relations                                                                       | 165               |              |
| *Material Topics                                                               |       |                                                                                                                |                       |                                                                                                                                  |                   |              |
| GRI 3<br>Diversity and Equal Opportunity Material Topics 2021                  | 3-3   | Management of material topics                                                                                  | ●                     | 1.1.5 Material Topics of Sustainable Development<br>5. Taking Care of Taiwan Sugar Corporation Partners                          | 28<br>156         |              |
| GRI 405<br>Diversity and Equal Opportunity 2016                                | 405-1 | Diversity of governance bodies and employees                                                                   | ●                     | 1.2.1 Board of Director Structure<br>5.1.2 Labor Structure                                                                       | 38<br>159         |              |
|                                                                                | 405-2 | Ratio of basic salary and remuneration of women to men                                                         | ●                     | 5.2 Human Rights Protection and Labor/Management Relations                                                                       | 165               |              |
| Non-discrimination                                                             |       |                                                                                                                |                       |                                                                                                                                  |                   |              |
| GRI 406<br>Non-discrimination 2016                                             | 406-1 | Incidents of discrimination and corrective actions taken                                                       |                       | 5.2 Human Rights Protection and Labor/Management Relations                                                                       | 165               |              |
| * Freedom of Association and Collective Bargaining                             |       |                                                                                                                |                       |                                                                                                                                  |                   |              |
| GRI 3<br>Freedom of Association and Collective Bargaining Material Topics 2021 | 3-3   | Management of material topics                                                                                  | ●                     | 1.1.5 Material Topics of Sustainable Development<br>5. Taking Care of Taiwan Sugar Corporation Partners                          | 28<br>156         |              |
| GRI 407<br>Freedom of Associationand Collective Bargaining 2016                | 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | ●                     | 4.3.2 Supplier Management<br>5.2 Human Rights Protection and Labor/Management Relations                                          | 143<br>165        |              |
| Child Labor                                                                    |       |                                                                                                                |                       |                                                                                                                                  |                   |              |
| GRI 408<br>Child Labor 2016                                                    | 408-1 | Operations and suppliers at significant risk for incidents of child labor                                      |                       | 4.3.2 Supplier Management<br>5.1.1 Talent Recruitment and Turnover<br>5.2 Human Rights Protection and Labor/Management Relations | 143<br>157<br>165 |              |
| * Forced or Compulsory Labor                                                   |       |                                                                                                                |                       |                                                                                                                                  |                   |              |
| GRI 3<br>Forced or Compulsory Labor Material Topics 2021                       | 3-3   | Management of material topics                                                                                  | ●                     | 1.1.5 Material Topics of Sustainable Development<br>5. Taking Care of Taiwan Sugar Corporation Partners                          | 25<br>156         |              |
| GRI 409<br>Forced or Compulsory Labor 2016                                     | 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor                       | ●                     | 5.1.1 Talent Recruitment and Turnover                                                                                            | 157               |              |
| Security Practices                                                             |       |                                                                                                                |                       |                                                                                                                                  |                   |              |
| GRI 410<br>Security Practices 2016                                             | 410-1 | Security personnel trained in human rights policies or procedures                                              |                       | 4.3.2 Supplier Management                                                                                                        | 143               |              |



| GRI Category/ Material Aspects                                             | No.   | GRI Index                                                                                     | External Verification | Chapter and Section                                                          | Page      | Omit/ Remark |
|----------------------------------------------------------------------------|-------|-----------------------------------------------------------------------------------------------|-----------------------|------------------------------------------------------------------------------|-----------|--------------|
| Rights of Indigenous Peoples                                               |       |                                                                                               |                       |                                                                              |           |              |
| GRI 411<br>Rights of Indigenous Peoples 2016                               | 411-1 | Incidents of violations involving rights of indigenous peoples                                |                       | 5.1.2 Labor Structure                                                        | 159       |              |
| *Local Communities                                                         |       |                                                                                               |                       |                                                                              |           |              |
| GRI 3<br>Local Communities Material Topics 2021                            | 3-3   | Management of material topics                                                                 | ●                     | 1.1.5 Material Topics of Sustainable Development<br>4. Creating Social Value | 28<br>134 |              |
| GRI 413<br>Local Communities 2016                                          | 413-1 | Operations with local community engagement, impact assessments, and development programs      | ●                     | 3.3 Conservation of ecological and cultural resources                        | 125       |              |
|                                                                            |       |                                                                                               |                       | 4.4 Social Engagement and Care for the Disadvantaged                         | 148       |              |
|                                                                            |       |                                                                                               |                       | 4.5 Collaboration with Allies Promoting Diplomacy                            | 151       |              |
|                                                                            | 413-2 | Operations with significant actual and potential negative impacts on local communities        | ●                     | 2.3.2 Pollution Prevention and Control                                       | 100       |              |
| 3.2.1 The world's first livestock farm with circular economy certification |       |                                                                                               |                       | 117                                                                          |           |              |
| 3.2.2 Diffusion of Resource Recycling Technology                           |       |                                                                                               |                       | 118                                                                          |           |              |
| *Supplier Social Assessment                                                |       |                                                                                               |                       |                                                                              |           |              |
| GRI 3<br>Supplier Social Assessment Material Topics 2016                   | 3-3   | Management of material topics                                                                 | ●                     | 1.1.5 Material Topics of Sustainable Development<br>4. Creating Social Value | 28<br>134 |              |
| GRI 414<br>Supplier Social Assessment 2016                                 | 414-1 | New suppliers that were screened using social criteria                                        | ●                     | 4.3.1 Procurement Policies                                                   | 142       |              |
|                                                                            | 414-2 | Negative social impacts in the supply chain and actions taken                                 | ●                     | 4.3.2 Supplier Management                                                    | 143       |              |
| Public Policy                                                              |       |                                                                                               |                       |                                                                              |           |              |
| GRI 415<br>Public Policy 2016                                              | 415-1 | Political contributions                                                                       |                       | 1.3 Implementation of Integrity Management                                   | 53        |              |
| *Customer Health and Safety                                                |       |                                                                                               |                       |                                                                              |           |              |
| GRI 3<br>Customer Health and Safety Material Topics 2021                   | 3-3   | Management of material topics                                                                 | ●                     | 1.1.5 Material Topics of Sustainable Development<br>4. Creating Social Value | 28<br>134 |              |
| GRI 416<br>Customer Health and Safety 2016                                 | 416-1 | Assessment of the health and safety impacts of product and service categories                 | ●                     | 4.2 Food Safety Management                                                   | 139       |              |
|                                                                            | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | ●                     | 1.3.2 Compliance and Information Disclosure                                  | 56        |              |
| *Marketing and Labeling                                                    |       |                                                                                               |                       |                                                                              |           |              |
| GRI 3<br>Customer Health and Safety Material Topics 2021                   | 3-3   | Management of material topics                                                                 | ●                     | 1.1.5 Material Topics of Sustainable Development<br>4. Creating Social Value | 28<br>134 |              |
| GRI 417<br>Marketing and Labeling 2016                                     | 417-1 | Requirements for product and service information and labeling                                 | ●                     | 4.2 Food Safety Management                                                   | 139       |              |
|                                                                            | 417-2 | Incidents of non-compliance concerning product and service information and labeling           | ●                     | 1.3.2 Compliance and Information Disclosure                                  | 56        |              |
|                                                                            | 417-3 | Incidents of non-compliance concerning marketing communications                               | ●                     | 1.3.2 Compliance and Information Disclosure                                  | 56        |              |

| GRI Category/ Material Aspects                                  | No.   | GRI Index                                                                                    | External Verification | Chapter and Section                                                                           | Page      | Omit/ Remark |
|-----------------------------------------------------------------|-------|----------------------------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------------------|-----------|--------------|
| <b>Topic-specific disclosure: 400 series (Social topics)</b>    |       |                                                                                              |                       |                                                                                               |           |              |
| <b>*Customer Privacy</b>                                        |       |                                                                                              |                       |                                                                                               |           |              |
| GRI 3<br>Customer Privacy<br>Material Topics 2021               | 3-3   | Management of material topics                                                                | ●                     | 1.1.5 Material Topics of Sustainable Development<br>1. Stepping Toward Sustainable Governance | 28<br>12  |              |
| GRI 418<br>Customer Privacy 2016                                | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | ●                     | 1.3.2 Compliance and Information Disclosure                                                   | 56        |              |
| <b>Custom Theme</b>                                             |       |                                                                                              |                       |                                                                                               |           |              |
| <b>*Climate Adaptation and Resilience</b>                       |       |                                                                                              |                       |                                                                                               |           |              |
| GRI 3<br>Climate Adaptation and Resilience Material Topics 2021 | 3-3   | Management of material topics                                                                | ●                     | 1.1.5 Material Topics of Sustainable Development<br>2. Building Climate Resilience            | 28<br>68  |              |
| <b>*Corporate Governance</b>                                    |       |                                                                                              |                       |                                                                                               |           |              |
| GRI 3<br>Corporate Governance Material Topics 2021              | 3-3   | Management of material topics                                                                | ●                     | 1.1.5 Material Topics of Sustainable Development<br>1. Stepping Toward Sustainable Governance | 28<br>12  |              |
| <b>*GHG Emissions</b>                                           |       |                                                                                              |                       |                                                                                               |           |              |
| GRI 3<br>GHG Emissions Material Topics 2021                     | 3-3   | Management of material topics                                                                | ●                     | 1.1.5 Material Topics of Sustainable Development<br>2. Building Climate Resilience            | 28<br>68  |              |
| <b>*Food Safety</b>                                             |       |                                                                                              |                       |                                                                                               |           |              |
| GRI 3<br>Food Safety Material Topics 2021                       | 3-3   | Management of material topics                                                                | ●                     | 1.1.5 Material Topics of Sustainable Development<br>4. Creating Social Value                  | 28<br>134 |              |
| <b>*Food Preservation (Sustainable Food)</b>                    |       |                                                                                              |                       |                                                                                               |           |              |
| GRI 3<br>Sustainable Food Material Topics 2021                  | 3-3   | Management of material topics                                                                | ●                     | 1.1.5 Material Topics of Sustainable Development<br>3. Leveraging Natural Capital             | 28<br>108 |              |
| <b>*Supply Chain Traceability</b>                               |       |                                                                                              |                       |                                                                                               |           |              |
| GRI 3<br>Supply Chain Traceability Material Topics 2021         | 3-3   | Management of material topics                                                                | ●                     | 1.1.5 Material Topics of Sustainable Development<br>4. Creating Social Value                  | 28<br>134 |              |
| <b>*Circular Economy</b>                                        |       |                                                                                              |                       |                                                                                               |           |              |
| GRI 3<br>Circular Economy Material Topics 2021                  | 3-3   | Management of material topics                                                                | ●                     | 1.1.5 Material Topics of Sustainable Development<br>3. Leveraging Natural Capital             | 28<br>108 |              |
| <b>*Soil Health</b>                                             |       |                                                                                              |                       |                                                                                               |           |              |
| GRI 3<br>Soil Health Material Topics 2021                       | 3-3   | Management of material topics                                                                | ●                     | 1.1.5 Material Topics of Sustainable Development<br>3. Leveraging Natural Capital             | 28<br>108 |              |



| GRI Category/ Material Aspects                                | No. | GRI Index                     | External Verification | Chapter and Section                                                                                     | Page      | Omit/ Remark |
|---------------------------------------------------------------|-----|-------------------------------|-----------------------|---------------------------------------------------------------------------------------------------------|-----------|--------------|
| <b>Custom Theme</b>                                           |     |                               |                       |                                                                                                         |           |              |
| <b>*Employment Practices</b>                                  |     |                               |                       |                                                                                                         |           |              |
| 2021<br>GRI 3<br>Employment practices<br>Material Topics 2021 | 3-3 | Management of material topics | ●                     | 1.1.5 Material Topics of Sustainable Development<br>5. Taking Care of Taiwan Sugar Corporation Partners | 28<br>156 |              |
| <b>*Animal Health and Welfare</b>                             |     |                               |                       |                                                                                                         |           |              |
| GRI 3<br>Animal Health and Welfare Material Topics 2021       | 3-3 | Management of material topics | ●                     | 1.1.5 Material Topics of Sustainable Development<br>3. Leveraging Natural Capital                       | 28<br>108 |              |
| <b>*Social Participation</b>                                  |     |                               |                       |                                                                                                         |           |              |
| GRI 3<br>Social Participation Material Topics 2021            | 3-3 | Management of material topics | ●                     | 1.1.5 Material Topics of Sustainable Development<br>4. Creating Social Value                            | 28<br>134 |              |
| <b>*Natural Ecosystem Conversion</b>                          |     |                               |                       |                                                                                                         |           |              |
| GRI 3<br>Natural Ecosystem Conversion Material Topics 2021    | 3-3 | Management of material topics | ●                     | 1.1.5 Material Topics of Sustainable Development<br>3. Leveraging Natural Capital                       | 28<br>108 |              |
| <b>*Air Pollutant Emissions</b>                               |     |                               |                       |                                                                                                         |           |              |
| GRI 3<br>Air pollutant emissions Material Topics 2021         | 3-3 | Management of material topics | ●                     | 1.1.5 Material Topics of Sustainable Development<br>2. Building Climate Resilience                      | 28<br>68  |              |
| <b>*Pesticides Use</b>                                        |     |                               |                       |                                                                                                         |           |              |
| GRI 3<br>Pesticides Use Material Topics 2021                  | 3-3 | Management of material topics | ●                     | 1.1.5 Material Topics of Sustainable Development<br>3. Leveraging Natural Capital                       | 28<br>108 |              |
| <b>*Land and Resource Rights</b>                              |     |                               |                       |                                                                                                         |           |              |
| GRI 3<br>Land and Resource Rights Material Topics 2021        | 3-3 | Management of material topics | ●                     | 1.1.5 Material Topics of Sustainable Development<br>3. Leveraging Natural Capital                       | 28<br>108 |              |

## Appendix III :

### Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies- Sustainability Disclosure Indicators- Comparison table for those whose revenue from food industry and catering accounts for more than 50% of the total operating revenue

| Number | Content of Indicator                                                                                                                                                                                                                                                                   | Corresponding Chapter and Section                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Page       |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 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. | 4.2 Food Safety Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 139        |
| 2      | Types and times of incidents of violations of health and safety regulations related to products and services and non-compliance with product and service information and labeling regulations, times of product removal, and the total weight of products removed.                     | 1.3.2 Compliance and Information Disclosure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 56         |
| 3      | Purchase a certain percentage that meets the ratio of internationally recognized product liability standard to overall procurement, and it is divided by standards.                                                                                                                    | 4.3.2 Supplier Management<br>4.5.1 Guatemala Coffee Contract Farming                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 143<br>151 |
| 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.                                                                                                 | 4.2 Food Safety Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 139        |
| 5      | The number and percentage of suppliers audited by the company, and the audit items and results.                                                                                                                                                                                        | 4.3.2 Supplier Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 143        |
| 6      | The product trace and track management conducted by the company voluntarily or according to the applicable laws, and the percentage of such relevant products to the whole products.                                                                                                   | 4.2 Food Safety Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 139        |
| 7      | The food safety laboratories established by the company voluntarily or according to the applicable laws, testing items, testing results, relevant expenses and the percentage of such expenses to the net revenue.                                                                     | 4.2 Food Safety Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 139        |
| 8      | Total energy consumption, percentage of purchased electricity, utilization rate of renewable energy.                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>▶ The total energy consumption company-wide in 2024 was 1,509,981.86 GJ</li> <li>▶ The Company's purchased electricity accounted for 18.23% of the overall energy consumption in 2024</li> <li>▶ The Company's bagasse co-generation for self-use and biogas power generation for self-use accounted for 8.21% of the overall energy consumption in 2024</li> </ul>                                                                                                                                                                                                           | -          |
| 9      | Total water intake and total water consumption.                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>▶ Total water intake of the entire company in 2024: 7,915.25 thousand cubic meters</li> <li>▶ Total water consumption of the entire company in 2024: 5,919.30 thousand cubic meters</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                | -          |
| 10     | Weight of products sold, number of production facilities (metric tonnes, quantity).                                                                                                                                                                                                    | Taiwan Sugar Corporation sold a total of 320,223.864 metric tonnes of food products in 2024.<br>There are 8 production facilities, including 4 bases of the Sugar Business Division (Shanhua Sugar Factory, Huwei Sugar Factory, Huwei Sugar Factory-Dalin Plant, Xiaogang Plant-Sugar Refinery and Oil Factory), 1 base of Livestock Business Division (Xinying Byproduct Processing Plant-Processed Meat Factory), 1 base of Biotechnology Business Division (Dalin Biotechnology Factory Food Plant), and 2 bases of Department of Agribusiness Management (Huwei Organic Rice Mill, Pingtung Soybean Packaging). | -          |



## Appendix IV :

### Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies- Climate-related Information of TWSE/TPEX Listed Companies

| Risks and opportunities brought by climate change and the relevant corresponding measures the Company takes                                                                                                                                                                                                                                                                                                      | Corresponding Chapter and Section                                 | Page |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------|
| 1. Describe the board of directors' and the management's supervision and governance of climate-related risks and opportunities.                                                                                                                                                                                                                                                                                  | 2.1.1 Governance Structure and Capacity for Climate Change Issues | 71   |
| 2. Describe how the climate risks and opportunities identified will affect the Company's business, strategies, and finances (short, medium, and long term).                                                                                                                                                                                                                                                      | 2.1.3 Climate-related risk and opportunity strategy               | 74   |
| 3. Describe the impact of extreme climate events and transition actions on finances.                                                                                                                                                                                                                                                                                                                             | 2.1.3 Climate-related risk and opportunity strategy               | 74   |
| 4. Describe how the climate risks identification, assessment, and management process are integrated into the overall risk management system.                                                                                                                                                                                                                                                                     | 2.1.2 Climate-related risks and opportunities management          | 73   |
| 5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors and main financial impacts used should be explained.                                                                                                                                                                                                                    | 2.1.3 Climate-related risk and opportunity strategy               | 74   |
| 6. If there is a transformation plan to manage climate-related risks, explain the content of the plan and the indicators and targets used to identify and manage physical risks and transformation risks.                                                                                                                                                                                                        | 2.1.3 Climate-related risk and opportunity strategy               | 74   |
|                                                                                                                                                                                                                                                                                                                                                                                                                  | 2.2 Net Zero Transition Strategy                                  | 89   |
| 8. If climate-related targets are set, the activities covered, the scope of GHG emissions, the planning period, the annual progress achieved and other information should be explained; if carbon offsets or renewable energy certificates are used to achieve relevant targets, the source and quantity of the carbon reduction quotas or the number of renewable energy certificates used should be explained. | 2. Building Climate Resilience                                    | 68   |
|                                                                                                                                                                                                                                                                                                                                                                                                                  | 2.1.3 Climate-related risk and opportunity strategy               | 74   |
| 9. GHG inventory and assurance status, reduction targets, strategies, and specific action plans.                                                                                                                                                                                                                                                                                                                 | 2.2 Net Zero Transition Strategy                                  | 89   |
|                                                                                                                                                                                                                                                                                                                                                                                                                  | 3.1 Statistics of Energy and Carbon Emission                      | 110  |

## Appendix V : Sustainable Development Goals (SDGs) Index

To keep the operations of TSC in line with international trends, we refer to the Sustainable Development Goals (SDGs) as corresponding to the company's major theme, goals and policies to have a comprehensive and sustainable business advantages in a rapidly changing environment.

| Item    | Sustainable Development Goals                                                                                                                                                                 | Corresponding Chapter and section                   | Page |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|------|
| Goal 1  | End poverty in all its forms everywhere.                                                                                                                                                      | 4. Creating Social Value                            | 134  |
| Goal 2  | End hunger, achieve food security and improved nutrition and promote sustainable agriculture.                                                                                                 | 3. Leveraging Natural Capital                       | 108  |
| Goal 3  | Ensure healthy lives and promote well-being for all at all ages.                                                                                                                              | 4. Creating Social Value                            | 134  |
| Goal 5  | Achieve gender equality and empower all women and girls.                                                                                                                                      | 5. Taking Care of Taiwan Sugar Corporation Partners | 156  |
| Goal 6  | Ensure availability and sustainable management of water and sanitation for all.                                                                                                               | 2. Building Climate Resilience                      | 68   |
| Goal 7  | Ensure access to affordable, reliable, sustainable and modern energy for all.                                                                                                                 | 2. Building Climate Resilience                      | 68   |
| Goal 8  | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.                                                                         | 4. Creating Social Value                            | 134  |
|         |                                                                                                                                                                                               | 5. Taking Care of Taiwan Sugar Corporation Partners | 68   |
| Goal 10 | Reduce inequality within and among countries.                                                                                                                                                 | 1. Stepping Toward Sustainable Governance           | 12   |
| Goal 11 | Make cities and human settlements inclusive, safe, resilient and sustainable.                                                                                                                 | 2. Building Climate Resilience                      | 68   |
| Goal 12 | Ensure sustainable consumption and production patterns.                                                                                                                                       | 2. Building Climate Resilience                      | 68   |
|         |                                                                                                                                                                                               | 3. Leveraging Natural Capital                       | 108  |
|         |                                                                                                                                                                                               | 4. Creating Social Value                            | 134  |
| Goal 13 | Take urgent action to combat climate change and its impacts.                                                                                                                                  | 2. Building Climate Resilience                      | 68   |
| Goal 15 | Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss. | 3. Leveraging Natural Capital                       | 108  |
| Goal 16 | Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.            | 1. Stepping Toward Sustainable Governance           | 12   |





## Appendix VI: Sustainability Accounting Standards Board (SASB) Index

### AGRICULTURAL PRODUCTS

#### Sustainability Disclosure Topics & Accounting Metrics

| TOPIC                    | CODE         | ACCOUNTING METRIC                                                                                                                                                                   | CATEGORY                | RESPONSE                                                                                                                                                                                                                                                                                                                                                                          | PAGE       |
|--------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Greenhouse Gas Emissions | FB-AG-110a.1 | Gross global Scope 1 emissions (metric tonnes (t)CO <sub>2</sub> e)                                                                                                                 | Quantitative            | The GHG emission of Scope 1 company-wide in 2024 was 103,273.6741 CO <sub>2</sub> e                                                                                                                                                                                                                                                                                               | -          |
|                          | FB-AG-110a.2 | Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions,emissions reduction targets, and an analysis of performance against those targets               | Discussion and Analysis | Please see 2.2 Net Zero Transformation Strategy                                                                                                                                                                                                                                                                                                                                   | 89         |
|                          | FB-AG-110a.3 | Fleet fuel consumed (Gigajoules, GJ)                                                                                                                                                | Quantitative            | The total consumption of diesel and gasoline in Sugar Business Division in 2024 was 44,819.13 GJ                                                                                                                                                                                                                                                                                  | -          |
|                          |              | Percentage renewable                                                                                                                                                                | Quantitative            | In 2024, the vehicles of the Company did not use renewable energy                                                                                                                                                                                                                                                                                                                 | -          |
| Energy Management        | FB-AG-130a.1 | Operational energy consumed(Gigajoules, GJ)                                                                                                                                         | Quantitative            | The total energy consumption company-wide in 2024 was 1,509,981.86 GJ                                                                                                                                                                                                                                                                                                             | -          |
|                          |              | Percentage of grid power (Percentage,%)                                                                                                                                             |                         | The Company's purchased electricity accounted for 18.23% of the overall electricity consumption in 2024                                                                                                                                                                                                                                                                           |            |
|                          |              | Percentage renewable (Percentage, %)                                                                                                                                                |                         | The Company's bagasse co-generation for self-use and biogas power generation for self-use accounted for 8.21% of the overall electricity consumption in 2024                                                                                                                                                                                                                      |            |
| Water Management         | FB-AG-140a.1 | Percentage of total water withdrawal in areas with high or extremely high baseline water stress (Thousand cubic meters, m <sup>3</sup> , Percentage, %)                             | Quantitative            | The total water intake company-wide in 2024 was 7,915.25 thousand m <sup>3</sup> 0%. Water used in the Company in 2024 was all from regions not belonging to highly or very highly waterstressed regions in Taiwan                                                                                                                                                                | -          |
|                          |              | Percentage of total water consumed in areas with high or extremely high baseline water stress (Thousand cubic meters, m <sup>3</sup> , Percentage, %)                               |                         | The total water consumption company-wide in 2024 was 5,919.3 thousand m <sup>3</sup> 0%. Water used in the Company in 2024 was all from regions not belonging to highly or very highly waterstressed regions in Taiwan                                                                                                                                                            |            |
|                          | FB-AG-140a.2 | Description of risks of water management and discussion of strategies and practices to reduce those risks.                                                                          | Discussion and Analysis | Please see "2.3.2 Pollution Prevention and Control"                                                                                                                                                                                                                                                                                                                               | 100        |
|                          | FB-AG-140a.3 | And number of non-compliance incidents related to water quality permits, standards, and regulations.                                                                                | Quantitative            | In 2024, the Sugar Business Division of our company had 1 violation of Article 21, Paragraph 2 of the Water Pollution Control Act and Article 19, Paragraph 1 of the Regulations Governing the Establishment and Management of Dedicated Wastewater (Sewage) Treatment Units or Personnel. Please refer to the section "1.3.2 Compliance and Information Disclosure" for details. | 56         |
| Food Safety              | FB-AG-250a.1 | Global Food Safety Initiative (GFSI) audits, for (a) major nonconformities and (b) minor nonconformities, and the (1) nonconformity rates and (2) related corrective action rates   | Quantitative            | Xiaogang Plant of the Sugar Business Division has the FSSC 22000 certification. In 2024, a total of 93 items were investigated in the external audit, and there were 3 minor non-conformities, with the failure rate of 3.2%. Improvements have been completed, with the corrective action rate of 100%                                                                           | -          |
|                          | FB-AG-250a.2 | Percentage of agricultural products supplied by suppliers that have passed a food safety certification scheme recognized by the Global Food Safety Initiative (GFSI) (Percentage,%) | Quantitative            | Please see "List of proportion of each food category that has passed food safety certification or obtained food safety label" in "4.2 Food Safety Management " and "List of ratio of suppliers complying with food safety system standards" in "4.3.2 Supplier Management"                                                                                                        | 139<br>143 |

## Sustainability Disclosure Topics & Accounting Metrics

| TOPIC                                                             | CODE         | ACCOUNTING METRIC                                                                                                                                                                              | CATEGORY                | RESPONSE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | PAGE |
|-------------------------------------------------------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| Food Safety                                                       | FB-AG-250a.3 | Number of food product recalls announced                                                                                                                                                       | Quantitative            | 0, there were no food recalls for our agricultural products in 2024.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | -    |
|                                                                   |              | Total weight of recalled food products (metric tonnes, t)                                                                                                                                      | Quantitative            | 0, there were no food recalls for our agricultural products in 2024.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | -    |
| Workforce Health & Safety                                         | FB-AG-320a.1 | (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) seasonal and migrant employees (Rate)                   | Quantitative            | In 2024, the employees of the Company Occupational fatality rate : 0 Recordable occupational injury rate : 0.63 False alarm rate:7.47 (Ratios calculated on the basis of 1,000,000 working hours)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | -    |
| Environmental and social impacts of the raw material supply chain | FB-AG-430a.1 | The percentage of agricultural raw materials obtained that were certified by third-party environmental or social standards, and the percentage by standard (Percentage by cost, %)             | Quantitative            | Please see “4.3.2 Supplier Management”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 143  |
|                                                                   | FB-AG-430a.2 | Supplier social and environmental responsibility audits, including (a) major non-conformities and (b) minor non-conformities, (1) non-conformity rates and (2) related corrective action rates | Quantitative            | Please see “4.3.2 Supplier Management”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 143  |
|                                                                   | FB-AG-430a.3 | Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing                                                                           | Discussion and Analysis | Please see “4.3 Sustainable Management of the Value Chain”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 141  |
| GMO Management                                                    | FB-AG-430b.1 | Discussion of strategies to manage the use of genetically modified organisms (GMOs)                                                                                                            | Discussion and Analysis | <ol style="list-style-type: none"> <li>Self-operated farms choose domestic varieties of organic rice, and non-GMO soybeans, which are all non-GMO products.</li> <li>It is clearly stipulated in the raw sugar procurement contract that it cannot be produced from genetically modified crops (sugarcane, sugar beets), and the manufacturer must submit a statement, otherwise it will be considered unqualified. In addition, TSC's own sugarcane is non-genetically modified crops, so the finished sugar does not contain genetically modified ingredients.</li> <li>The soybean procurement standards are “second grade soybeans of the U.S.,” which are mostly genetically modified soybeans. Therefore, the finished soybean salad oil is labeled in accordance with food regulations, stating that “This product does not contain genetically modified ingredients, but is processed from genetically modified soybeans.</li> </ol> | -    |
| Ingredient Sourcing                                               | FB-AG-440a.1 | Identification of principal crops and description of risks and opportunities presented by climate change                                                                                       | Discussion and Analysis | Please see chapter “ 2.1 Task Force on Climate-related Financial Disclosures (TCFD)”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 70   |
|                                                                   | FB-AG-440a.2 | Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress                                                                                     | Quantitative            | <ol style="list-style-type: none"> <li>The raw sugar used by TSC in 2024 was produced in Brazil and Guatemala; the soybeans used are Grade 2 soybeans from the United States, and the production areas are mainly distributed in various agricultural states in the United States. However, since these materials were purchased through the importers, we can only know which port they were exported from, and currently we have no way to know the information of the planting areas.</li> <li>Sugarcane, organic rice, and non-GMO soybeans are all produced by Taisugar and grown in areas of Taiwan that are not classified as high or extremely high baseline water stress.</li> </ol>                                                                                                                                                                                                                                                | -    |



### ACTIVITY METRIC

| CODE        | ACTIVITY METRIC                                                       | CATEGORY     | RESPONSE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------|-----------------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FB-AG-000.A | Production by principal crop (metric tonnes, t)                       | Quantitative | The production plan for 2024 was as follow :<br>1. The annual output of dry organic grain is 448.4 metric tonnes.<br>2. The annual output of non-GMO soybeans is 28.29 metric tonnes.                                                                                                                                                                                                                                                                                                                                                                                               |
| FB-AG-000.B | Number of processing facilities (Number)                              | Quantitative | There are 6 agricultural product production factories, including 4 bases of the Sugar Business Divisions (Shanhua Sugar Factory, Huwei Sugar Refinery, Huwei Sugar Factory-Dalin Plant, Xiaogang Plant-Sugar Refinery and Oil Factory), 2 bases of Department of Agribusiness Management (Huwei Organic Rice Mill, Pingtung Soybean Packaging).                                                                                                                                                                                                                                     |
| FB-AG-000.C | Total land area under active production (Hectares)                    | Quantitative | 5,500.34 hectares, including 87.85 hectares of self-operated organic rice paddies (9.34 hectares self-cultivation in Huadong Operation Branch), and 5,412.49 hectares of self-operated sugarcane farms (2,947.56 hectares under Huwei Sugar Factory and 2,464.93 hectares under Shanhua Sugar Factory)<br>Note: The planting area of self-operated sugarcane farms is the planting data for 2012/2013.                                                                                                                                                                              |
| FB-AG-000.D | Cost of agricultural products sourced externally (Reporting currency) | Quantitative | In 2024, the total cost of external procurement of agricultural products by the Sugar Business Division and the Department of Agribusiness Management amounted to NTD 4,609,689.85, and the items and amounts are as follows :<br>Organic rice wet valley : NTD 13,498.62 thousand<br>Soybean crude oil : NTD 280,445.00 thousand<br>Raw sugar : NTD 3,737,252.20 thousand<br>Frozen ginger juice : NTD 4,027.80 thousand<br>Soybean : NTD 528,150.73 thousand<br>Purchase of edible sunflower oil: NTD 29,389.50 thousand<br>Purchase of edible canola oil: NTD 16,926.00 thousand |

## MEAT, POULTRY & DAIRY

### Sustainability Disclosure Topics & Accounting Metrics

| TOPIC                      | CODE         | ACCOUNTING METRIC                                                                                                                                                                       | CATEGORY                | RESPONSE                                                                                                                                                                                                               | PAGE |
|----------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| Greenhouse Gas Emissions   | FB-MP-110a.1 | Gross global Scope 1 emissions (metric tonnes (t)CO <sub>2</sub> e)                                                                                                                     | Quantitative            | The GHG emission of Scope 1 company-wide in 2024 was 103,273.6741 CO <sub>2</sub> e                                                                                                                                    | -    |
|                            | FB-MP-110a.2 | Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions,emissions reduction targets, and an analysis of performance against those targets                   | Discussion and Analysis | Please see “2.2 Net Zero Transformation Strategy”                                                                                                                                                                      | 89   |
| Energy Management          | FB-MP-130a.1 | Total energy consumed (Gigajoules, GJ)                                                                                                                                                  | Quantitative            | The total energy consumption company-wide in 2024 was 1,509,981.86 GJ                                                                                                                                                  | -    |
|                            |              | Percentage of grid power (Percentage, %)                                                                                                                                                |                         | The Company's purchased electricity accounted for 18.23% of the overall electricity consumption in 2024                                                                                                                |      |
|                            |              | Percentage renewable (Percentage, %)                                                                                                                                                    |                         | The Company's bagasse co-generation for self-use and biogas power generation for self-use accounted for 8.21% of the overall electricity consumption in 2024                                                           |      |
| Water resources management | FB-MP-140a.1 | Percentage of total water withdrawal in areas with high or extremely high baseline water stress (Thousand cubic meters,m <sup>3</sup> ,Percentage,%)                                    | Quantitative            | The total water intake company-wide in 2024 was 7,915.25 thousand m <sup>3</sup> 0%. Water used in the Company in 2024 was all from regions not belonging to highly or very highly waterstressed regions in Taiwan     | -    |
|                            |              | Total water consumed. The entity shall disclose its water consumed in locations with High or Extremely High Baseline Water Stress (Thousand cubic meters, m <sup>3</sup> ,Percentage,%) |                         | The total water consumption company-wide in 2024 was 5,919.3 thousand m <sup>3</sup> 0%. Water used in the Company in 2024 was all from regions not belonging to highly or very highly waterstressed regions in Taiwan |      |

## Sustainability Disclosure Topics & Accounting Metrics

| TOPIC                               | CODE         | ACCOUNTING METRIC                                                                                                                                                                 | CATEGORY                | RESPONSE                                                                                                                                                                                                                                                                                                                                                                                                                                   | PAGE       |
|-------------------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Water resources management          | FB-MP-140a.2 | Description of risks of water management and discussion of strategies and practices to reduce those risks.                                                                        | Discussion and Analysis | Please see “2.3.2 Pollution Prevention and Control”                                                                                                                                                                                                                                                                                                                                                                                        | 100        |
|                                     | FB-MP-140a.3 | The number of non-compliance incidents related to water quality permits, standards, and regulations.                                                                              | Quantitative            | In 2024, TSC’s Livestock Business Division had 6 violation of water quality permit standards. Please see 1.3.2 Compliance and Information Disclosure for details                                                                                                                                                                                                                                                                           | 56         |
| Land Use & Ecological Impacts       | FB-MP-160a.1 | Amount of animal litter and manure generated (metric tonnes, t)                                                                                                                   | Quantitative            | 1. The total amount of pig manure composting and recycling in 2024 was 4,064.20 metric tonnes, of which 593.90 metric tonnes was recycled for self use and made into organic fertilizer after composting, and the other 3,470.3 metric tonnes was entrusted to legal manufacturers for processing.<br>2. The total amount of dead pigs due to non-slaughter causes were handled by legal manufacturers in 2024 was 1,525.49 metric tonnes. | -          |
|                                     |              | Percentage managed according to a nutrient management plan(Percentage, %)                                                                                                         | Quantitative            | Due to the fact that currently, Taiwan does not have nutrition management programs, so it is not applicable.                                                                                                                                                                                                                                                                                                                               | -          |
|                                     | FB-MP-160a.2 | Percentage of pasture and grazing land managed to Natural Resources Conservation Service (NRCS) conservation plan criteria (Percentage by hectares, %)                            | Quantitative            | 0%. The Livestock Business Division currently has no planning of grazing land                                                                                                                                                                                                                                                                                                                                                              | -          |
|                                     | FB-MP-160a.3 | Animal protein production from concentrated animal feeding operations (CAFOs) (e.g. battery-caged hens, intensive piggeries) (metric tonnes, t)                                   | Quantitative            | 0%. The 17 pig farms under the Livestock Business Division are all self-owned ranches. Their total breeding capacity is approved by the Ministry of Agriculture, and the ranch registration certificate is issued. They also comply with the Animal Industry Act, so they are not intensive piggeries.                                                                                                                                     | -          |
| Food Safety                         | FB-MP-250a.1 | Global Food Safety Initiative (GFSI) audits, for (a) major nonconformities and (b) minor nonconformities, and the (1) nonconformity rates and (2) related corrective action rates | Quantitative            | TSC self-produced meat products do not yet have GFSI certifications such as FSSC 22000                                                                                                                                                                                                                                                                                                                                                     | -          |
|                                     | FB-MP-250a.2 | Percentage of supplier sites certified by a GFSI-recognized food safety certification program(Percentage,%)                                                                       | Quantitative            | Please see “List of proportion of each food category that has passed food safety certification or obtained food safety label” in “4.2 Food Safety Management ” and “List of ratio of suppliers complying with food safety system standards” in “4.3.2 Supplier Management”                                                                                                                                                                 | 139<br>143 |
|                                     | FB-MP-250a.3 | Number of food product recalls announced                                                                                                                                          | Quantitative            | In 2024, there was a food recall of the processed meat product of TSC’s Livestock Business Division. Please see 1.3.2 Compliance and Information Disclosure for details                                                                                                                                                                                                                                                                    | 56         |
|                                     |              | Total weight of recalled food products (metric tonnes, t)                                                                                                                         | Quantitative            | 429 cans of “Fried Pork Fiber For Children”, totaling 77.22 tonnes.                                                                                                                                                                                                                                                                                                                                                                        | -          |
|                                     | FB-MP-250a.4 | Discussion of markets that ban imports of the entity’s products                                                                                                                   | Discussion and Analysis | The meat products of the Company are all sold domestically, export products are coordinated with the MOA’s plans and implementation, so there is no market where imports are prohibited.                                                                                                                                                                                                                                                   | -          |
| Antibiotic Use in Animal Production | FB-MP-260a.1 | Percentage of animal production that receiving (1) medically important antibiotics and (2) not medically important antibiotics, by animal type (Percentage by weight,%)           | Quantitative            | Not applicable<br>The items, specifications, purposes, uses, dosages, withdrawal period, and precautions for the use of antibiotics used by the Company for the treatment of pigs are all compliant with the regulations stipulated in the Veterinary Drugs Control Act and Animal Industry Act                                                                                                                                            | -          |



## Sustainability Disclosure Topics &amp; Accounting Metrics

| TOPIC                                                 | CODE         | ACCOUNTING METRIC                                                                                                                                                            | CATEGORY                | RESPONSE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | PAGE |
|-------------------------------------------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| Workforce Health & Safety                             | FB-MP-320a.1 | (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) seasonal and migrant employees (Rate) | Quantitative            | In 2024, the employees of the Company occupational fatality rate: 0<br>Recordable occupational injury rate: 0.63<br>False alarm rate: 7.47<br>(Ratios calculated on the basis of 1,000,000 working hours)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | -    |
|                                                       | FB-MP-320a.2 | Description of efforts to assess, monitor, and mitigate acute and chronic respiratory health conditions                                                                      | Discussion and Analysis | 1. In addition to the frequency and items of health examinations for employees in the Livestock Business Division that are better than those required by the Ministry of Labor's Occupational Safety and Health Act, we have also hired on-the-job nurses and contracted doctors to check the respiratory conditions of employees. In 2024, lung function tests were added to the employee health examination items to detect health hazards and potential causes of disease as early as possible.<br>2. After the annual health examination, employee health risk classification management and health tracking were carried out. A total of 10 people with abnormal indexes were screened through analysis results and doctors were arranged to interview them. Their subsequent health conditions are good.                                                                                                                                                                                                                                                         | -    |
| Animal Care & Welfare                                 | FB-MP-410a.1 | Percentage of pork produced without the use of gestation crates (Percentage by weight,%)                                                                                     | Quantitative            | 100% · About our pig-friendly farming, please refer to 3.2.3promoting scientific farming.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 120  |
|                                                       | FB-MP-410a.2 | Percentage of cage-free shell egg sales (Percentage, %)                                                                                                                      | Quantitative            | TSC does not raise chickens.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | -    |
|                                                       | FB-MP-410a.3 | Percentage of production certified to a third-party animal welfare standard (Percentage by weight, %)                                                                        | Quantitative            | 0%. Although Environment and Animal Society has issued relevant standards concerning the EAST Certified Animal Welfare Certification for pigs in 2024, TSC's pig farms were still under renovation in 2024, and the construction is expected to be completed in June, 2025, so our pig farms have not yet applied for relevant Animal Welfare Certification.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | -    |
| Environmental & Social Impacts of Animal Supply Chain | FB-MP-430a.1 | Percentage of livestock from suppliers implementing the Natural Resources Conservation Service (NRCS) conservation plan criteria or the equivalent (Percentage by weight,%)  | Quantitative            | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | -    |
|                                                       | FB-MP-430a.2 | Percentage of supplier and contract production facilities verified to meet animal welfare standards (Percentage,%)                                                           | Quantitative            | Not applicable All the Taisugar meat products are 100% from our self operated pig farms, and they are all produced and marketed by TSC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | -    |
| Animal & Feed Sourcing                                | FB-MP-440a.1 | Percentage of animal feed sourced from regions with High or Extremely High Baseline Water Stress(Percentage by weight,%)                                                     | Quantitative            | There is no relevant information.<br>Raw material corn for TSC's animal feed was mainly purchased from the U.S., Brazil, and Argentina in 2024. However, the corns are purchased through importers, and we only have the information of which port they are exported from, and currently there is no information of where they are grown.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | -    |
|                                                       | FB-MP-440a.2 | Percentage of contracts with producers located in regions with High or Extremely High Baseline Water Stress(Percentage by contract value, %)                                 | Quantitative            | 0%. TSC's meat processing factory is located in Taiwan and not in areas with high or extremely high levels of baseline water stress.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | -    |
|                                                       | FB-MP-440a.3 | Discussion of strategy to manage opportunities and risks of feed sourcing and livestock supply presented by climate change                                                   | Discussion and Analysis | When corn, a raw material for pig feed, is in short supply, the feed formula is revised to reduce the amount of corn used and to use alternative raw materials. For example, white rice (purchased from the Agriculture and Food Agency) is used to replace corn as a feed. The maximum replacement ratio of white rice to corn is about 10% (due to the consideration that the nutrients are not completely the same, it cannot be completely replaced).<br>The Company get the international and domestic production and prices of corn and the factors affecting the production and prices from the international futures market analysis and the FoodChina.com. Then depending on the demand for corn in the business division, the raw material procurement and acceptance are conducted in accordance with the regulations in the Government Procurement Act and the Company's internal control operation points concerning the "key points of material procurement, acceptance, and payment," and the imported raw materials are purchased flexibly in batches. | -    |

## ACTIVITY METRIC

| CODE        | ACTIVITY METRIC                                                                        | CATEGORY     | RESPONSE                                                                                                                                                                             |
|-------------|----------------------------------------------------------------------------------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FB-MP-000.A | Number of processing and manufacturing facilities (Number)                             | Quantitative | One location, Hsin-ying Byproduct and Processing factory-Meat processing plant.                                                                                                      |
| FB-MP-000.B | Animal protein production, by category; percentage outsourced (Various, Percentage, %) | Quantitative | In 2024, the total number of hogs produced reached 147,002, and the production of pork products reached 879 metric tonnes. The pork is all self-produced by TSC without outsourcing. |

## PROCESSED FOODS

### Sustainability Disclosure Topics & Accounting Metrics

| TOPIC             | CODE         | ACCOUNTING METRIC                                                                                                                                                                            | CATEGORY                | RESPONSE                                                                                                                                                                                                                                                                                                                                                                                                          | PAGE       |
|-------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Energy Management | FB-PF-130a.1 | Total energy consumed (Gigajoules, GJ)                                                                                                                                                       | Quantitative            | The GHG emission of Scope 1 company-wide in 2024 was 103,273.6741 tCO <sub>2</sub> e.                                                                                                                                                                                                                                                                                                                             | -          |
|                   |              | Percentage grid electricity (Percentage, %)                                                                                                                                                  |                         | Company's purchased electricity accounted for 18.23% of the overall energy consumption in 2024.                                                                                                                                                                                                                                                                                                                   |            |
|                   |              | Percentage renewable (Percentage, %)                                                                                                                                                         |                         | The company's bagasse co-generation for self-use and biogas power generation for self-use accounted for 8.21% of the overall energy consumption in 2024.                                                                                                                                                                                                                                                          |            |
| Water Management  | FB-PF-140a.1 | Percentage of total water withdrawal in regions with High or Extremely High Baseline Water Stress (Thousand cubic meters, m <sup>3</sup> , Percentage,%)                                     | Quantitative            | In 2024, the Company's total water withdrawal amounted to 7,915.25 thousand cubic meters. 100% of the water was sourced domestically, and none was withdrawn from regions classified as having high or extremely high baseline water stress.                                                                                                                                                                      | -          |
|                   |              | Percentage of total water consumed in regions with High or Extremely High Baseline Water Stress (Thousand cubic meters, m <sup>3</sup> , Percentage, %)                                      | Quantitative            | In 2024, the Company's total water consumption amounted to 5,919.3 thousand cubic meters. 100% of the water consumed was sourced domestically, and none was from regions classified as having high or extremely high baseline water stress.                                                                                                                                                                       |            |
|                   | FB-PF-140a.2 | Number of incidents of non-compliance associated with water quality permits, standards and regulations                                                                                       | Quantitative            | 0 incident. In 2024, there was no incident in relation to major violation of water quality related laws and regulations.                                                                                                                                                                                                                                                                                          | -          |
|                   | FB-PF-140a.3 | Description of water management risks and discussion of strategies and practices to mitigate those risks                                                                                     | Discussion and Analysis | Please see "2.3.2 Pollution Prevention and Control"                                                                                                                                                                                                                                                                                                                                                               | 100        |
| Food Safety       | FB-PF-250a.1 | Global Food Safety Initiative (GFSI) audit(1) non-conformance rates and(2) associated corrective action rates for(a) major and(b) minor non-conformances(Rate)                               | Quantitative            | <ul style="list-style-type: none"> <li>▶ The FSSC 22000 and BRC certification of processed foods are obtained from the OEM. It is only known that certification has been obtained, but detailed information such as specific discrepancies in primary and secondary audit items cannot be obtained.</li> <li>▶ TSC self-produced meat products do not yet have GFSI certifications such as FSSC 22000.</li> </ul> | -          |
|                   | FB-PF-250a.2 | Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognised food safety certification programme (Percentage(%) by cost) | Quantitative            | Please see "List of proportion of each food category that has passed food safety certification or obtained food safety label" in "4.2 Food Safety Management" and "List of ratio of suppliers complying with food safety system standards" in "4.3.2 Supplier Management".                                                                                                                                        | 139<br>143 |
|                   | FB-PF-250a.3 | (1) Total number of notices of food safety violation received,<br>(2) percentage corrected (Number; Percentage,%)                                                                            | Quantitative            | In 2024, the company received 1 food safety violation notification. Please see "1.3.2 Compliance and Information Disclosure" for details.                                                                                                                                                                                                                                                                         | 56         |
|                   | FB-PF-250a.4 | Number of recalls issued of food product recalled (Number)                                                                                                                                   | Quantitative            | In 2024, there was 1 food recall of our company's food processing products. Please see "1.3.2 Compliance and Information Disclosure" for details.                                                                                                                                                                                                                                                                 | 56         |
|                   |              | Total amount of food product recalled (metric tonnes, t)                                                                                                                                     | Quantitative            | 429 cans of "Fried Pork Fiber For Children", totaling 77.22 metric tonnes.                                                                                                                                                                                                                                                                                                                                        | -          |



### Sustainability Disclosure Topics & Accounting Metrics

| TOPIC                                                    | CODE         | ACCOUNTING METRIC                                                                                                                                                       | CATEGORY                | RESPONSE                                                                                                                                                                                                                                                                                                                                                        | PAGE |
|----------------------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| Health & Nutrition                                       | FB-PF-260a.1 | Revenue from products labelled or marketed to promote health and nutrition attributes                                                                                   | Quantitative            | The total sales of health food and functional drinks totaled NTD 129,647 thousand in 2024                                                                                                                                                                                                                                                                       | -    |
|                                                          | FB-PF-260a.2 | Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers                                    | Discussion and Analysis | Please see “4.1 Developing High-quality and Healthy Foods”                                                                                                                                                                                                                                                                                                      | 137  |
| Product Labeling & Marketing                             | FB-PF-270a.1 | Percentage of advertising impressions(1) made on children and (2) made on children promoting products that meet dietary guidelines                                      | Quantitative            | In 2024, the Company’s advertising appeal was not targeted at children.                                                                                                                                                                                                                                                                                         | -    |
|                                                          | FB-PF-270a.2 | Revenue from products labelled as containing genetically modified organisms (GMOs)                                                                                      | Quantitative            | NTD 0. The Company’s soybean salad oil and soybean lecithin are labeled as “The raw material is (included) genetically modified soybeans, but the product does not contain genetically modified ingredients” in accordance with laws and regulations.                                                                                                           | -    |
|                                                          |              | Revenue from products labelled as containing non-GMO                                                                                                                    | Quantitative            | TSC’s sales of non-GMO domestic soybean in 2024 was NTD 7,593 thousand.                                                                                                                                                                                                                                                                                         | -    |
|                                                          | FB-PF-270a.3 | Number of incidents of non-compliance with industry or regulatory labelling or marketing codes                                                                          | Quantitative            | In 2024, there was 1 incident of violation related to industry or regulatory labeling and marketing standards. Please see “1.3.2 Compliance and Information Disclosure” for details of this incident                                                                                                                                                            | 56   |
|                                                          | FB-PF-270a.4 | Total amount of monetary losses as a result of legal proceedings associated with labelling or marketing practices                                                       | Quantitative            | NTD 30,000. See “1.3.2 Compliance and Information Disclosure” for details of this incident.                                                                                                                                                                                                                                                                     | 56   |
| Packaging life cycle management                          | FB-PF-410a.1 | Total weight of packaging, (metric tonnes, t)                                                                                                                           | Quantitative            | In 2024, the total weight of the packaging materials used by the Company’s meat processing plant was 72.88 tonnes. The total weight of packaging materials used by the Biotechnology Business Division was 1,363.06 metric tonnes.                                                                                                                              | -    |
|                                                          |              | Percentage made from recycled or regenerated materials (Percentage, %)                                                                                                  | Quantitative            | In 2024, our Company’s meat processing plant did not use packaging made of such materials. The paper packaging materials (118.65 metric tonnes) used by the Biotechnology Business Division accounted for 8.70% of the overall packaging materials.                                                                                                             |      |
|                                                          |              | Percentage that is recyclable, reusable, or compostable (Percentage, %)                                                                                                 | Quantitative            | In 2024, the paper, metal, and glass packaging materials (90.96 metric tonnes) used by the Company’s meat processing plant accounted for 83.64% of the overall packaging materials. The paper, metal, and glass packaging materials (394.55 metric tonnes) used by the Biotechnology Business Division accounted for 28.95% of the overall packaging materials. |      |
|                                                          | FB-PF-410a.2 | Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle                                                                       | Discussion and Analysis | Please see “2.3.3 Waste Management”                                                                                                                                                                                                                                                                                                                             | 103  |
| Environmental& Social Impacts of Ingredient Supply Chain | FB-PF-430a.1 | Percentage of food ingredients sourced that are certified to third-party environmental or social standards, and percentages by standard(Percentage(%) by cost)          | Quantitative            | Please see “4.3.2 Supplier Management”                                                                                                                                                                                                                                                                                                                          | 143  |
|                                                          | 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 nonconformances | Quantitative            | Please see “4.3.2 Supplier Management”                                                                                                                                                                                                                                                                                                                          | 143  |

### Sustainability Disclosure Topics & Accounting Metrics

| TOPIC               | CODE         | ACCOUNTING METRIC                                                                                                             | CATEGORY                | RESPONSE                                                                                                                                                                                                                                                                                                                                                                                                                                         | PAGE |
|---------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| Ingredient Sourcing | FB-PF-440a.1 | Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress (Percentage(%) by cost) | Quantitative            | In 2024, none of the food raw materials purchased by the Company's processed meat plant, Marketing Business Division and Biotechnology Business Division came from areas with high or extremely high baseline water stress.                                                                                                                                                                                                                      | -    |
|                     | FB-PF-440a.2 | List of priority food ingredients and discussion of sourcing risks related to environmental and social considerations         | Discussion and Analysis | The priority food raw material for processed meat is pork, and the pork used is self-produced by TSC. Therefore, there is no procurement risk caused by environmental or social factors.<br>In 2024, the priority food raw material Biotechnology Business Division purchased was "clam extract." This raw material is from domestic (Hualien) suppliers. There are currently no procurement risks arising from environmental or social factors. | -    |

### ACTIVITY METRIC

| CODE        | ACTIVITY METRIC                            | CATEGORY     | RESPONSE                                                                                                                                          |
|-------------|--------------------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| FB-PF-000.A | Weight of products sold (metric tonnes, t) | Quantitative | In 2024, the total weight of processed meat products sold was 379 metric tonnes; the weight of health care products totaled 213.14 metric tonnes. |
| FB-PF-000.B | Number of production facilities (Number)   | Quantitative | 2 self-owned food processing factories (including 1 biotechnology factory and 1 meat processing factory)                                          |



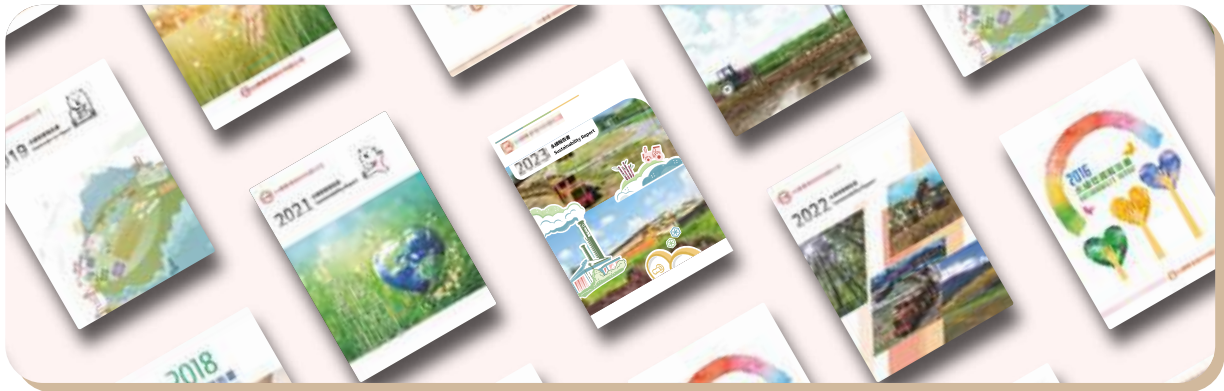
## Publishing Schedule of the Report

This is the 16th issuance of a non-financial report by Taiwan Sugar Corporation, with its release frequency aligned with the financial reports. Taiwan Sugar Corporation annually publishes its Sustainability Report, and this Report is also disclosed to the public in the Sustainable Development Area on our official website.

Previous edition: July, 2024

Current edition: August, 2025

Next edition: Scheduled in August, 2026



## Contact Information

Your feedback is a driving force behind our continued improvement. If you have any suggestions or comments regarding the Company or this Sustainability Report, we sincerely invite you to contact us and share your valuable insights. Your input will help us better align the Sustainability Report, scheduled for publication in 2026, with the needs and expectations of our stakeholders by providing the information they care about most.

You may contact us through the following channels:



**Taiwan Sugar Corporation**

**Dept. of Planning/ Project Planning Team/ Ms. Song, Huei-Ching**

**Address** No. 68, Shengchan Rd., East Dist., Tainan City 70176, Taiwan

**Tel** 06-3378888#798

**Fax** 06-3378513

**Email** a64277@taisugar.com.tw

**TSC Corporation Sustainability Development Website** [www.taisugar.com.tw/CSR/index.aspx](http://www.taisugar.com.tw/CSR/index.aspx)



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