

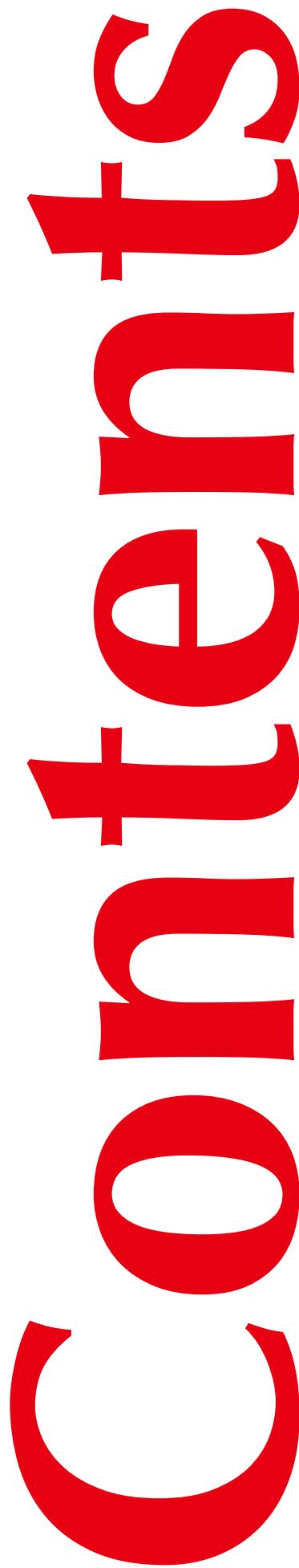
YEM CHIO DISTRIBUTION CO., LTD.

# 2024

## Sustainability Report



<https://www.ycdist.com/>



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# 1-1 About the Report

## To Our Readers

This report is the 2024 Sustainability Report prepared by Yem Chio Distribution CO., LTD. In accordance with the relevant provisions of the Corporate Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, the Company is committed to fulfilling corporate social responsibility and has positioned sustainable operations as one of its core management philosophies. Through this report, we provide detailed disclosures on the Company's performance in various aspects of operations, including environmental, social, and corporate governance (ESG) dimensions. We aim to demonstrate to customers, business partners, society, the government, and other stakeholders the achievements Yem Chio Distribution has made through its proactive efforts in sustainability. We also sincerely invite our readers and all stakeholders to share their valuable feedback. Your input will serve as a driving force behind our continuous improvement.

## Reporting Boundaries and Scope

The scope of the information and data presented in this report covers Yem Chio Distribution CO., LTD.'s key topics and performance in the areas of environment, social responsibility, and corporate governance. The boundary of disclosure is limited to Yem Chio Distribution CO., LTD.

## Reporting Principles and Guidelines

This report shall be prepared annually with reference to the GRI Standards and Sector Standards published by the Global Reporting Initiative (GRI), and, based on industry characteristics, incorporate the SASB Standards as listed in the IFRS Sustainability Disclosure Standards section provided by the Taiwan Stock Exchange Corporation. The report discloses the Company's identified material topics in the economic, environmental, and social (EES) dimensions, along with corresponding management approaches, disclosure topics, and reporting requirements. The content shall, at a minimum, comply with the GRI Standards' Core Option.

The aforementioned sustainability report shall also include risk assessments related to Environment, Social, and Governance (ESG) aspects, and establish relevant performance indicators for managing the identified material topics. Disclosure items shall be measured and reported using the standards stipulated by the competent authority of the industry. If no applicable standards have been issued by the competent authority, generally accepted measurement methods shall be adopted.

## Reporting Period

The information disclosed in this report covers the period from January 1, 2024 to December 31, 2024. Certain data has been extended to April 30, 2025 to enhance the Company's competitiveness and facilitate internal resource integration. In addition, there were no significant changes in the Company's size, structure, ownership, or supply chain during the reporting period.

## Report Assurance and Publication

To ensure proper preparation and verification of the sustainability report, in accordance with Article 3 of the Sustainability Report Preparation and Submission Guidelines for TPEX Listed Companies issued by the Taiwan Stock Exchange Corporation, TPEX-listed companies are required to annually prepare the sustainability report for the preceding year with reference to the Universal Standards, Sector Standards, and Topic Standards published by the Global Reporting Initiative (GRI). The report shall disclose the company's identified material economic, environmental, and social topics (including human rights) and impacts, disclosure items, and reporting requirements. Companies may also refer to the Sustainability Accounting Standards Board (SASB) Standards to disclose industry-specific metrics and include an SASB index corresponding to the report content.

The sustainability report's disclosed content shall align with GRI Standards and SASB Standards, and indicate within the report whether each disclosure

item has obtained third-party assurance and verification. The 2024 sustainability report is prepared in accordance with the GRI Standards but has not yet been certified by an external verification body. The report is submitted annually to the Board of Directors, published electronically on the Company's website, and filed with the designated internet information reporting system of the competent authority.

## Contact Window

If you have any suggestions regarding Yem Chio Distribution CO., LTD.'s 2024 Sustainability Report, please feel free to contact us through the following channels. For your convenience, this report is also published on our official website.

Address: No. 397, Xingshan Road, Neihu District, Taipei City

Official Website: <https://www.xinchio.com/>

Contact Person: Mrs. CHENG, YEN-CHUNG

Phone: +886-2-8170-6199 ext. 1100

Email: yc@ycgroup.tw

# Chairman's Message

Greetings to all colleagues of YEM CHIO DISTRIBUTION and our readers:



Since its establishment, Yem Chio Distribution has always upheld the spirit of "sharing." This original intention has been a crucial foundation for our growth from a startup to the scale we have today. The company's development from its initial business unit to the present has not been a solo effort, but rather the result of a group of people sharing common goals who are willing to support each other, share resources, and work together.

Facing increasingly complex environments, new challenges, and opportunities, it is even more important for us to uphold and pass on this mindset. Yem Chio Distribution is an "entrepreneurial family," rather than a traditional "family business." This

positioning leads us to place greater emphasis on systems, professionalism, teamwork, and legacy.

We believe that by maintaining a positive culture and adhering to our core values, we can pass this spirit from generation to generation, becoming a truly sustainable entrepreneurial family.

The development of a business is much like a life journey, going through stages of growth, stability, and even decline. In this rapidly changing era, the development and application of generative AI will shape the future prosperity of enterprises. Taiwan's semiconductor industry has reached a pinnacle as a key player on the global

stage. Market competition is intense, and industry structures are evolving rapidly, especially amid the rivalry between the United States and China and the tensions in geopolitics. Supply chains are no longer as stable as before, and the labor market continues to experience structural changes.

Facing these external challenges, continuous innovation and transformation remain the only keys to sustaining new growth trajectories. Along this journey, we hope every colleague improves a little each day—whether it is a small idea, an optimization in work processes, or a more detailed insight into customer needs. Through steady accumulation, these efforts will eventually generate profound impact.

The wave of AI and digital technology is reshaping the industry landscape we operate in. The operational models, sales channels, and customer behaviors we once knew are undergoing drastic changes. In facing this era, we must not only master technological tools but also boldly consider how to truly integrate AI and digitalization into our daily workflows and decision-making frameworks to enhance efficiency, deliver precise services, and create value.

However, technology is merely a tool; the true determinant of a company's value is its people. By leveraging technology, we ensure our products and services remain the best partners and

solutions for our customers and suppliers from the past into the future. Through continuous innovation, we will keep creating value for customers and suppliers while contributing to society.

Finally, we express our heartfelt thanks to every dedicated team member. Challenges lie ahead, but as long as we uphold the principles of “Integrity, Innovation, Stability, and Sustainable Management,” coupled with courage to embrace digital technology and a spirit of team collaboration, we will surely reach the next peak!

Chairman of Yem Chio Distribution Co.,



April 17, 2025

# 1-3 Sustainability Performance

## 2024 Implementation Overview

### Environment

1. Implementing Local Procurement to Reduce Carbon Footprint Priority is given to selecting local suppliers to shorten raw material transportation distances and reduce carbon emissions during logistics processes.
2. Promoting Eco-Friendly Tableware and Biodegradable Films Actively promoting the use of products made from 100% naturally degradable materials such as plant fibers and PBS.
3. Reducing Plastic Usage in Best-Selling Products. A 30% reduction in plastic usage for OPP tape, which accounts for up to 26% of annual sales.
4. Implementing LED Energy-Saving Lighting Project Traditional lighting in the Taishan building's warehouse and parking lot has been replaced with LED fixtures, projected to reduce annual electricity consumption by 20%, equivalent to approximately 50 metric tons of CO2 emissions per year.
5. Consolidating Office Locations to Reduce Transportation Emissions Sales staff offices were relocated from Neihu to the Taishan warehouse, significantly reducing daily commuting needs (estimated reduction of several dozen kilograms of CO2 emissions per employee per month).
6. Outsourcing Part of Logistics to Optimize Transport Efficiency and Reduce Emissions For deliveries to remote or long-distance single-route areas, certain goods are now delivered by external logistics providers. This reduces duplicated trips and empty loads, cutting total vehicle mileage by approximately 15%, and gradually lowering CO2 emissions.

### Social

1. Enhancing Internal Training to Improve Quality and Technical Skills In 2024, a total of 167 hours of internal and external training were provided to employees to enhance quality and technical competencies within the facility.
2. Implementation of Childcare Subsidy Program The childcare subsidy policy, effective since July 2023, supported 8 employees and 12 children in 2024.
3. Scholarships for Employees and Their Children in Taiwan In 2024, a total of 28 scholarships were granted to employees and their children in the Taiwan region.

## Governance

### Governance

1. In 2024, Yem Chio Distribution Co., Ltd. recorded consolidated revenue of approximately NT\$1.443 billion, with earnings per share (EPS) of approximately NT\$2.12.
2. In 2024, the Board of Directors received reports on various aspects of corporate governance:
  - (1) Annual ESG implementation report on sustainable development progress.
  - (2) Report on the implementation of the risk management policy and procedures.
  - (3) Annual report on the implementation of intellectual property management.
  - (4) Annual report on the promotion of ethical corporate management.
  - (5) Report on stakeholder engagement activities.
  - (6) Report on the "Corporate Value Enhancement Plan" formulated in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
  - (7) Establishment of new operating procedures for managing sustainability information.

## Future Plans for Advancing Sustainability

### Company Transformation Motto

"Transformation is the only way forward. As long as there is determination, with the right direction and continuous effort, it becomes a powerful force."

### Operational Performance

1. Operate with the core values of integrity, stability, innovation, and sustainable development.
2. Short-term goal: Achieve the operational targets set in the 2024 annual budget.
3. Mid- to long-term goal: Continuously promote group-wide energy conservation and digital transformation to generate operational synergy.

### Group Transformation Strategy

1. Organizational structure and manpower (adjustment) allocation.
2. Implementation of accountability through hierarchical responsibility.
3. Energy conservation and carbon reduction.
4. Digital optimization.
5. Product upgrading and alignment with future industry needs.
6. Establishing sources of expertise: training and education, external consultants, outsourcing, and employees' self-directed learning and development.

# 2. About Company

## 重要議題：

Material Topics: E.S.G. (Environmental, Social, and Governance)

Significance to YEM CHIO Distribution	<ul style="list-style-type: none"> <li>▲ Continuously achieving stable revenue and profit growth to meet the expectations of investors and stakeholders is fundamental to business operations. Pursuing overall operational efficiency and market development is key to creating long-term, stable performance.</li> <li>▲ A sound corporate governance mechanism enhances the stability and transparency of business operations.</li> <li>▲ A robust risk management system ensures steady and sustainable company operations.</li> <li>▲ Strict compliance with regulatory requirements.</li> </ul>
Annual Action Plans	<ul style="list-style-type: none"> <li>▲ Strengthen the company's operational stability by continuously improving the corporate governance system and participating in relevant corporate governance evaluations.</li> <li>▲ Regularly review the development, implementation, and effectiveness of the overall risk management mechanism. Establish a comprehensive risk control process and develop corresponding strategies for various types of risks.</li> </ul>
2024 Annual Goals	<p>Established 2024 Annual Goals</p> <ol style="list-style-type: none"> <li>1. Achieve annual revenue growth.</li> <li>2. Maintain continuous growth in net income after tax.</li> </ol>
Resource Investment	The company's website discloses a designated contact point for investor relations. Starting in 2025, the company began publishing its sustainability report and is committed to various sustainability initiatives
Evaluation Mechanism	Regularly disclose financial information and company announcements in accordance with regulatory requirements.
2024 Annual Operating Performance	The company's earnings per share (EPS) is approximately 2.12 NTD.
Medium to long-term goals	Promote corporate transformation, focusing on sustainable development.

## 2-1 Company Profile

### Basic Information:

Company Name: Yem Chio Distribution CO., LTD.

Establishment Date: 1990/12/03

Paid-in Capital: NT\$ 350 million

Over-the-Counter Stock Code: 3171

Chairman: Mr. Lee Chi-Cheng

Number of Employees: Taiwan: 163 (as of 2024/12/31)

Key Operating Locations:

Headquarters: YEM CHIO DISTRIBUTION Taipei Headquarters

Warehouse: New Taipei Taishan Main Warehouse

2024 Consolidated Revenue: NT\$ 1.443 billion



### 2024 Revenue Distribution:

(Unit: NT\$ Thousand)

Region	Sales Amount	Percentage of Total (%)
Taiwan	1,404,612	97.32%
Asia Pacific	38,630	2.68%
Europe	80	0.00%
Total	1,443,322	100.00%

## 2-1-1 Business Scope

### Distribution Business



▲ Yem Chio Distribution Gift Department

Yem Chio Distribution CO., LTD. is committed to innovation in packaging material distribution. Leveraging the Yem Chio Group's globally comprehensive upstream and downstream vertically integrated resources and supply chain support, along with industry-leading production technology and innovation capabilities, we strive to enhance and closely serve our customers. Positioned as a professional packaging material chain brand, we uphold the corporate core culture of integrity, pragmatism, stability, speed, innovation, customer-first mindset, and sustainable management to maintain our core corporate values.

We establish a learning organization and uphold high ethical standards in our work conduct, focusing on customer development and customer service. We provide various packaging material application solutions and build sustainable cooperative relationships with customers through solid management and effective communication. Our main product lines

include tape series, electronic packaging materials, cushioning materials, plastic bags, packaging machinery, paper packaging products, packaging materials, and various customized service needs. Additionally, we have created and developed the "Bao Da Shi" brand, a professional packaging material chain that spans across both Taiwan and China.

Yem Chio Distribution CO., LTD. has accumulated extensive experience in the packaging materials supply chain over the years. In addition to actively expanding various online channels, in 2023, the company also vigorously developed new channels and new businesses, aiming to extend its capabilities into the customized gifts market. The launch of the Bao Da Shi gift service offers comprehensive packaging solutions and one-stop customized services with a strong reputation. Furthermore, it targets business opportunities in customized, personalized, identifiable, and environmentally friendly gifts.

With the brand positioning of a professional packaging material chain, the company provides customers with one-stop customized services, supported by a professional logistics team and warehousing. The main product lines include tape series, electronic packaging materials, cushioning materials, plastic bags, packaging machinery, paper packaging products, and packaging materials.

## 2-1-2 Development History

### 1990 年

**2024**

Officially renamed as "Yem Chio Distribution Co., Ltd."

1990: Xin Chio Global Co., Ltd. officially established.



**2023**

Established Gift & Premium Department to explore new markets.



**2022**

Bao Da Shi online shopping website officially launched.



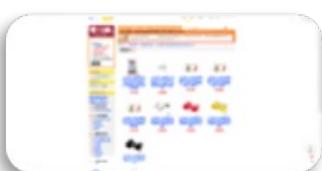
**2019**

Entered international trade business, engaging potential global customers.



**2011**

Established "Bao Da Shi" proprietary brand and Bao Da Shi (Shanghai) Material Technology Co., Ltd.



**2016**

Bao Da Shi PChome online store launched.



**2017**

Laid out new retail strategy, initiated multi-channel sales project.

1990: Xin Chio Global Co., Ltd. officially established.

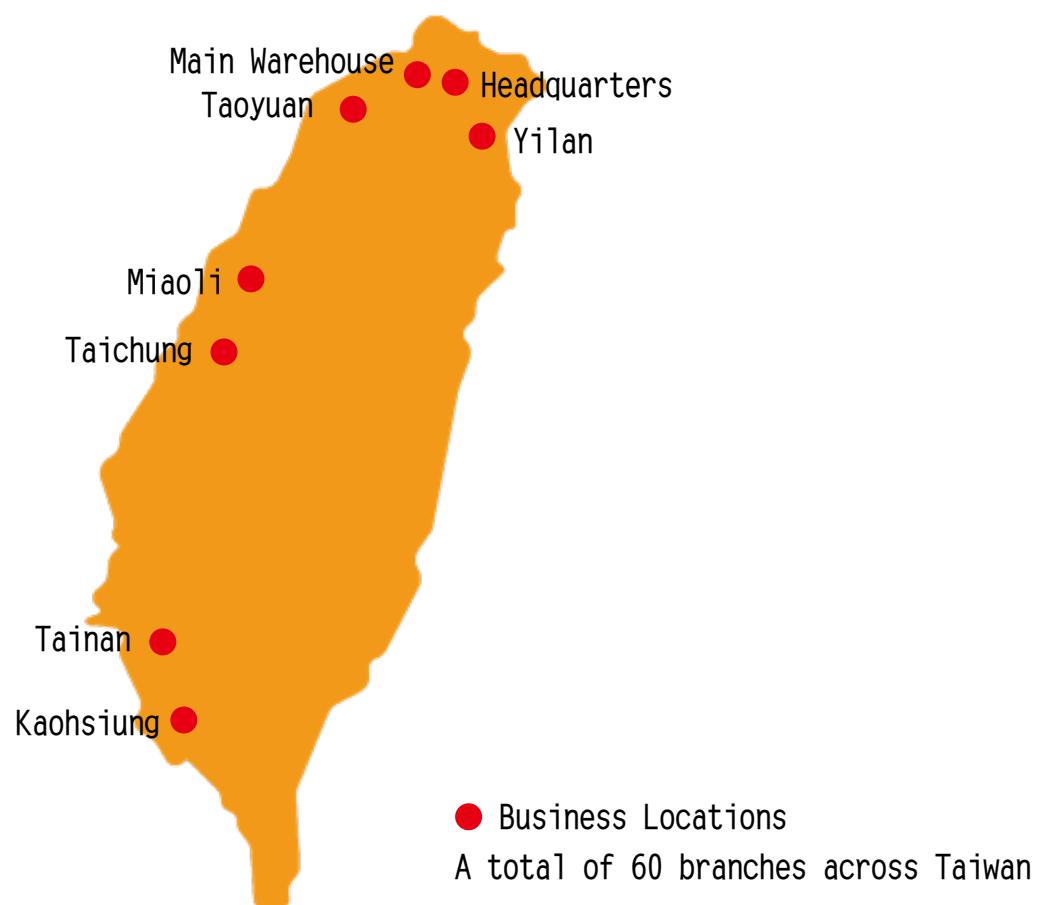
2011: Launched proprietary brand "Bao Da Shi".

2015: Moved into Neihu headquarters building.

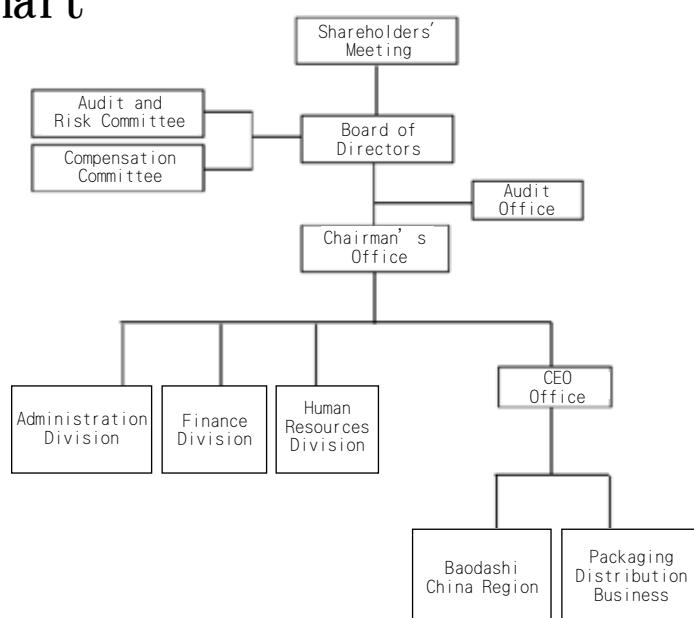
2024: Business team relocated to New Taipei Taishan main warehouse.

2024: Xin Chio Global Co., Ltd. renamed to Yem Chio Distribution Co., Ltd.

## 2-1-3 Operational Locations



## 2-2 Management Team Organizationa Chart



# Major Department Responsibilities

Department	Primary Responsibilities
Audit and Risk Committee	<p>The main purpose is to supervise the following matters:</p> <ol style="list-style-type: none"><li>1. The fair presentation of the company's financial statements.</li><li>2. Appointment/dismissal, independence, and performance of the certified public accountants.</li><li>3. Effective implementation of the company's internal controls.</li><li>4. Compliance with relevant laws and regulations.</li><li>5. Management of existing or potential company risks.</li></ol>
Compensation Committee	Formulates and regularly reviews policies, systems, standards, and structures related to performance evaluation and compensation of directors, supervisors, and managerial officers. Also regularly assesses and determines their compensation.
Audit Office	Establishes, revises, and implements the internal audit system.
Chairman's Office	Develops long-term business development strategies and oversees company-wide management operations.
CEO's Office	Sets company operational goals and strategic planning. Oversees execution and coordination of various departments' operations. Manages corporate image and external relations.
Packaging Distribution Business	Sales of packaging materials in Taiwan. Responsible for business planning and marketing strategies. Establishes business locations and manages customer
Baodashi - China Region	Sales of packaging materials in China. Responsible for business planning and marketing strategies. Establishes business locations and manages customer development.
Administration Division	Responsible for administrative, legal, information, and energy-related operations, and providing support for overseas legal affairs and related matters.
Finance and Accounting Department	Responsible for financial and accounting-related operations, and directly overseeing both domestic and overseas finance and accounting units.
Human Resources Department	Responsible for recruitment, training, utilization, and retention of personnel, as well as providing support for related overseas human resource matters.

## 2-3 Corporate Governance

We firmly believe that in the pursuit of corporate growth and value creation, the implementation of a sound corporate governance structure and effective internal control system is essential to enhance business quality and improve competitiveness. All of our directors perform their duties objectively and independently, always prioritizing the long-term interests of the company and all shareholders.

Increasingly, both domestic and international institutional investors and key stakeholders regard corporate governance practices—particularly the appointment of independent directors—

as a critical factor in investment decisions. Therefore, we continue to adhere to the principles of Corporate Governance. Members of the Board of Directors are elected by all shareholders through a voting process in accordance with the Company's Articles of Incorporation and applicable regulations.

Functional committees have also been established under the Board to strengthen its role, safeguard the rights and interests of shareholders and stakeholders, and improve information transparency. Through these efforts, we actively fulfill our corporate governance goals and social responsibilities.

### 2-3-1 Enhancement of Board Functions

The Board of Directors is composed of five male members, all of whom are nationals of the Republic of China. Their ages range from 40s to over 70s, and they all possess extensive industry expertise and management experience. This significantly enhances the Board's independence and diversity, enabling it to effectively exercise strategic oversight and guidance. The Board meets at least once per quarter, with a total of four meetings held in 2024 and an average attendance rate of 90%. Chairman Mr. Chi-Cheng Lee utilizes his solid professional expertise to formulate business strategies, thereby improving operational performance and ensuring the effective functioning of the Board. Although the current Board

does not meet the one-third gender representation benchmark, all current directors possess the professional qualifications required for corporate governance. The company will strive to meet the target of gender diversity in future Board elections by seeking suitable candidates.

In accordance with corporate regulations and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," the selection of directors at Yem Chio Distribution considers the overall configuration of the Board. The composition takes into account business judgment and management capabilities, accounting and financial

analysis skills, crisis management, industry knowledge, international market perspectives, leadership, and decision-making abilities.

The Board also adheres to the “Guidelines for the Continuing Education of Directors and Supervisors of TWSE/TPEX Listed Companies,” arranging external training for directors when appropriate. Training includes practical operations of boards and supervisors and corporate governance best practices, in order to enhance governance capabilities.

The Board reviews corporate

performance and discusses key strategic matters, including economic, environmental, and social impacts, as well as risks and opportunities. Major Board resolutions are disclosed on the Market Observation Post System (MOPS) of the Taiwan Stock Exchange. Information such as the company’s Articles of Incorporation, Board meeting rules, directors’ remuneration, operational matters, and implementation of conflict-of-interest recusal policies is disclosed based on principles of fairness, honesty, and transparency, allowing both domestic and international investors to access real-time information.

## Board of Directors List

No.	Title	Name	Major Education & Experience
1	Chairman	Yem Chio CO., LTD. (Representative: Mr. Chi-Cheng Lee)	Master’s degree in Mechanical Engineering, National Taiwan University; Chairman of Yem Chio Distribution Co., Ltd. and Achem Technology Corporation; Special Assistant to the President of Yem Chio Group.
2	Director	Yem Chio CO., LTD (Representative: Mr. Wen-Jung Chiang)	Master’s degree in Business Management, College of Commerce, National Chengchi University; CEO of Yem Chio Distribution; Director of Baodashi (Shanghai) and Achem Technology Corporation (Wuhan); Director of Yen Chio Co., Ltd.; General Manager of Packaging Division.
3	Independent Director	Mr. Shun-Fa Chen	Bachelor’s degree in Accounting, National Chung Hsing University; Convener of the Audit and Risk Committee and Member of the Remuneration Committee; Head of Lucheng Management Consulting Co., Ltd..
4	Independent Director	Mr. Jui-Bin Hung	Master’s degree in Economics, Soochow University; Member of the Audit and Risk Committee and Remuneration Committee; Chairperson of Taipei Elderly Assistance Committee, Hondiao Senior Citizen’s Welfare Foundation.
5	Independent Director	Jui-Te Yu	Master’s degree in Law, National Chengchi University; Convener of the Remuneration Committee and Member of the Audit and Risk Committee; Director of Asia Pacific Emerging Industry Venture Capital Co., Ltd.; Independent Director of Tachan Sesurities Co.,Ltd.; Independent Director of KGI Bank Co., Ltd..

## 2-3-2 Financial Performance

### Competitive Advantages

#### Sales Aspect

1. Providing customers with diversified services to regenerate value from existing clients and increase the conversion rate of new market development. This ensures stable growth in operations and profitability, enhances overall operational performance, maximizes cross-selling synergy, reduces operational costs, expands business scale, secures competitive advantage, and drives company profit.
2. Developing niche markets, focusing on target customer services, and exercising prudent cost control to deliver differentiated service quality, ensuring competitive advantage and achieving steady revenue growth.
3. Focusing on the needs of overseas customers, carefully evaluating operational risks to maximize profit from foreign trade transactions, achieving growth in operating profits, and creating substantial business benefits.

#### Management Aspect

1. Continuing to implement the new retail operating model and integrating it with existing physical channel resources to accelerate product promotion and attract new customers.
2. Initiating expansion plans by recruiting a large number of sales personnel for market development and to strengthen underperforming regions.
3. Continuously expanding the market in China, focusing on high-value clients to explore greater business opportunities.
4. Promoting environmental management and energy-saving carbon reduction actions, and investing in the development of new packaging materials that comply with the circular economy.

## Key Financial Indicators

Unit: NT\$ million

	2023	2024
Consolidated Revenue	1,405.4	1,443.3
Income Before Tax	162	138
Earnings Per Share	2.08	2.12

## Business Development Plan

Short-Term	Long-Term
Expand cross-strait and international packaging materials sales channels.	Integrate overall resources and pursue steady profitability.
Focus on target customer development and build industrial competitive advantage.	Accelerate the cultivation of management and professional technical talents.
Establish a new retail operating model and develop a stable business model.	Enhance value-added services and establish competitive niches.
Develop and promote eco-friendly packaging materials.	Implement digital transformation plans to optimize operational processes.
Continue to open new sales channels to provide more convenient one-stop shopping solutions.	Achieve international energy-saving and carbon reduction goals and targets.

## 2-3-3 Audit and Risk Committee & Compensation Committee Operations

Yem Chio Distribution Co., Ltd. has established the Audit Committee in accordance with the Securities and Exchange Act in 2020, and in 2023, it was renamed the Audit and Risk Committee. The Compensation Committee was established earlier in 2011.

In 2024, the Audit and Risk Committee held 4 meetings, while the Compensation Committee held 2 meetings.

Both committees are composed of three independent directors with a term of three years.

The Compensation Committee evaluates the compensation policies and systems for the company's directors and managerial officers, assessing them based on company performance. From a professional and objective perspective, it provides recommendations on bonus

allocation ratios and managerial compensation. The committee also makes suggestions regarding the company's overall compensation policy, taking into consideration the competitive landscape of the industry and the company's short-, medium-, and long-term business goals.

In addition, the company regularly participates in industry or consultancy-led salary surveys to ensure that the company's compensation and benefits remain in line with market standards. Incentive-based welfare systems are also designed accordingly.

Employee and director remuneration proposals are submitted to the shareholders' meeting for reporting. For more detailed information, please refer to the Yem Chio Distribution Annual Report.

## 2-3-4 Practicing Ethical Business Conduct and Protecting Shareholders' Rights

The Company adheres to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and the Taiwan Stock Exchange Corporate Governance Center's Self-Evaluation Indicators, and has established internal guidelines and policies, including: 1. Corporate Governance Best Practice Principles, 2. Yem Chio Distribution Code of Ethical Conduct, 3. Yem Chio Distribution Insider Trading Prevention Policy, 4. Implementation Report on Promoting Corporate Integrity.

The Board of Directors and the management team strictly oversee and

implement ethical business policies. All internal management practices and business activities are conducted in accordance with principles of honesty and integrity.

In 2024, the Company did not experience any complaints or reports involving violations of ethical conduct or unlawful behavior by employees during operations.

In addition, the 2024 Annual Shareholders' Meeting was fully recorded (audio and video), and the recording files have been made available on the Company's official website for public reference.

## 2-3-5 Internal Risk Control and Management System

Yem Chio Distribution adheres to a prudent and steady business strategy and the philosophy of sustainable development. In the face of operational, financial, environmental, and information security risks that all global enterprises encounter, the Company has established a comprehensive risk management mechanism. This system aims to identify and manage potential risks that may affect operations and profitability, reduce operational risk, and mitigate the impact of hazards, enabling a rapid response to risks while formulating effective strategies and contingency plans to minimize losses and protect the interests of stakeholders.

Risk Aspects	Major Risk Points	Company's Countermeasures
Financial Risk	Interest Rate Credit Risk	<p>1. Interest Rate Risk: To manage the impact of interest rate fluctuations, the Company negotiates favorable loan interest rates with banks based on the market's monetary policies to actively lower operational capital costs.</p> <p>2. Credit Risk: Credit limits for clients are reviewed and managed according to internal credit evaluation standards.</p>
Business Risk	Industry Competition Industrial Development Trade Barriers	<p>The Company has long been deeply rooted in the packaging industry and launched its proprietary brand "Baodashi." By maintaining strong relationships with clients and keeping up-to-date with industry trends, combined with Yem Chio Group's rare and fully integrated upstream-to-downstream supply chain and a professional customer service team, the Company delivers optimal products and solutions.</p>
Information Security Risk	Robust Information Systems Sound IT Environment Cybersecurity InfoSec Management	<p>1. Information Platform: Establish a sound information management system to ensure a secure and efficient information security platform.</p> <p>2. System Backup &amp; Recovery: Implement robust backup mechanisms for servers, conduct regular recovery testing for critical systems and data, and establish contingency plans and employee training programs.</p> <p>3. Network Protection: Enhance network security, manage internet access, implement endpoint antivirus and USB control, filter out viruses and phishing emails, encrypt confidential documents and R&amp;D assets, respect intellectual property rights, and regularly promote awareness and audit software usage.</p>

Risk Aspects	Major Risk Points	Company's Countermeasures
Occupational Safety Risk	Accidental risks related to occupational safety.	Comply with regulations and legal requirements set by local authorities. Enforce strict management of contractors entering the premises and implement comprehensive employee safety training to prevent occupational hazards and reduce the risk of operational disruptions due to forced work stoppages.
Environmental Risks	Climate Change Energy Crisis	Implement energy conservation and greenhouse gas (GHG) reduction initiatives. Specific actions include employee education and annual improvement programs to reduce costs and emissions. To combat global warming and rising carbon emissions, the company conducts GHG inventories to identify major sources of energy consumption and control resource usage, thereby minimizing operational risks and heavy energy demand caused by climate change.
	High Cost and Difficulty in Waste Disposal	Promote waste reduction at the source and strengthen internal waste control.
	Increasingly Strict Environmental Regulations Worldwide	With stricter global environmental standards for products, the company faces greater challenges in both production and R&D. The company adjusts accordingly to ensure compliance.
Compliance Risks	Contract Risks Product Liability Risks Intellectual Property Risks	1. The Legal Department enhances contract review processes and collaborates with all departments to address issues related to product liability and potential legal disputes. 2. Actively assists R&D units in applying for patents, trademarks, and other intellectual property rights. Legal training is also strengthened among employees to enhance compliance awareness and minimize risk exposure.

Risk Aspects	Major Risk Points	Company's Countermeasures
Supplier Risk	<p>Supplier concentration leading to raw material shortages or quality issues, causing production stoppages.</p>	<p>1. Screening High-Quality Vendors: The company adopts a balanced procurement strategy through competitive bidding. Suppliers are evaluated based on technical capacity, product quality, pricing, and delivery performance to ensure risk is diversified by working only with qualified vendors.</p> <p>2. Qualified Vendor Evaluation (Conducted Twice Annually): Every six months, the company, together with Quality Assurance (QA), conducts performance evaluations for all trading suppliers. Suppliers scoring 60 points or higher are considered qualified. Those scoring below 60 are listed as “under observation.” If performance is not improved within the next six months, Procurement and QA will reassess whether to revoke the supplier’s qualification.</p> <p>3. Maintaining Strong Supplier Relationships: Some suppliers are categorized as core or sole suppliers, and maintaining good relationships with them is critical. In procurement strategy, the company treats such suppliers as partners, seeking mutual benefit and win-win outcomes. Before initiating procurement, risks and strengths are fully assessed to maintain low-risk purchasing conditions with core suppliers.</p>
Talent Recruitment Risk	<p>Challenges in recruiting talent, Changes in labor laws Potential skill gaps.</p>	<p>1. Elite Talent Recruitment: With business expansion increasing the demand for skilled professionals, traditional recruitment platforms are no longer sufficient. The company implements the following strategies:</p> <ul style="list-style-type: none"> <li>A. Proactively establishing campus collaboration mechanisms to widen recruitment channels.</li> <li>B. Promoting industry-academia cooperation to attract top talent early on.</li> </ul> <p>2. Labor Law Amendments: Recent amendments to the Labor Standards Act include: The “one fixed day off and one flexible rest day” policy. Adjustments in overtime pay calculations. Changes in regulations for special leave. Prohibition against working for seven consecutive days. These changes have affected company scheduling, overtime wages, and increased related labor costs and expenses.</p>

Risk Aspects	Major Risk Points	Company's Countermeasures
Disaster Risk	Fire Flooding Earthquakes Interruptions to water and power supply	<p>1. Risk Assessment</p> <p>The company conducts proactive hazard analysis to identify potential threats. Based on the likelihood and severity of these threats, key control points are established to effectively prevent disasters. Every 2 to 3 years, the company commissions an insurance provider to carry out a comprehensive site-wide risk assessment and follow up on corrective actions for identified deficiencies.</p> <p>2. Risk Response</p> <p>In the event of a disaster, the company immediately activates crisis management and emergency response protocols to eliminate hazards and ensure the safety and security of the facilities.</p>

## 2-3-6 Legal Compliance and Intellectual Property Rights

"Integrity" is the core business philosophy of Yem Chio Distribution Co., Ltd. Corporate governance and legal compliance are the fundamental principles that reflect our commitment to integrity and lawfulness. Sound corporate governance must be grounded in a well-established legal compliance system to enable sustainable operations.

To ensure compliance with relevant laws and regulations, the Company has implemented a comprehensive framework, which includes the identification of applicable legal and policy measures, employee training, and accessible whistleblowing channels. These efforts aim to enhance employees' legal awareness, protect the corporate image, and reduce operational risks and liabilities.

To ensure adherence to the latest legal standards, our Legal Department closely monitors major regulatory updates

in collaboration with other departments. Based on the legal identification and operational analysis, relevant internal procedures are revised accordingly. Additionally, the Legal Department regularly tracks legal developments and informs related business units, management, and internal auditors to help all departments fulfill regulatory requirements.

All legal documents signed or executed within the Group are reviewed by dedicated legal personnel to minimize potential risks and to help both the Company and our clients achieve win-win outcomes. We ensure that every business activity complies with domestic and international laws, which serves as the foundation for our business continuity.

In 2024, Yem Chio Distribution Co., Ltd. recorded zero violations of relevant regulations.

## 2-4 Sustainability Organization

### Sustainability Structure and Management Strategy

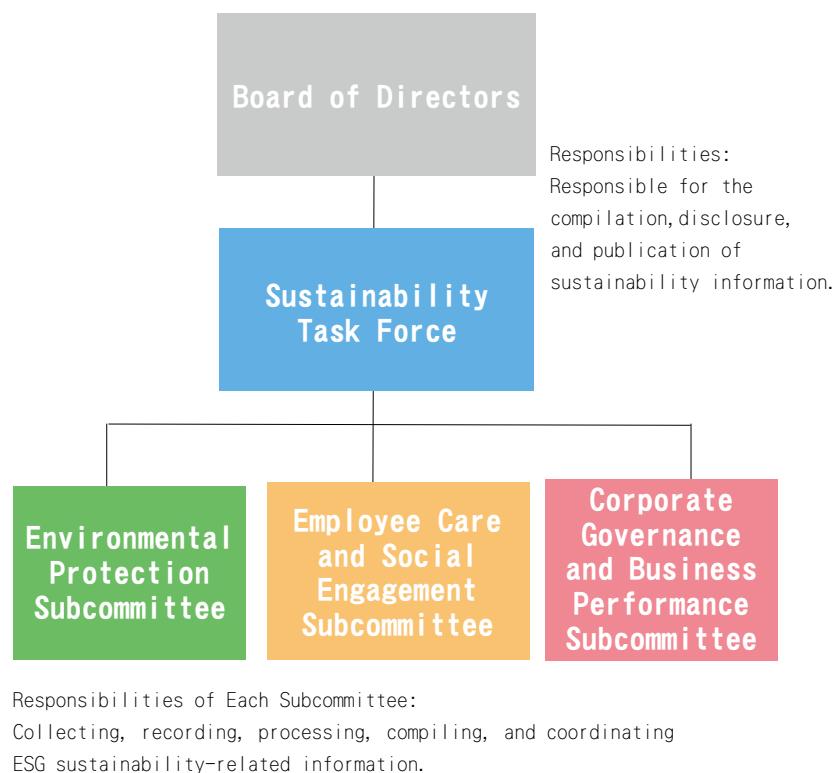
In November 2024, the Board of Directors of Yem Chio Distribution Co., Ltd. approved the addition of the "Operating Procedure for Sustainability Information Management." This procedure was later amended in March 2025 and renamed the "Sustainability Information Management Guidelines", under which the Sustainability Task Force was formally established.

The Chairman serves as the Chief Coordinator of the Task Force, assigning each organizational head the responsibility of leading relevant departments in planning and executing various corporate sustainability strategies and projects. Through periodic meetings and communication platforms, the task force strengthens interdepartmental communication and coordination. Internal and external resources are mobilized to support project planning and management with a focus on continuous improvement—aiming to fulfill the principles of sustainable development.

Additionally, the Company has published a "Corporate Social Responsibility (CSR) Best Practices Guidelines," which reflects our firm commitment to CSR initiatives. To achieve sustainable business practices and stay aligned with global trends in corporate responsibility, the Company provides employees with opportunities to participate in internal and external ESG-related training programs and forums. These efforts aim to enhance the ESG mindset and capabilities within the organization.

Furthermore, to encourage the Company to actively fulfill its corporate social responsibilities while conducting business operations, we are committed to aligning with international trends in environmental, social, and governance (ESG) development. As a responsible corporate citizen, the Company endeavors to contribute to national economic development, improve the quality of life for employees, communities, and society, and foster a CSR-driven competitive advantage.

In fulfilling our CSR commitments, we emphasize respect for social ethics and stakeholder interests. While pursuing sustainable growth and profitability, Yem Chio Distribution Co., Ltd. remains dedicated to integrating environmental, social, and governance factors into its management and operational strategies.



▲ Sustainability Task Force Organization Chart

Date of Establishment: March 2025

## 2-4-2 Stakeholder Engagement and Material Topic Identification & Analysis

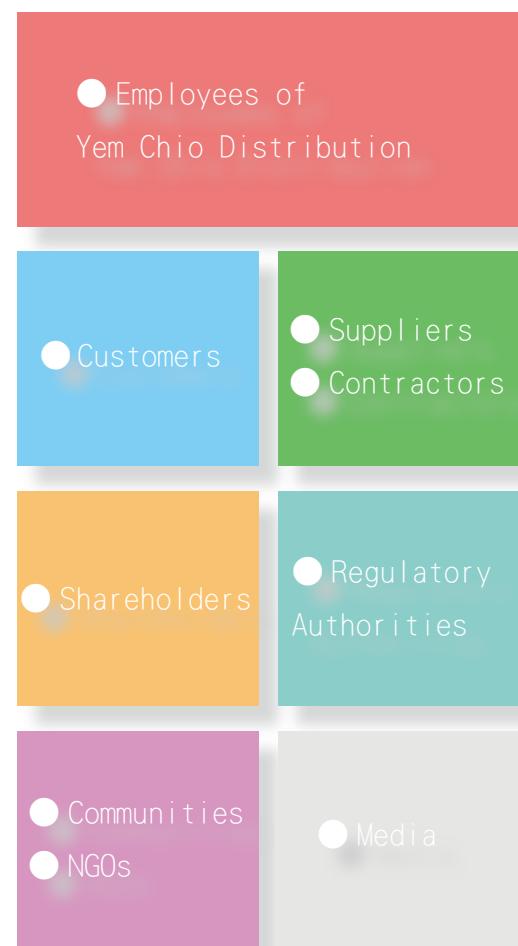
To fulfill its corporate social responsibility, Yem Chio Distribution Co., Ltd. must first accurately identify and understand the needs and expectations of its stakeholders.

Therefore, this report follows the GRI Standards for identifying material topics. The 2024 Sustainability Report was compiled by the Corporate Social Responsibility Committee, based on the five principles of stakeholder engagement outlined in the AA1000 framework. Through discussions held by the ESG Committee, the company identified the primary stakeholder groups for the 2024 ESG Sustainability Report.

(As determined by all committee members, the company's seven key stakeholder groups are shown in the diagram on the right.)

Yem Chio Distribution believes that building strong communication channels with society through stakeholder dialogue is a key aspect of implementing corporate social responsibility. We therefore embrace diverse perspectives with an open mindset, gaining valuable feedback and suggestions through stakeholder

engagement. This process allows us to understand stakeholders' real needs and expectations, identify potential risks and management opportunities, and continuously improve our practices in alignment with the principles of sustainable corporate development.



## 2-4-3 Stakeholder Communication and Engagement Mechanism

Through internal communication, coordination, and effective integration and assessment by the management team, Yem Chio Distribution Co., Ltd. conducts a matrix analysis based on the level of stakeholder concern for various issues and the degree of immediate or potential impact on the company.

This approach enables the company to better understand stakeholders' concerns on key topics and evaluate how each issue may influence business operations.

# Stakeholder Communication Channels and Key Topics

Stakeholder	Audience	Communication Channels & Frequency	Key Topics of Concern
Employees	All Employees	Labor-Management Meetings / Quarterly Performance Evaluation / Regularly Departmental Meetings / Ad hoc Training Programs / Ad hoc Welfare Committee / Ad hoc Employee Mailbox / Ad hoc Internal Newsletter / Quarterly	Corporate Governance Operational Performance Risk Management Integrity & Legal Compliance Labor Relations & Employee Benefits Talent Development & Training
Customers	Customer Contact Window	Website / Updated as Needed Customer Satisfaction Survey / Regularly Customer Service Hotline & Email / Ad hoc	Product Quality Operational Performance Customer Service Integrity & Legal Compliance
Suppliers & Contractors	Suppliers and contractors of the Group's organizations	Supplier Evaluation / Annually Supplier Visits / Ad hoc Contract Signing / Regularly	Operational Performance Risk Management Supplier Management
Shareholders	Shareholders/ Directors	Board Meetings / Regularly Annual & Financial Reports / Regularly Website Disclosure / Ad hoc Shareholders' Meeting / Annually Institutional Investor Conferences / Annually	Corporate Governance Operational Performance Risk Management Integrity & Legal Compliance
Regulators	Government Organization	Direct Line, Email, Meetings / Ad hoc Official Correspondence / Ad hoc Inspections / Ad hoc	Operational Performance Integrity & Legal Compliance
Community & NGOs	Local Community Resident Foundation	Community Engagement / Ad hoc Community Events / Ad hoc Volunteering / Ad hoc Community Relations / Ad hoc	Environmental Management & Carbon Reduction
Media	Print and Electronic Media	Hotline, Email & Social Media / Ad hoc Press Conferences / Ad hoc	Corporate Governance Operational Performance Environmental Management & Carbon Reduction

## 2024 Communication Channels, Engagement Issues, and Stakeholder Categories Report(1)

Category of Stakeholder	Issues of Concern	Communication Channels, Response Methods and Frequency of Communication	2024 Communication Performance
Competent Authority	1.Compliance 2.ESG Sustainability 3.Communication with Competent Authorities	Cooperating with the competent authority in supervision and inspection. Participating in seminars, briefings, and other events organized by the competent authority on an irregular basis. Responding to letters or emails from the competent authority on an irregular basis. Establishing a contact window.	Corporate Governance Operational Performance Operational Risk Management Integrity and Legal Compliance Labor Relations and Employee Welfare Talent Development and Training
Employees	1.Employee Benefits 2.Key Talent 3.Childcare Allowance	Internal website and email announcements. Announcement changes or adjustments to employee benefits on an irregular basis. Conducting training courses. Holding labor-management meetings on an irregular basis. Holding information sessions on an irregular basis.	Provide corresponding training programs for new employees, general staff, mid-level, and senior management to achieve career development. The Group's Succession Planning Program for Key Positions took effect last year. This year, in addition to continuing to cultivate key talent through internal training, job rotation, and promotions, the company is also actively seeking relevant mid-to-senior level talent from external sources. Additionally, in August, the company conducted a 360-degree performance review and assessment through management feedback surveys to continue its talent development and cultivation efforts. The Childcare Subsidy Program took effect in July 2023. The company held four information sessions in northern, central, and southern Taiwan, providing subsidies to 15 employees and 17 children in 2023. As of the end of September 2024, subsidies have been provided to 8 employees and 12 children. The Group's Taiwan-based employee and children's education scholarship subsidy program has been launched. To encourage employees and their children to continue their education, employees and their children who achieved an average grade of A (80 points) and above in both academics and conduct during the 2023 academic year are eligible to apply for the subsidy. A total of 23 employees and 28 children received subsidies.

## 2024 Communication Channels, Engagement Issues, and Stakeholder Categories Report (2)

Category of Stakeholder	Issues of Concern	Communication Channels, Response Methods and Frequency of Communication	2024 Communication Performance
Shareholders	1. Corporate Governance 2. Operational Performance 3. Sustainable Development	Real-time News Coverage / Major Announcements Annual Shareholders' Meeting	June 18, 2024 Shareholders' Meeting: The company communicated thoroughly with shareholders during the meeting and included the opinions of shareholders who spoke in the minutes. All material announcements were made within the required time frame.
Investors	1. Corporate Governance 2. Operating Performance	Holding at least one investor conference per year.	Participated in an investor conference hosted by Capital Securities on September 26, 2024 Provided updates on business and financial performance and exchanged views with stakeholders
Customers	1. Information Security 2. Customer Protection and Communication 3. Information Transparency	Providing customers with diverse communication channels. Providing customer service related to sales products.	Product-related customer service Regular online meetings and video calls with customers Continued regular online meetings with customers Collaborated with Client T in 2024 to implement supplier cybersecurity risk management and ongoing monitoring
Suppliers	1. Information Security 2. Suppliers Protection and Communication 3. Information Transparency	Actively invite suppliers to sign integrity commitment letters. Establishing supplier communication channels.	Established supplier communication mechanisms Conducted cybersecurity audit on outsourced suppliers in September 2024 Signed cybersecurity, confidentiality, audit rights, and intellectual property agreements for all IT outsourcing contracts in 2024

## 2-4-4 Stakeholder Engagement and Material Topic Identification Methodology

### ● Stakeholder Inclusiveness

Clearly identify stakeholders and explain how the company responds to their legitimate expectations and interests.

### ● Materiality

Assess whether the selected topics are significant enough to create substantial economic, environmental, or social impacts.

### ● Sustainability Context

Disclose how the company contributes to improving and reducing adverse impacts on local or global economic, environmental, and social development trends.

### ● Completeness

Ensure a comprehensive understanding of stakeholder perspectives, their needs, expectations, and opinions regarding the company's performance.

#### 1. Identification of Stakeholders:

In accordance with the AA1000 Stakeholder Engagement Principles, the ESG Committee held meetings to identify the seven primary stakeholder groups of Yem Chio Distribution Co., Ltd. for the 2024 ESG Sustainability Report.

#### 2. Collection of Sustainability Topics:

Members of the ESG Committee referred to GRI Standards indicators, internal group discussions, and analyses of domestic and international peers to gather and summarize approximately 10 relevant sustainability topics.

The company collected and analyzed issues of concern from each stakeholder group and compiled the key sustainability topics for Yem Chio Distribution in 2024.

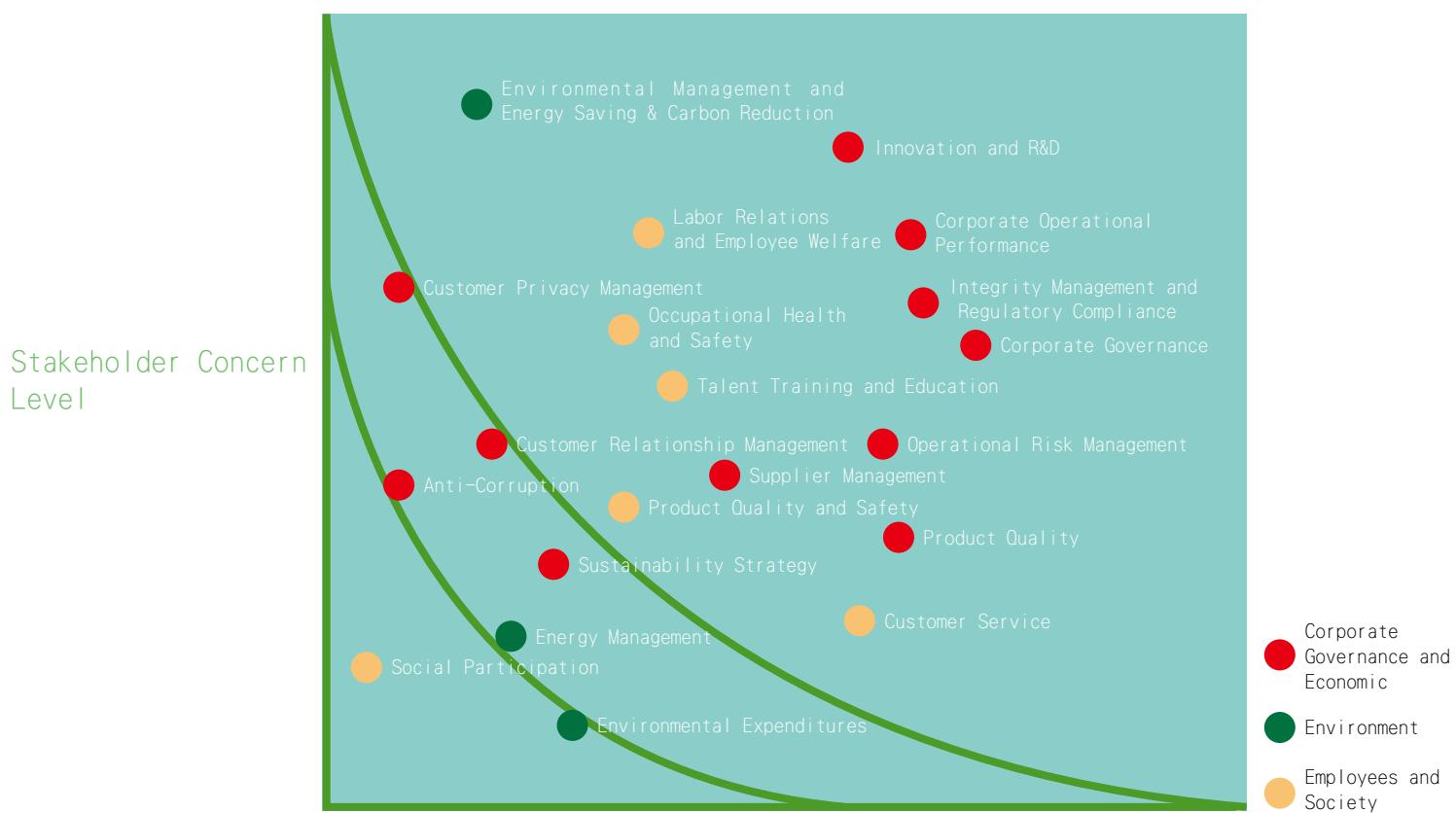
#### Discussion and Review:

After performing statistical analysis of economic, environmental, and social topics, the Corporate Social Responsibility Committee discussed and evaluated the material impact of each topic on the company. Based on these results, the Committee finalized 10 material topics to be disclosed as priorities in the sustainability report.

## 2-4-5 List of Material Topics and Materiality Matrix

No.	Category	Material Topic
1	Economic	Operational Performance
2	Social	Occupational Health and Safety
3	Corporate Governance	Operational Risk Management
4	Corporate Governance	Corporate Governance
5	Economic	Integrity Management and Regulatory Compliance
6	Economic	Customer Service
7	Social	Labor Relations and Employee Welfare
8	Social	Talent Development and Training
9	Economic/Social	Supplier Management
10	Social	Environmental Management and Energy Saving & Carbon Reduction

## Materiality Matrix



Impact on Yem Chio Distribution Co., Ltd.

# 2-4-6 Principles and Strategies for Implementing Sustainable Management

Aspect	Development Principles	Development Strategies	
Economic	● Corporate Governance ● Integrity Management and Regulatory Compliance ● Operational Risk Management	Ensure all members strictly comply with laws, regulations, and codes of conduct.	● Publish various codes of business conduct. ● Establish a sound internal audit and control mechanism. ● Adopt comprehensive risk management mindset to ensure stable operations.
	● Operational Performance	Continuous innovation and progress to create growth momentum.	● Align with market trends, continuously innovate products, and offer diverse and environmentally friendly products. ● Develop other business groups to strengthen group revenue sources and overall competitiveness.
	● Customer Service	Prioritize customer service quality.	● Provide comprehensive product lines and high-quality services. ● Actively respond to customer needs, exceeding customer expectations.
	● Supply Chain Management	Strengthen supply chain management focusing on quality and environmental protection.	● Develop an all-encompassing supply chain management system covering quality, environment, social responsibility, in compliance with industry standards.
Social	● Labor Relations and Employee Welfare ● Talent Development and Education Training	Provide a friendly workplace, creating a safe and healthy working environment.	● Offer good employee benefits and comply with labor laws and regulations. ● Properly plan internal and external employee training to enhance professional skills and strengthen internal cohesion.
	● Social Participation and Public Welfare Activities	Actively participate in charitable and public welfare activities, caring for vulnerable groups.	● Led by Yem Chio headquarters, employees voluntarily provide public welfare services to support disadvantaged groups. ● Assist the community and maintain sustainable local relationships.
	● Occupational Safety	Strengthen occupational safety management, comprehensively improve work environment and employee safety.	● Enhance internal awareness and control to create highly safe work processes and environments.
Environmental	● Environmental Management and Energy Saving & Carbon Reduction	Committed to promoting energy saving and carbon reduction, advancing green environmental protection	● Implement various energy-saving measures at factories and office buildings to fully execute energy saving and carbon reduction, reducing environmental impact.

# 2-4-7 Substantive Impact of Highly Material Topics

## Explanation of Corresponding GRI Topics, Management Approach, and Impact Boundaries

Important Topics	Explanation and Commitment to Operational Significance	2024 Execution Results	Future Outlook and Goals
Operational Performance	<ol style="list-style-type: none"> <li>Yem Chio Distribution upholds integrity, stability, innovation, and sustainable operation as core business philosophies, aiming to become the most vertically integrated packaging tape production and sales enterprise.</li> <li>By institutionalizing and making management mechanisms transparent, the company ensures full disclosure and communication of important information with all stakeholders.</li> <li>Commitment to sustainable operations, profit growth, and stable dividends.</li> </ol>	<p>In 2024, the company's total consolidated revenue reached NT\$1.443 billion, an increase of approximately NT\$38 million compared to NT\$1.405 billion in 2023. The EPS after tax was NT\$2.12.</p>	<ol style="list-style-type: none"> <li>Continue pursuing profit growth and sustainable operations.</li> <li>Promote equipment upgrades to enhance automation and logistics efficiency.</li> </ol>
Relevant GRI Material Topics	GRI Management Approach	Impact Boundaries	
Business Performance	Corporate Governance	◎	Shareholders Customers Suppliers and Contractors Regulatory Authorities

Important Topics	Explanation and Commitment to Operational Significance	2024 Execution Results	Future Outlook and Goals
Occupational Safety at Work	<ol style="list-style-type: none"> <li>Implement occupational safety management systems at all sites.</li> <li>Fully establish functional committees to enhance employees' safety awareness.</li> <li>Encourage employee participation in safety and health courses and acquiring relevant certifications.</li> <li>Strengthen safety awareness and create a safe work environment to reduce workplace accidents.</li> </ol>	<p>In 2024, Yem Chio Distribution reported zero cases of occupational diseases or major occupational fatalities.</p>	<ol style="list-style-type: none"> <li>Continue promoting zero occupational diseases and accidents.</li> <li>With full employee participation, conduct regular emergency preparedness training and drills.</li> </ol>
Relevant GRI Material Topics	GRI Management Approach	Impact Boundaries	
Occupational Safety	Comprehensive Occupational Safety Management	◎	Company Employees Community



Important Topics	Explanation and Commitment to Operational Significance	2024 Execution Results	Future Outlook and Goals
Operational Risk Management	<p>1. Through effective and precise risk analysis by each department, the company ensures sustainable and stable operations, reduces losses from various risks, and enhances operational efficiency and effectiveness.</p> <p>2. Continual focus on and compliance with regulatory requirements.</p> <p>3. Emphasis on patent applications to protect customer privacy and safeguard intellectual property.</p>	<p>1. Enforce operational risk management and cooperate with competent authorities to minimize or prevent potential risks by utilizing company resources.</p> <p>2. Establish a risk management team, enforce strict underwriting processes, and monitor solvency through capital adequacy analysis.</p>	Establish a Risk Management Committee to regulate rigorous operational risk analysis, strengthen the business structure, and foster opportunities for sustainable operations and ongoing development.
Relevant GRI Material Topics	GRI Management Approach	Impact Boundaries	
No Applicable GRI Material Topics	Corporate Governance	<p>Internal (Company Employees)</p> <p>◎</p>	<p>External</p> <p>Company Employees Shareholders Customers Suppliers/Contractors</p>

Important Topics	Explanation and Commitment to Operational Significance	2024 Execution Results	Future Outlook and Goals
Corporate Governance	<p>1. Actively enhance corporate governance capabilities and establish sound governance mechanisms.</p> <p>2. Improve business stability and transparency to protect shareholder rights and strengthen the functionality of the Board and committees.</p>	<p>To improve corporate image and align with international standards, governance-related information is disclosed regularly, demonstrating commitment to sustainable development.</p>	<p>1. Continue to implement the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and comply with regulator expectations.</p> <p>2. Strive to be among the top 20% of listed companies in governance evaluations.</p> <p>3. Keep up with global governance trends, diversify business, and align with international standards for group sustainability.</p>
Relevant GRI Material Topics	GRI Management Approach	Impact Boundaries	
No Applicable GRI Material Topics	-	<p>Internal (Company Employees)</p> <p>◎</p>	<p>External</p> <p>Shareholders Regulatory Authorities</p>

Important Topics	Explanation and Commitment to Operational Significance	2024 Execution Results	Future Outlook and Goals
Integrity in Operations and Compliance with Laws and Regulations	<p>1. Integrity is the core value of Yem Chio Distribution. Corporate governance and legal compliance are its pillars to ensure long-term sustainability.</p> <p>2. Comprehensive legal compliance system is implemented, including policy definition, training, and whistleblowing mechanisms to raise awareness, protect corporate image, and reduce operational risks and liabilities.</p> <p>3. Earn trust and respect of customers, partners, and the public through honest and upright practices.</p>	<p>No major legal violations occurred at Yem Chio Distribution in 2024. In the face of crises, the company's management units responded with a robust reporting and cross-department communication mechanism to resolve issues effectively.</p>	<p>1. Continue verifying, assessing, advising, supervising, and reporting on internal compliance procedures and ensure legal risk management.</p> <p>2. Strengthen compliance awareness and supervise legal implementation.</p> <p>3. Offer compliance consulting and training.</p> <p>4. Improve compliance-related policies and procedures.</p> <p>5. Ensure corrective action for internal and external audit findings.</p>
Relevant GRI Material Topics	GRI Management Approach	Impact Boundaries	
GRI 205: Anti-corruption / GRI 207: Tax / GRI 307: Environmental Compliance / GRI 419: Socioeconomic Compliance	Corporate Governance	<p>Internal (Company Employees)</p> <p>◎</p>	<p>External</p> <p>Shareholders Customers Regulatory Authorities</p>

Important Topics	Explanation and Commitment to Operational Significance	2024 Execution Results	Future Outlook and Goals
Customer Service	<p>1. Leverage Yem Chio Distribution's integrated upstream and downstream supply chain to deliver complete and innovative product solutions based on customer needs and industry development.</p> <p>2. Regularly conduct customer satisfaction surveys and provide comprehensive solutions through service innovation.</p> <p>3. Uphold rigorous standards to ensure customer rights and data security.</p>	<p>Sales supervisors and staff regularly conduct phone or in-person visits to collect customer feedback on products, transactions, and services. Customer satisfaction remains high.</p>	<p>1. Continue the dormant customer reactivation project.</p> <p>2. Launch deep cultivation projects for existing customers, enhance retention through process optimization and new product introduction.</p> <p>3. Improve service efficiency and reduce customer complaints.</p>
Relevant GRI Material Topics	GRI Management Approach	Impact Boundaries	
GRI 417: Marketing and Labeling / GRI 418: Customer Privacy	Listening to Customer Feedback	<p>Internal (Company Employees)</p> <p>◎</p>	<p>External</p> <p>Customers</p>

Important Topics	Explanation and Commitment to Operational Significance	2024 Execution Results	Future Outlook and Goals						
Labor-Capital Relations and Employee Benefits	<ol style="list-style-type: none"> <li>Emphasize fair treatment and welfare of employees, recognizing talent as a valuable asset.</li> <li>Care for employees and listen to their needs, aiming to create a healthy and positive work environment that values employees' lives, health, and safety.</li> <li>Provide diverse and comprehensive welfare mechanisms to create a happy workplace.</li> </ol>	<p>The company shows care by understanding and meeting employee needs, strengthening internal cohesion, offering equal promotion opportunities, and providing comprehensive benefits to foster a positive corporate culture.</p>	<ol style="list-style-type: none"> <li>A "Welfare Committee" has been established to manage and improve employee welfare.</li> <li>Budget is allocated for health checkups, annual parties, family days, sports events, travel subsidies, and departmental gatherings.</li> <li>A Sexual Harassment Prevention Committee is in place to prevent and eliminate workplace harassment.</li> </ol>						
Relevant GRI Material Topics	GRI Management Approach	<table border="1"> <thead> <tr> <th colspan="2">Impact Boundaries</th> </tr> <tr> <th>Internal (Company Employees)</th> <th>External</th> </tr> </thead> <tbody> <tr> <td>◎</td> <td>-</td> </tr> </tbody> </table>		Impact Boundaries		Internal (Company Employees)	External	◎	-
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GRI 401: Employment / GRI 405: Diversity and Equal Opportunity	Employee Care	<table border="1"> <thead> <tr> <th colspan="2">Impact Boundaries</th> </tr> <tr> <th>Internal (Company Employees)</th> <th>External</th> </tr> </thead> <tbody> <tr> <td>◎</td> <td>-</td> </tr> </tbody> </table>		Impact Boundaries		Internal (Company Employees)	External	◎	-
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Important Topics	Explanation and Commitment to Operational Significance	2024 Execution Results	Future Outlook and Goals						
Talent Development and Training	<ol style="list-style-type: none"> <li>Enhance employee professionalism by nurturing talent and promoting the acquisition of professional skills and certifications to strengthen both individual and organizational competitiveness.</li> <li>Commit to long-term employee development, responding to their diverse needs while boosting loyalty and innovation.</li> </ol>	<p>A comprehensive training mechanism is implemented to enhance employee expertise and service awareness, promoting the acquisition of licenses and certifications to improve employee productivity and the company's innovation capacity.</p>	<ol style="list-style-type: none"> <li>Continue implementing structured training and development programs tailored to different job levels and functions.</li> <li>Strengthen professional competencies through internal and external training and support employees in pursuing skill certifications.</li> </ol>						
Relevant GRI Material Topics	GRI Management Approach	<table border="1"> <thead> <tr> <th colspan="2">Impact Boundaries</th> </tr> <tr> <th>Internal (Company Employees)</th> <th>External</th> </tr> </thead> <tbody> <tr> <td>◎</td> <td>-</td> </tr> </tbody> </table>		Impact Boundaries		Internal (Company Employees)	External	◎	-
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GRI 404: Training and Education	Employee Care	<table border="1"> <thead> <tr> <th colspan="2">Impact Boundaries</th> </tr> <tr> <th>Internal (Company Employees)</th> <th>External</th> </tr> </thead> <tbody> <tr> <td>◎</td> <td>-</td> </tr> </tbody> </table>		Impact Boundaries		Internal (Company Employees)	External	◎	-
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## 2-5 Sustainable Development Goals (UN)

In 2015, the United Nations adopted 17 Sustainable Development Goals (SDGs) and 169 targets, establishing a clear vision and priorities for sustainable development and mobilizing global efforts to achieve goals such as ending poverty, addressing inequality, and responding to climate change by 2030. In response to the United Nations' 2030 Sustainable Development Goals, YC Group has aligned its operations with the "United Nations Sustainable Development Goals Business Action Guide (SDGs Compass)." We have assessed the risks and opportunities associated with our operational activities across the value

chain in relation to the SDGs, and have incorporated both positive and negative impacts into the scope of our operational goals and outlook. We have identified 17 SDG targets and listed 11 sustainability indicators relevant to Yem Chio, which serve as the vision for our sustainability strategy. We aim to substantively embody the spirit of the SDGs by integrating them into our actual operational processes, setting related targets, and regularly tracking SDG performance through our ESG Committee, with the goal of improving global sustainability issues.



# Yem Chio Distribution Co., Ltd. - 10 SDGs Sustainability Goals

## SDGs Indicators

## Important Issues Related to YC

The company's Actual Actions in 2024 and the Corresponding Chapters in the Report



- Labor Relations and Employee Welfare

◎ Employee Care- See Chapter: Employee Care



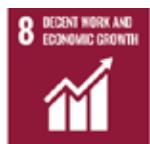
- Talent Development and Training

◎ Employee Care- See Chapter: Employee Care



- Labor Relations and Employee Welfare

◎ Employee Care- See Chapter: Employee Care



- Corporate Governance
- Operational Performance

◎ Corporate Governance- See Chapter: Corporate Governance



- Innovative R&D
- Green Product Development

◎ Green Consumption- See Chapter: Green Consumption



- Customer Relationship Management
- Innovative R&D
- Green Product Development

◎ Corporate Governance- See Chapter: Corporate Governance  
 ◎ Green Consumption- See Chapter: Green Consumption  
 ◎ Energy Conservation & Carbon Reduction- See Chapter: Energy Conservation & Carbon Reduction



- Green Product Development

◎ Green Consumption- See Chapter: Green Consumption



- Green Consumption

◎ Environmental Protection- See Chapter: Environmental Protection  
 ◎ Green Consumption- See Chapter: Green Consumption  
 ◎ Energy Conservation & Carbon Reduction- See Chapter: Energy Conservation & Carbon Reduction



- Operational Risk Management

◎ Corporate Governance- See Chapter: Corporate Governance



- Social Engagement and Public Welfare

◎ Social Engagement- See Chapter: Social Participation

## 2-6 Customer Service

Corresponding "Important Issues"	Customer Service
Significance to Yem Chio Distribution	To meet customer needs, we not only provide products, but also provide a full range of services to enhance customer satisfaction.
Specific Plans for 2024	We provide a full range of customer service experience through our own channels and our own brand "Bao Da Shi". We provide customers with one-stop purchasing services through group production and extensive external supplier management.
2024 Fiscal Year Goals	<ul style="list-style-type: none"> <li>◎ Overall satisfaction must be maintained above the standard.</li> <li>◎ No major customer complaints. (Note 1)</li> </ul>
Invest Resources	<ul style="list-style-type: none"> <li>◎ Conduct satisfaction surveys on four aspects: quality, delivery time, service, and hazardous substances.</li> <li>◎ Integrate and analyze customer responses.</li> </ul>
Evaluation Mechanism	<ul style="list-style-type: none"> <li>◎ Evaluated by the number of customer complaints.</li> <li>◎ Sales personnel report development results regularly every week, and the headquarters assigns a dedicated person to track and summarize the project execution status.</li> </ul>
Specific Performance in 2024	<ul style="list-style-type: none"> <li>◎ The average customer satisfaction survey score for the year was higher than the annual target.</li> <li>◎ Customer opinions and feedback were handled immediately.</li> <li>◎ No major customer complaints occurred. (Note 1)</li> </ul>
Medium and Long Term Goals	<ul style="list-style-type: none"> <li>◎ Maintain overall satisfaction at a high standard, provide proactive customer care actions, understand customers' potential needs and expectations, and actively improve them.</li> <li>◎ Strengthen the service expertise of sales personnel and the efficiency of service processes.</li> <li>◎ Business objectives and future prospects.</li> </ul>

**(Note 1): Definition of major customer complaints: Cases where a customer complains and returns a product with a value of more than NT\$1 million.**

Yem Chio Distribution has always held the view that the formation of a world-class enterprise requires the mastery of the three spirits of "mastering core technology, creating own brands, and globalization". We believe that the satisfaction survey is an invaluable tool for us to gain a deeper understanding of our customers' satisfaction with the company's performance in various aspects. This survey is intended to serve as a basic guideline for future performance enhancement and improvement, with the aim

of jointly creating the company's overall competitiveness and operational efficiency. The survey was conducted by business units through e-mails, telephone interviews or other means. In order to ensure the most representative sample, customers who have reached a certain amount of transaction amount in 2024 were selected. In addition, customer satisfaction surveys were conducted on four major topics: quality, delivery, service, and environmental regulations.

# 3. Green Consumption

Corresponding Key Issue	Environmental Management and Energy Conservation & Carbon Reduction
Significance to Yem Chio Distribution Co., Ltd.	To protect the environment, Yem Chio Distribution Co., Ltd. continuously implements environmental management regulations focusing on key environmental considerations and legal requirements. The company annually improves its environmental management systems and culture.
2024 Specific Initiatives	<ul style="list-style-type: none"><li>● Optimize transportation routes and logistics management to reduce transport mileage and carbon footprint: Precisely optimize transportation routes and logistics processes to reduce mileage and carbon emissions, thereby enhancing transport efficiency.</li><li>● Adopt consolidated transportation and shared logistics strategies: Use consolidated transportation and shared logistics to reduce transportation costs and energy consumption effectively, achieving sustainable green logistics goals.</li><li>● Implement intelligent route planning and real-time monitoring: Introduce intelligent route planning and real-time monitoring systems to improve transportation efficiency, enabling real-time adjustments to reduce energy waste.</li><li>● Packaging material recycling and reuse: Actively support packaging recycling programs, engaging with customers and supply chain partners in recycling activities. Promote packaging reuse through recycling and reprocessing of materials for further use.</li><li>● Promote packaging recycling programs: Collaborate with local governments or recycling agencies to establish packaging recycling programs, increasing the reuse rate of packaging materials and promoting circular economy development.</li><li>● Design plastic reduction packaging based on product characteristics: Develop plastic reduction packaging schemes tailored to product features to minimize material usage while meeting product protection requirements.</li><li>● Design lightweight materials.</li></ul>
2024 Goals	<ul style="list-style-type: none"><li>● In response to regulatory compliance and evolving green standards, the company actively aligns with relevant international regulations to reduce renewable energy cost risks. It focuses on green design research and development to assist customers in lowering costs and improving efficiency through high energy conversion rate and low-carbon product portfolios.</li></ul>
Resources Invested	<ul style="list-style-type: none"><li>● Continuously improve and upgrade the company's energy-efficient lighting equipment.</li></ul>
Evaluation Mechanism	<ul style="list-style-type: none"><li>● Annual statistics on greenhouse gas emissions.</li></ul>
2024 Annual Operating Performance	<ul style="list-style-type: none"><li>● Greenhouse gas emissions (metric tons CO<sub>2</sub>e): 691.493 metric tons.</li></ul>
Mid-to-Long-Term Goals	<ul style="list-style-type: none"><li>● The company has laid a solid foundation in sustainability and maintains long-term trustful relationships with customers. By actively leveraging core technologies in optics and electronics to develop products based on market demand, Yem Chio Distribution Co., Ltd. aims to become the preferred partner for customers in a broad range of green products and solutions, thereby increasing revenue in the growing sustainability trend.</li></ul>

# 3-1 Environmental Protection

## Environmental Protection Policy and Commitment

Yem Chio Distribution Co., Ltd. is dedicated to providing high-quality, environmentally friendly, and innovative packaging solutions. Our products include plant fiber items (plant fiber trays, plant fiber lunch boxes, bowls, cups, etc.), paper products (paper cups, paper bowls, paper straws, etc.), wooden utensils, and more. Each product embodies our commitment to quality, integrity, responsibility, and innovation, while contributing to the protection of our beautiful planet.

### Social Aspect:

The extensive use of single-use plastic products has caused significant damage to the global ecosystem. Harmful substances generated under high temperatures silently threaten human health. As consumer awareness of environmental protection increases, more consumers prefer eco-friendly products. Using green packaging materials helps improve brand image, strengthens the relationship between companies and customers, and further promotes sales and market share. It also demonstrates the company's social responsibility and commitment to sustainable development, thereby enhancing brand loyalty.

### Environmental Aspect:

Green packaging materials can effectively reduce the use of traditional packaging materials such as plastic, helping to lessen environmental burdens, reduce resource consumption, and decrease waste generation. Choosing biodegradable or recyclable packaging materials helps reduce environmental pollution and promotes the development of a circular economy.

### Governance Aspect:

Driven by environmental awareness, we continuously strive and innovate new technologies to enhance market competitiveness. Actively exploring and innovating in packaging materials helps lead industry trends and further improve market positioning.

### Supply Chain:

Promoting the use of green packaging materials may require companies to adjust their supply chains by selecting material suppliers who meet environmental standards. This raises the requirements for supply chain management but also pushes companies to establish more transparent and responsible supply chain systems.

### Innovation and Cost Challenges:

Although green packaging enhances brand image, companies may face higher initial costs during the transition, especially in research, development, and raw material selection. However, with technological advances and increasing market demand, these costs may gradually decrease. Innovation and continuous improvement during this process will positively impact the company's long-term competitiveness.



## 3-2 Supplier Management Policy

Yem Chio Distribution Co., Ltd. requires suppliers to comply not only with commercial transaction standards but also extend their responsibilities to social accountability, occupational safety and health, and labor rights. The company establishes detailed policies and plans, requiring suppliers to adhere to these standards to ensure their operations meet the highest ethical and legal requirements. This protects employee rights and health, while fostering a business environment that is socially responsible and sustainable. Suppliers must understand and comply with these requirements to establish a solid and long-term partnership with Yem Chio Distribution.

To implement CSR principles in supplier management, Yem Chio Distribution imposes two major requirements: integrity and confidentiality, and supplier social responsibility. The specific practices and implementation status are as follows:



### ◎ Integrity and Confidentiality

Based on Yem Chio Distribution's "Integrity and Confidentiality Commitment", the key points include:

Integrity:

1. Prohibition of improper benefits: Suppliers shall not offer bribes, gifts, or any improper benefits to Yem Chio employees or their related parties in any form.
2. Prohibition of private transactions: No financial dealings, loans, gambling, or inappropriate entertainment activities with Yem Chio employees or related parties.
3. Prohibition of solicitation or inducement: Suppliers shall not solicit or induce Yem Chio employees to breach duties or seek personal gain.
4. Prohibition of poaching: No solicitation or inducement for Yem Chio employees to resign or join affiliated enterprises.
5. Guarantee honest transactions: Suppliers guarantee no fraud, breach of trust, or illegal activities in transactions with Yem Chio.
6. Proactive disclosure: Suppliers must proactively disclose lawsuits, arbitrations, or administrative investigations.
7. Provision of truthful information: All information provided to Yem Chio must be true, without falsification or forgery.
8. Timely updates: Any change in information must be notified in writing to Yem Chio within seven days.

9. Proactive reporting of related parties: If suppliers have kinship relations with Yem Chio employees, they must proactively report.
10. Prohibition of bribery: No bribery to Yem Chio employees or related persons to secure transactions.
11. Prohibition of false pricing: No inducement to Yem Chio employees to fabricate false pricing information.
12. Prohibition of improper entertainment: No arranging Yem Chio personnel to visit improper venues or providing improper entertainment.
13. Reporting solicitation: Suppliers shall resist and immediately report any solicitation attempts by Yem Chio personnel.

**Confidentiality Obligations:**

1. Protect confidential information: Suppliers must not disclose Yem Chio's data, technology, business information, etc. to third parties.
  2. Protect commissioned information: Do not disclose any production, manufacturing, bidding, or engineering information entrusted by Yem Chio.
- Third-party agreements: When sharing confidential information with third parties, written consent from Yem Chio is required, and third parties must sign a confidentiality agreement.
3. Continuity of obligation: Confidentiality obligations remain effective even after termination of transactions or contracts.

**Breach of Contract Liability:**

1. Penalties: Violations shall incur punitive damages amounting to twice the contract amount or NT\$1 million, whichever is higher.
2. Termination: Yem Chio reserves the right to terminate contracts with breaching suppliers and cease all procurement activities.
3. Compensation: Suppliers must compensate Yem Chio for any losses or damages incurred.

Legal action: Yem Chio may pursue investigations and legal actions through judicial or prosecutorial authorities.

**Others:**

1. Effectiveness: The commitment takes effect upon signing and retroactively applies from the date of the first transaction.
2. Governing law and jurisdiction: The laws of the Republic of China (Taiwan) apply, with Shilin District Court, Taiwan, as the agreed jurisdiction.

## ◎ Supplier Social Responsibility

### 1. Full Compliance:

Suppliers must fully comply with all relevant governmental laws and regulations. This includes not only laws in Taiwan but also any social responsibility standards issued by overseas public or private organizations. Suppliers are expected to meet legal standards in all aspects of their operations.

### 2. Five Key Areas:

Suppliers' social responsibility practices should cover the following five areas:

**Labor:** Protect workers' rights, provide a safe working environment, and comply with labor laws and regulations.

**Health and Safety:** Ensure workplace health and safety, preventing occupational injuries and illnesses.

**Environmental Protection:** Implement measures to reduce environmental impact, including energy conservation, emissions reduction, and waste management.

**Ethical Standards:** Adhere to business ethics, avoiding any form of bribery, corruption, or dishonest behavior.

**Management System:** Establish a sound management system to ensure effective implementation and continuous improvement of the above requirements.

### 3. Risk Management:

Suppliers are responsible for proactively identifying and eliminating risks that do not meet social responsibility requirements, and avoiding causing losses to Yem Chio Distribution and its customers. This means suppliers need to regularly assess operational risks and take preventive measures.



### Q Quality

Focus on  
Quality and  
Continuous  
Improvement

### C Cost

Competitive  
Pricing Cost  
Control

### D Delivery Date

On-time  
Delivery  
Quick  
Response

### S Service

Service  
Efficiency  
Business  
Partners

## 3-3 Disclosure of Energy and Resource Usage

### ◎ Water Usage Disclosure

Yem Chio Distribution Co., Ltd. is committed to being an environmentally friendly enterprise by comprehensively promoting and implementing upgrades to energy-saving facilities, daily office energy-saving measures, and waste reduction initiatives. At the Taipei headquarters and across all plants, the company fully implements four major energy efficiency actions for green living, including water conservation, electricity saving, energy efficiency improvement, and green procurement. By continuously improving energy efficiency and exploring various methods of energy conservation and carbon reduction, the company strives to save natural resources during its operations. Specific implementation projects include: Practicing green procurement, Creating a cloud-based office environment

Upgrading to LED lighting systems, Conducting long-term tracking of electricity usage and carbon emissions, Precisely monitoring water resource usage data. Through these efforts, Yem Chio aims to be a leading practitioner of environmental responsibility, striving not only to serve the public but also to care for the Earth.

Company	Yem Chio Distribution Co., Ltd.
Water Consumption (metric tons)	502/Tap Water
Total Water Consumption (metric tons)	502

▲ Water Usage Disclosure

### ◎ Greenhouse Gas Emissions Disclosure

Greenhouse gas (GHG) emissions are categorized into three scopes:

Scope 1: Direct emissions from sources owned or controlled by the company, such as exhaust stacks, production processes, and company-owned vehicles.

Scope 2: Indirect emissions from the generation of purchased electricity consumed by the company.

Scope 3: Other indirect emissions not

owned or directly controlled by the company, such as those arising from the upstream and downstream activities of the value chain. Due to the complexity and difficulty in quantifying and verifying these emissions, Scope 3 emissions are not currently included in the GHG inventory.

In 2024, each site of Yem Chio Distribution Co., Ltd. conducted its GHG emission statistics. After consolidation, the proportions of emissions by scope are summarized in the table below.

### Yem Chio Distribution Co., Ltd. (All facilities in Taiwan)

Scope 1 (Metric TonsCO2e)	Scope 2 (Metric TonsCO2e)	Scope 3 (Metric TonsCO2e)
644.2093	47.2832	691.4925

## 3-4 Energy Saving and Reduction

### 3-4-1 Establish an Energy Conservation & Carbon Reduction Team

More and more companies and manufacturers are willing to disclose information about the carbon footprint and carbon neutrality of their products. A carbon footprint is the total amount of greenhouse gas emissions (measured in terms of carbon dioxide impact) caused by a person, event, organization, service or product, and is used to measure the impact of human activities on the ecosystem. Carbon neutrality refers to the total amount of carbon dioxide or greenhouse gas emissions produced directly or indirectly by a country, enterprise, product, activity or individual within a certain period of time. By using low-carbon energy to replace fossil fuels, planting trees and forests, saving energy and reducing emissions, etc., we can offset the carbon dioxide or greenhouse gas emissions produced by ourselves and realize positive and negative offsets, so that we can achieve relative “zero emissions”. In our daily life, we can choose products with smaller carbon footprints to urge manufacturers to reduce the carbon emissions required for the production of goods. We can also walk more, drive less, and consume local seasonal fruits and vegetables or products to reduce the carbon emissions generated by our own habits. Certainly, personal behaviors can help reduce carbon emissions.

Of course, although individual actions can also reduce the burden on the earth, it is most important for all industries to work together to reduce carbon emissions in order to maximize

the effect. With this in mind, the Group set up an Energy Conservation and Carbon Reduction Team on May 19, 2021, with the goal of reducing resource consumption by 30% within five years from the beginning of 2021, and we hope that each and every one of us will contribute to the reduction of carbon emissions. We hope that each and every one of our staff members can contribute to the improvement of the environment with their own efforts and small actions.

In addition to setting up an energy saving and carbon reduction team to systematically promote energy saving and carbon reduction, we have also invited consultants to give lectures to the company. At the same time, we have inventoried the more energy-consuming electrical appliances and equipments in our factories and replaced them, and the energy-saving and carbon reduction supervisors in each factory have also actively promoted energy-saving and carbon reduction in their areas of responsibility. For more information, please refer to the website of YC Group / ESG page / E (Environment).



▲ Consultant Course Class Status

# 3-4-2 Organization Chart and Executive Instructions of the Energy Conservation & Carbon Reduction Team

The Energy Saving and Carbon Reduction Team is convened by the Chairman of the Board of Directors, Mr. Chih-Hsien Lee. With the support of the energy-saving supervisors of each business group and plant, we hope to promote the spirit of energy saving and carbon reduction to the daily behavior of each employee from top to bottom, and then achieve the goal of reducing energy consumption by 30% within five years. The duties and responsibilities of each member of the Energy Saving and Carbon Reduction Team are listed below:

## Convener / Vice Convener:

1. Chair energy management.
2. Convene regular meetings to track progress and performance.

## Executive Secretary:

1. Assist departments in promoting energy management (information, management and technology).
2. Arranging meetings, tracking and

analyzing progress and performance and reporting.

3. Analyze energy usage and daily inspections, and report abnormalities in a timely manner.

report in a timely manner.

Business Group Energy Program Supervisor:

1. Planning energy management and resource provision.
2. Supervise the implementation of energy management in each department.
3. Supervision of daily inspection and timely response.

Plant Energy Supervisor:

1. Organize cross-departmental energy saving teams in each plant.
2. Plan and propose energy saving programs. (including energy information and energy efficiency evaluation).
3. Execute the energy saving programs of each department.
4. Tracking of energy saving programs.
5. Attend energy conservation meetings.

## 集團節約能源減碳小組

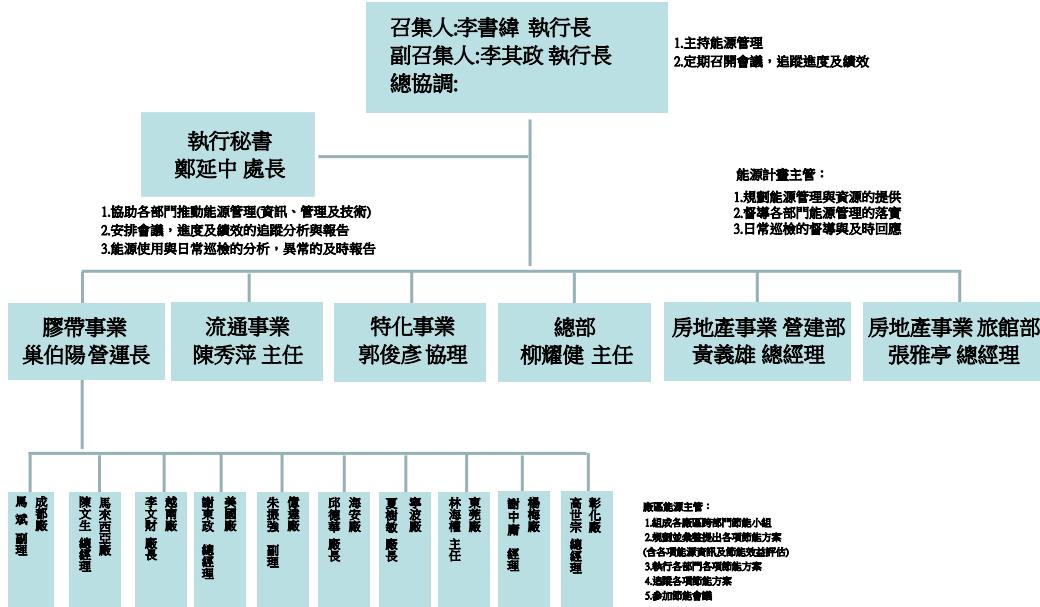
目標:5 年內減少 30%耗用(2021.5-2026.5)

起始點: 2020 年集團電費年支出 4.1 億

召集人:李書緯 執行長  
副召集人:李其政 執行長  
總協調:

1.主持能源管理  
2.定期召開會議，追蹤進度及績效

能源計畫主管：  
1.規劃能源管理與資源的提供  
2.督導各部門能源管理的落實  
3.日常巡檢的督導與及時回應



修訂日期:2025.07.26

▲ Organization Chart of the Group's Energy Saving and Carbon Reduction Team

# 3-4-3 Implementation Status of Energy Conservation and Carbon Reduction

## ◎ Details of LED Energy-Saving Lighting Project

Between July and August 2024, we conducted a comprehensive lighting retrofit at the Taishan Building warehouse, covering floors 1 to 5 as well as underground parking levels B1 and B2. The original high-energy-consuming traditional lighting fixtures were replaced with high-efficiency, low-energy LED lights. This project not only significantly reduced electricity consumption for lighting but also effectively improved lighting quality, providing a safer and more comfortable working environment for employees. The completion of this project marks an important milestone in our energy management efforts.

### Energy Conservation and Carbon Reduction Results and Subsidy Application

The energy conservation and carbon reduction subsidy program from the Ministry of Economic Affairs provided strong support for our project. After careful planning and execution, we successfully obtained a subsidy of NT\$90,000. This funding injection not only eased the financial burden of promoting energy-saving and carbon reduction initiatives but also strengthened our confidence on the path of sustainable development.

### Sustainable Operation and Environmental Responsibility

Energy conservation and carbon reduction are key components of our corporate social responsibility. Through the LED energy-saving lighting project, we demonstrated our environmental commitment in several aspects:

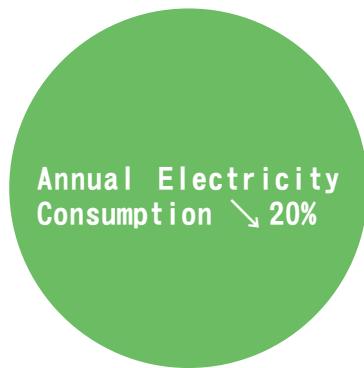
**Energy Efficiency:** Optimizing energy use structure and reducing unnecessary waste.

**Carbon Footprint Reduction:** Lowering carbon emissions in our operations to contribute to national carbon neutrality goals.

**Innovation and Technology Application:** Introducing high-efficiency energy-saving equipment to set industry benchmarks.

We fully recognize that environmental protection and corporate development are not opposing forces but can promote each other in a symbiotic relationship. Moving forward, we will continue to invest in green technologies and facility upgrades to build a more resilient and sustainable business model.





▲ Results of the LED Energy-Saving Lighting Project Implementation

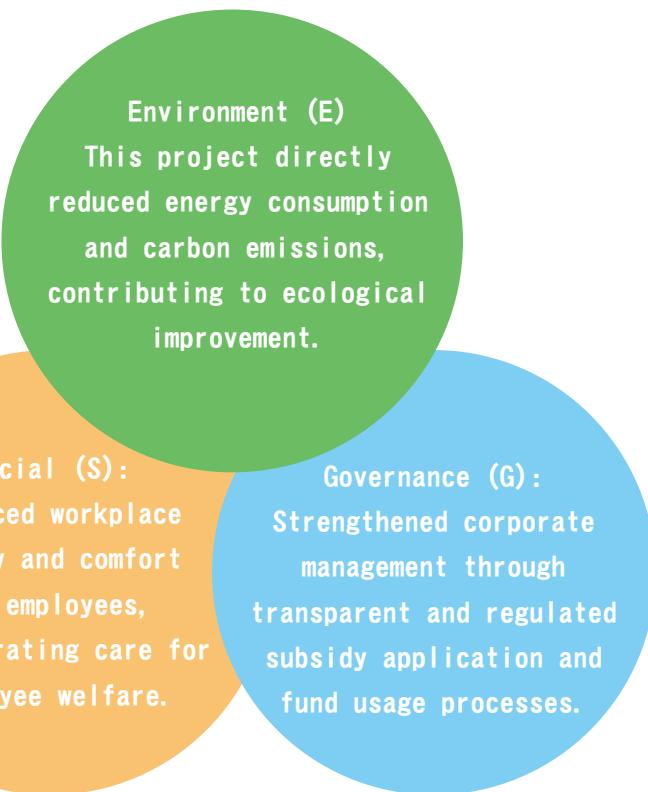


Annual Electricity Consumption ↓ 20%

Annual Electricity Cost Savings:  
NT\$150,000

### Manifestation of ESG Values

Throughout the process of promoting energy conservation and carbon reduction, our actions also reflect multiple facets of ESG (Environmental, Social, and Governance) values:



## ◎ Consolidated Office Improvement Model

As modern enterprises increasingly emphasize Environment, Social, and Governance (ESG), effectively integrating environmental protection with operational efficiency has become a critical issue. In this context, we reassessed the office locations and workflows of our sales managers and staff, taking practical actions to reduce the company's environmental impact.

Previously, sales managers and staff primarily worked in Neihu office. However, before delivering goods to customers, they often needed to visit the Taishan warehouse for quality checks and preparation. While this operation ensured service quality, it also generated several challenges over time:

**Time Costs:** Frequent commuting between Neihu and Taishan consumed significant time, reducing work efficiency and the ability to focus on core business.

**Environmental Impact:** Daily transportation increased carbon emissions, contradicting our energy-saving and carbon-reduction goals.

**Workflow Efficiency:** The distance between sales staff and the warehouse/logistics teams hindered timely communication and coordination.

To address these issues and support the company's commitment to environmental sustainability, we relocated sales managers and staff offices to Taishan, implementing a "factory-office integration" concept. This move brought multiple benefits:

## Reduced Carbon Emissions and Energy Savings

After relocating to Taishan, sales staff can directly perform inspections at the warehouse, eliminating daily commutes and significantly reducing fuel consumption and carbon emissions. Preliminary estimates show each sales staff member reduces several hundred kilometers of commuting monthly, equivalent to cutting dozens of kilograms of CO<sub>2</sub> emissions. Additionally, integrating sales and warehouse operations simplified internal logistics and inspection workflows, saving energy and further reducing resource waste caused by repeated transportation. This aligns perfectly with our environmental sustainability goals.

## Improved Operational Efficiency and Communication

Having sales personnel and warehouse/logistics teams co-located shortened information gaps, enabling more timely and smoother communication. Misunderstandings and delays caused by distance are greatly reduced, making overall workflows more efficient. For example, when customer demands change or urgent issues arise, sales staff can immediately contact the warehouse to handle and adjust operations on site, ensuring the fastest possible customer service.

## Demonstrating Commitment to ESG

This relocation is not merely an operational adjustment but a concrete embodiment of our ESG values.

Environmentally, we responded to global calls for energy conservation and carbon reduction by lowering transportation energy use and emissions. Socially, we created a more efficient and comfortable work environment that boosts employee satisfaction. From a governance perspective, the move reflects our strong emphasis on process optimization and sustainable development.

## Long-term Impact and Outlook

Though a small step, this relocation showcases our vision for sustainable management. We will continue evaluating office and operational models, seeking innovative ways to combine efficiency and environmental benefits. For example, adopting more green technologies, using new energy vehicles, and optimizing logistics routes to further achieve energy savings and carbon reduction. Moreover, we hope this initiative will influence industry trends, encouraging more companies to focus on ESG issues and jointly advance toward a greener, more sustainable future.

## In Summary

Relocating sales managers and staff offices is a win-win strategy. It effectively solves time and transportation cost problems while contributing to our ESG goals by balancing environmental protection and operational efficiency. We believe this change will become an important milestone on our path to sustainable development, creating greater value for the future.

## ◎ Partial Outsourcing of Logistics

The critical success factor for a company's "last mile" delivery lies in logistics. As the saying goes, mastering logistics means mastering victory. We fully understand that efficient delivery is one of the core competitive advantages of a business. To this end, Yem Chio Distribution Co., Ltd. has its own logistics fleet, significantly improving delivery efficiency and effectively reducing overall distribution costs.

However, we also recognize that in certain situations—such as deliveries to remote areas, mountainous regions, or single-trip (one-way) long-distance deliveries—logistics efficiency may decline and cost burdens increase.

To further enhance the economic and environmental benefits of our logistics operations, we actively reviewed our current delivery strategies. After thorough cost analysis and evaluation, we decided to partially outsource some deliveries to external logistics providers. This change not only effectively addresses uneconomical delivery issues but also positively impacts the environment, demonstrating our commitment to Corporate Social Responsibility (CSR).

### Promoting ESG Vision

In the global trend focusing on Environment, Social, and Governance (ESG) issues, we deeply recognize the importance of sustainable management. Through logistics outsourcing, we can integrate logistics resources, reduce duplicate trips and empty loads, thereby significantly lowering carbon emissions and achieving energy saving and carbon reduction goals. This aligns with our pursuit of environmental sustainability

and Taiwan's government's 2050 net-zero carbon policy.

### Concrete Results in Energy Saving and Carbon Reduction

Since adopting partial outsourcing logistics, we have observed improved transportation efficiency alongside a reduction of approximately 15% in total vehicle mileage. Annual CO<sub>2</sub> emissions have gradually decreased. Additionally, we select logistics partners who use environmentally friendly vehicles whenever possible, such as electric trucks or low-emission models, further reducing the environmental burden during delivery.

### Environmental Benefits and Social Impact

This strategic shift not only lowers our operating costs but also brings more profound environmental benefits. We are committed to being a responsible corporate citizen, adopting innovative and sustainable logistics models that reduce consumption of Earth's resources and lessen the impact on ecosystems.

### Continuous Optimization and Future Outlook

Looking ahead, we will continue monitoring and optimizing logistics workflows, exploring more innovative energy-saving and carbon-reduction technologies—such as AI-based route optimization and increased use of renewable-energy logistics tools. Through these efforts, we believe we can not only enhance logistics service quality and efficiency but also contribute to Taiwan's sustainable development.

We will continue upholding ESG core values to balance economic, social, and environmental goals and create a better future together.

## 4. Friendly Workplace & Better Society

Corresponding Material Issue	Occupational Safety and Health
Significance to Yem Chio Distribution Co., Ltd.	Yem Chio Distribution emphasizes sustainable corporate development by fostering employee engagement and creating a safe and comfortable working environment. Through annual occupational safety risk assessments and rigorous implementation of safety inspection mechanisms, the company aims to prevent accidents that could jeopardize employee health and safety or disrupt business continuity.
2024 Specific Initiatives	Zero cases of occupational diseases and major occupational safety incidents.
Resources Invested	Established occupational injury reporting mechanism, online training system with responsible personnel overseeing review and management.
Evaluation Mechanism	Monthly statistics of occupational safety and injury cases.
2024 Annual Operating Performance	Yem Chio Distribution reported zero cases of occupational diseases and major occupational safety incidents.
Mid- to Long-Term Goals	<ul style="list-style-type: none"> <li>◎ Continue to promote zero occupational diseases and fatal occupational safety incidents.</li> <li>◎ Encourage full employee participation in regular disaster prevention and emergency response training and drills.</li> </ul>



# 4-1 Comprehensive Occupational Safety Management

To ensure the safety of all employees, provide a secure and healthy working environment, and avoid property or equipment damage that could negatively impact the environment, the company strictly regulates all operations.

Given the industry characteristics, Yem Chio Distribution has no high-risk tasks or jobs with a high incidence of specific occupational diseases.

## 4-1-1 Detailed Requirements for Occupational Safety and Health

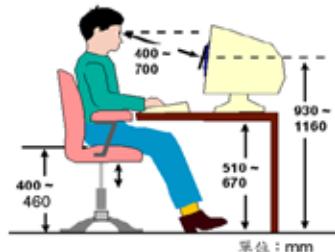
### Ergonomic Hazard Prevention:

Yem Chio Distribution has established a detailed "Ergonomic Hazard Prevention Plan." The plan aims to prevent musculoskeletal injuries caused by the work environment, repetitive tasks, poor posture, or improper work time management. This plan applies to all employees, including office administrative staff, drivers, and counter personnel. The plan clearly identifies potential hazards faced

### Improvement Measures:

- Provide ergonomic computer desk and chair size recommendations.
- Encourage timely posture changes during work.
- Recommend that the top of the monitor screen be below eye level.
- Provide health consultations and guidance.
- Conduct relevant training to enhance employee awareness of musculoskeletal injuries.
- Encourage employees to stretch limbs during breaks.
- Regularly hold health promotion activities.
- Improve equipment configurations when inadequate.

圖一 可調式工作站參考尺寸值



表一 可調式電腦工作桌椅尺寸建議值

名稱	尺寸
坐面高	400-460 mm
桌面高	510-670 mm
顯示器中心高	930-1160 mm
腳踏板	不需要

## 4-2 Employee Care

Corresponding Key Issues	Labor-Management Relations and Employee Benefits (Family Day Activities), Talent Development and Training
Significance to Yem Chio Distribution	<ul style="list-style-type: none"> <li>◎ The company is committed to establishing harmonious labor-management relations and a people-oriented happy workplace to enhance overall operational performance.</li> <li>◎ Innovation and speed are core strategies; we recognize that only through comprehensive training and talent development can we accelerate the company's innovation and growth.</li> <li>◎ Employees are regarded as the company's greatest asset, and the company offers compensation and benefits above legal and market standards.</li> </ul>
2024 Specific Plans	<ul style="list-style-type: none"> <li>◎ The company communicates internal policies and important information promptly to employees via email, bulletin boards, internal EIP system, and department meetings to ensure alignment in thought and action.</li> <li>◎ New employees are supported through orientation manuals and newcomer care programs to quickly familiarize them with company culture and operations.</li> <li>◎ To maintain labor-management harmony and assist employees with grievances or rights issues arising from work, the company has established employee mailboxes and complaint mailboxes; relevant units investigate and handle complaints in a timely manner to fully protect employee rights.</li> <li>◎ The company continuously promotes diverse welfare measures to fully care for employees' physical, mental, and spiritual well-being, including:             <ol style="list-style-type: none"> <li>1. Through the Employee Welfare Committee, actively promoting welfare plans such as travel subsidies, holiday and birthday bonuses, wedding gifts, childcare subsidies, condolence assistance; facilities include a reading area, KTV singing room, fitness and rhythm zone, billiard leisure area, coffee &amp; snack corner for creative thinking, a cafeteria, and contract stores offering affordable meals and goods; regularly organized employee recreational activities.</li> <li>2. Administering all legally mandated labor, employment, and health insurance, plus additional group insurance for employee job security.</li> <li>3. Conducting occupational safety, fire drills, health check-ups, health promotion activities, and designating clinics with no registration fees, ensuring a healthy and safe work environment.</li> <li>4. Employee growth and development are the foundation of sustainable business. The company continually improves employees' professional knowledge and skills based on talent development philosophy and long-term company needs, planning career paths with employees to enhance corporate competence and mutual growth.</li> <li>5. Organizing corporate family day events, including hiking and private movie screenings, actively fostering a positive atmosphere to strengthen cohesion and accelerate the realization of a people-oriented happy enterprise vision.</li> </ol> </li> </ul>

Corresponding Key Issues	Labor-Management Relations and Employee Benefits (Family Day Activities), Talent Development and Training
2024 Goals	<ul style="list-style-type: none"> <li>◎ Use new systems and digitalization to improve administrative efficiency.</li> <li>◎ Enhance professional and managerial capabilities and broaden horizons through a series of professional, technical, managerial, and general education courses, thereby increasing organizational competitiveness.</li> <li>◎ Establish and revise related management systems.</li> <li>Improve employee cohesion and engagement</li> </ul>
Resources Invested	Human resources and various business units.
Evaluation Mechanisms	<ul style="list-style-type: none"> <li>◎ Number of employee grievance cases.</li> <li>◎ Number and completion rates of training courses.</li> <li>◎ Satisfaction surveys for training courses and events.</li> <li>◎ Attendance rates for training courses and events.</li> </ul>
2024 Annual Operating Performance	<ul style="list-style-type: none"> <li>◎ Established a new human resources system.</li> <li>◎ Conducted 12 training courses with a total attendance of 49 participants.</li> <li>◎ Held 2 family day events with a total attendance of 25 participants.</li> </ul>
Mid-to-Long Term Goals	<ul style="list-style-type: none"> <li>◎ Continuously improve systems to enhance management effectiveness.</li> <li>◎ Expand the forward-looking vision, strategic planning, and leadership skills of mid-to-senior managers; use practical exercises to enhance training effectiveness.</li> <li>◎ Build a professional and efficient operational team.</li> <li>◎ Short term: Revise internal trainer management policies.</li> <li>Long term: Have at least 5 dedicated internal trainers regularly.</li> </ul>

# 4-2-1 Workforce Structure

## Yem Chio Distribution Overall Workforce Structure for 2024

Category	Group	Male		Female		Subtotal
		86	77	163		
By Position	Supervisor	51	82%	11	18%	62
	R&D Position	0	0%	0	0%	0
	Marketing	7	47%	8	53%	15
	Technical Positions	22	100%	0	0%	22
	Administrative/Other	6	9%	58	91%	64
	Subtotal	86	53%	77	47%	163
By Age Group	Under 30 Years old	5	36%	9	64%	14
	30-50 Years old	59	52%	55	48%	114
	50 Years Old and Above	22	63%	13	37%	35
By Education	PhD	0	0%	0	0%	0
	Master	2	100%	0	0%	2
	College	52	48%	56	52%	108
	High School or Vocational School (inclusive) or Below	32	60%	21	40%	53
By Employment Type	General Employees	86	53%	77	47%	163
	Temporary Employees	0	0%	0	0%	0
People with Disabilities	People With Disabilities	2	100%	0	0%	2
By Nationality	Taiwanese	86	53%	77	47%	163
	Non-Taiwanese	0	0%	0	0%	0

## Employee Compensation

We view our employees as the company's most important business partners and are committed to offering competitive compensation and benefits to attract and retain top talent. All employees receive salaries that exceed the statutory minimum wage and adhere strictly to gender equality, ensuring no gender-based discrepancies in basic compensation.

Yem Chio Distribution conducts annual salary adjustments based on market compensation surveys to continuously maintain competitive pay levels. At the same time, the company values employees' hard work and contributions and is dedicated to creating a high-quality work environment where every member can fully engage in their work and enjoy life.

## Information About Salary of Full-time Employees Who Are Not In a Managerial Position Yem Chio (Unit: Year)

Average Amount of Employee Salary(NTD '000/ person)			Median Amount of Employee Salary(NTD '000/ person)		
2022	2023	2024	2022	2023	2024
882	843	883	483	527	562

## 4-2-2 Supportive Parenting Environment and Parenting Policies

We encourage female employees to breastfeed after childbirth. Our Taipei headquarters features a dedicated breastfeeding room for female employees, which includes specialized refrigeration for breast milk and strict access controls, ensuring a private, secure, and comfortable space that safeguards privacy and safety.

Employees who have been with the company for at least six months are eligible to apply for unpaid parental leave under the "Gender Equality in Employment Act" and the "Parental Leave Policy" before their child turns three, for a maximum period of two years. Upon

completion of the parental leave, the company will facilitate their return to their original department and position. We aim to help employees achieve a balanced approach to their physical and mental well-being, work, and family life. In compliance with current regulations, we strive to create a warmer, more harmonious, and high-quality work environment. YC Group's Taiwan Region Childcare Assistance Program took effect in July 2023. The company held four information sessions in northern, central, and southern Taiwan. As of December 31, 2024, 8 employees and 12 children have received assistance payments.

# Workplace Diversity, Gender Equality Policies, and Implementation

The success of Yem Chio Distribution stems from the mutual trust and respect established between the employer and employees. The company fully respects the dignity of every employee, listens openly to all concerns and suggestions, and embraces diverse opinions with an open mind. We strive to provide employees with the best possible welfare benefits while adhering to corporate ethics, fulfilling corporate social responsibility (CSR), and ensuring transparency through public announcements.

Yem Chio Distribution complies with labor laws set by the government of the Republic of China (Taiwan) and aligns with the United Nations Sustainable Development Goal 5, which promotes gender equality and the empowerment of all women and girls. Our human rights policy is based on fundamental principles from the United Nations Universal Declaration of Human Rights, the European Convention on Human Rights and Fundamental Freedoms, the Charter of Fundamental Rights of the European Union, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We are committed to fostering equality and fairness.

In 2024, the company had a total workforce of 163 employees, with males accounting for 53% and females 47%. Since our company operates in the distribution industry, the gender composition is relatively balanced. All senior management personnel are nationals. To cultivate a discrimination-free working environment and uphold important cultural values, the company strictly prohibits discrimination

based on race, political affiliation, beliefs, sexual orientation, ethnicity, skin color, disability, pregnancy, political party, social group membership, or marital status in recruitment and employment practices (including promotion, rewards, or training). All management policies comply with local laws and regulations, with timely updates and adjustments as needed.

Regarding employee recruitment, we also provide fair and diverse employment opportunities for persons with disabilities. Support from top management to department supervisors is evident in the job design and assistance provided to employees with disabilities. We aim to create a friendly workplace environment where vulnerable groups can find suitable positions, realize their potential, and build confidence. Additionally, to contribute to society, Yem Chio Distribution actively recruits local employees to support regional development.

## Female Diversity Indicators

Indicator	2024 Number	2024 Total Employees	2024 Percentage
Female Employees	77	163	47%
Female Supervisors	11	62	18%

## Other Diversity Indicators

Indicator	2024 Number	2024 Total Employees	2024 Percentage
Persons with Disabilities	2	163	1%
Under 30 Years Old	14	163	9%
31 to 50 Years Old	114	163	70%
Over 50 Years Old	35	163	21%

# 4-2-3 Employee Care and Comprehensive Employee Benefits

We highly value the proper care and concern for our colleagues at Yem Chio Distribution. Through various communication channels, recognition and incentive measures, care and assistance programs, diverse activities, and updates on relevant laws, we ensure that employees not only enjoy high-quality facilities but also have their physical, mental, and spiritual well-being and team interactions fulfilled. To help employees work with peace of mind, aiming for “healthy and happy work, fulfilling and joyful life,” we provide comprehensive employee care and support. We hope that while working hard, employees can also maintain good health

and enjoy a happy family life.

In addition to legally mandated labor and health insurance, childbirth subsidies, parental leave, and retirement contributions under both the new and old labor pension systems, Yem Chio Distribution provides comprehensive group insurance for all employees. We strictly comply with and offer internal welfare systems that exceed Labor Standards Act requirements to ensure employees’ work and life security, as well as timely and proper opportunities for relaxation and rest.

## Employee Benefits

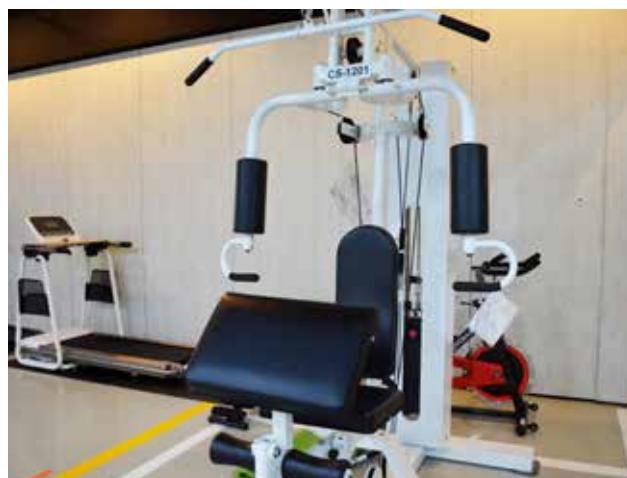
### • Healthy Dining Employee Cafeteria

To ensure the health of our employees’ diets, our Taipei headquarters, as well as our Yangmei and Changhua factories, are equipped with employee cafeterias. These cafeterias offer a diverse range of dining options at preferential prices. To maintain a healthy eating environment, we conduct regular quarterly audits of the cafeteria’s conditions and address any issues to ensure that employees can eat healthily and with confidence.

### • Fitness Center

Excellent performance stems from both a positive work attitude and a healthy physique. We value not only our company’s operational performance but also the physical and mental well-being of our employees. We believe that healthy employees contribute to the strong performance of YEM CHIO. In our corporate family, we advocate for a healthy and active lifestyle. Our Taipei headquarters features a high-standard indoor fitness center in the building’s basement. Facilities include a pool

table, treadmills, stationary bikes, weight training machines, and a recreational area. Regular fitness programs are held, including yoga classes, aerobic exercise classes, and various sports competitions. Every employee is an important partner, working together to exercise and build a healthy workplace culture at Yem Chio. In addition, family days are held annually to provide employees with opportunities for internal communication and physical fitness.





- Bonuses and Benefits

In addition to offering competitive salaries, the company provides various bonuses and allowances. Besides year-end bonuses, holiday bonuses, and gifts, we also offer birthday gifts, marriage allowances, maternity gifts, and bereavement subsidies. For retired employees, we provide retirement appreciation bonuses to thank them for their hard work and contributions to the group.

- Employee Insurance Plan

We comply with the law by providing labor insurance, national health insurance, and comprehensive group insurance for each employee. The cost of the comprehensive group insurance, which includes regular life insurance, accident insurance, severe burn insurance, injury medical limit insurance, hospitalization medical insurance, cancer medical insurance, occupational hazard insurance, and critical illness advance payment, is fully covered by the company. This plan ensures extensive protection for employees' health.

- Employee Travel Allowance

Based on length of service, we offer travel subsidies for domestic and international trips to employees.

- Commuting and Parking Benefits

To reduce commuting time, Achem Technology Corporation provides shuttle services in the Taoyuan area, addressing the challenges of commuting and enhancing employee safety. This also helps to reduce carbon emissions from personal vehicles, contributing to energy conservation and environmental protection. Employees can benefit from discounted motorcycle parking and low-cost indoor/outdoor car parking facilities. Special parking spaces are also provided for pregnant employees and those with disabilities.

- Safe and Comfortable Employee Dormitories

The group's factories provide dedicated employee dormitories, offering a comfortable and safe living environment for expatriate employees and local employees from outside the area.

- Encouraging Employee-Led Clubs

The company supports employees in forming their own leisure clubs, allowing all staff members to apply for the establishment of various types of clubs, such as aerobics, calligraphy, hiking, karaoke, and softball. An increase in club participation not only indicates that employees maintain good physical health but also enhances work performance and strengthens their sense of belonging to the company.

- Employee Club Activities

1. Karaoke Room: Our karaoke room is an excellent venue for departmental gatherings and inter-departmental social events. It provides a space for singing competitions, and we have also established a Karaoke Club to allow singing enthusiasts to enjoy themselves fully.

2. Aerobics Class: We offer weekly aerobics classes after work, led by professional instructors in the B1 rhythm classroom. These sessions provide enjoyment through fat-burning movements, improve cardiovascular health and metabolism, and enhance muscle endurance and body toning.

3. On July 6, 2024, a hiking and mountain climbing event was held at the headquarters in Neihu Daguoxi. This activity allowed employees to enjoy the beauty of nature outside of work hours, sweat it out, detoxify their bodies, and build up their stamina for the upcoming workweek.

5. On November 15, 2024, a private movie screening was organized at the Neihu headquarters, open to employees and their family members, to enhance employee well-being.



## 4-2-4 Talent Development and Human Resource Management

Talent is the most critical asset for any organization. In today's rapidly changing international environment and with the Group's swift expansion, talent training and development are fundamental to building corporate assets and enhancing organizational competitiveness and adaptability. At YC, we focus on employee education and balanced development, guided by our philosophy of "learning and growing together through mutual support and innovation." We offer a diverse range of development channels and excellent internal and external training resources for employees to choose from. Additionally, we collaborate with upstream and downstream partners through joint training programs, addressing the needs of both management and front-line staff to implement comprehensive talent development and skill enhancement plans. From the first day of employment, new hires are assisted by the Human Resources department to become familiar with company policies, procedures, and the work environment. In addition, our manufacturing plants utilize a mentor system to help new employees understand the entire product line process and the complete

development cycle. This approach enables new hires to quickly grasp the company's R&D processes, production procedures, and quality verification, facilitating their rapid integration into the company culture and reducing the adjustment period to maximize their potential. The 2024 Annual Training Plan has adopted a focused training approach, designing a series of courses tailored for senior management and management trainees within the Group. Emphasis has been placed on the progressive and continuous nature of the training programs, with ongoing tracking of feedback and outcomes post-training. In 2024, we have prioritized communicating with various departments within the group to identify their training needs and develop tailored courses. The goal is to enhance the alignment between training programs and departmental professional development and performance improvement. This initiative has been implemented through a manager-led training program, which has been approved and supported by department heads. We have established clear links between training activities and departmental work processes and communication channels.



# Comprehensively Promote Internal Training Across the Group

Define the Required Managerial and Functional Competencies According to the Responsibilities of Each Organizational Level

Tier Layer	Capacity Development	Planning Highlights	Demand Capacity
Executive Director	<ul style="list-style-type: none"> <li>★ Vision</li> <li>★ Concept</li> <li>★ Organization</li> <li>★ Decision-making</li> <li>★ Delegation</li> </ul>	<ul style="list-style-type: none"> <li>★ Enhance Integration Skills for Business Environment Analysis</li> <li>★ Build Consensus on Leadership in Business Strategy</li> <li>★ Improve Organizational Effectiveness</li> <li>★ Increase Decision-Making Quality</li> </ul>	<ul style="list-style-type: none"> <li>★ Global Vision and International Perspective</li> <li>★ Strategic Planning</li> <li>★ Leadership and Management</li> <li>★ Decision-Making Ability</li> <li>★ Organizational and Team Development</li> <li>★ Business Environment Analysis Capability</li> <li>★ Human Resource Development</li> </ul>
Middle Stage Supervisor	<ul style="list-style-type: none"> <li>★ Plan</li> <li>★ Coordination</li> <li>★ Tracking control</li> <li>★ Authorization</li> </ul>	<ul style="list-style-type: none"> <li>★ Enhance Management Practices to Ensure Task Completion</li> <li>★ Strengthen Information Integration and Analytical Skills</li> <li>★ Improve Change Management to Enhance Team Efficiency and Effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>★ Leadership</li> <li>★ Process Improvement</li> <li>★ Goal Management</li> <li>★ Meeting Management</li> <li>★ Performance Evaluation</li> <li>★ Communication and Coordination</li> <li>★ Counseling and Coaching</li> <li>★ Mentoring</li> </ul>
Primary Supervisor	<ul style="list-style-type: none"> <li>★ Plan</li> <li>★ Execution</li> <li>★ Tracking control</li> <li>★ Improvement</li> </ul>	<ul style="list-style-type: none"> <li>★ Enhance the efficiency and effectiveness of managing people and things</li> <li>★ Enhance the ability to train subordinates</li> <li>★ Improve work quality</li> </ul>	<ul style="list-style-type: none"> <li>★ Project management capabilities</li> <li>★ Project planning</li> <li>★ Problem analysis and problem solving</li> <li>★ Tracking and control capabilities</li> <li>★ Communication and coordination</li> <li>★ Ability to assign tasks</li> <li>★ Meeting management</li> <li>★ Work improvement</li> <li>★ Presentation</li> <li>★ Interview</li> <li>★ Leadership</li> </ul>
Technical Support Staff	<ul style="list-style-type: none"> <li>★ Improvement</li> <li>★ Communication</li> <li>★ Teamwork</li> </ul>	<ul style="list-style-type: none"> <li>★ Take the initiative to complete the tasks assigned by superiors</li> <li>★ Ability to work with others to complete tasks</li> <li>★ Ability to manage and improve oneself</li> </ul>	<ul style="list-style-type: none"> <li>★ Problem Identification</li> <li>★ Improvement</li> <li>★ Team Consensus Building</li> <li>★ Interpersonal Communication</li> <li>★ Self-Awareness</li> <li>★ Task Delegation and Reporting</li> <li>★ File Management</li> <li>★ Professional Competence</li> </ul>

## Goals of the Group's Internal Education and Training Program

By consolidating internal resources within the group and integrating the competitive advantages of various units within the industry, we aim to establish benchmark learning practices. Through a training-sharing mechanism, our goal is to enhance the industry and create a more competitive environment.

With YC Group as the core, and recognizing the importance of industry integration, the “Unified Training Program” will guide upstream, midstream, and downstream vendors towards “Innovation and Sharing.” This initiative aims to disseminate internal knowledge across

the industry, from internal improvements to broader industry competitiveness. The goal is to achieve mutual prosperity and growth within a well-structured training program, enabling employees to advance professionally and foster a learning environment.



▲ Group Strategy Meeting, featuring lectures by external speakers in July, 2024

## Key Focus Areas for Talent Development and Corporate Management Talent Management

1. Equip managers with the ability to guide employees and discuss future development plans.
2. Provide leadership and management courses to enhance the leadership capabilities of managers and prepare future leaders.
3. Implement key talent training to continuously attract, develop, and retain the talent needed for the organization's current and future requirements.
4. Offer management development training programs to improve leadership skills among senior employees.
5. Support medium- and long-term talent development plans to achieve phased goals, enabling talent to contribute their strengths in an equitable and visionary work environment.

## Strengthen Professional Exchanges Across Upstream, Midstream, and Downstream Sectors

With a mission to “Develop Professional Technical Exchange” and “Knowledge Innovation,” we aim to increase the international competitiveness of the plastic manufacturing, packaging, and construction industries. Through the Unified Training Program, management and relevant personnel from participating units will have opportunities to engage in joint learning mechanisms, share experiences, and observe each other. This will enhance industry management skills, improve relationship marketing effectiveness, and elevate the quality of operations across the supply chain.

1. Share critical technical capabilities.
2. Enhance professional skills to boost industry competitiveness.
3. Establish foundational industry knowledge.
4. Strengthen industry-specific knowledge and skills.
5. Address and resolve industry technical issues.
6. Foster ongoing willingness and capability for professional technical learning.

## Professional Internal Trainer Development and Seed Trainer Team

Sustainable business operations rely on a group of professional core talents. Through lifelong learning and education, these key talents continuously develop their skills, enhancing their personal competitiveness while becoming internal coaches (trainers) who impart practical experience and elevate employee performance, thereby reducing performance gaps.

1. After receiving professional training, trainers can impart practical knowledge more comprehensively. This

facilitates easier absorption and understanding by learners, helps them break free from outdated thinking patterns, improves inter-departmental communication and coordination, and assists in creating a shared vision within the organization.

2. Successful project implementation and quality enhancement: Internal trainers can assist in advancing projects, ensuring smooth team operations.

## Expected Internal Benefits and Quantitative/Qualitative Indicators

Through the talent development program for participating units, combined with employee recruitment, evaluation, competency, and career advancement within the organization, we aim to achieve a consolidated human resource education and training system, enhancing professional knowledge and technical skills.

1. Promote technological policies for the plastic manufacturing industry, fostering innovative talent in plastic manufacturing and sales.
2. Enhance Taiwan's international plastic manufacturing industry to improve overall industry competitiveness.
3. Ensure the transfer of critical technologies and the continued development of talent within the plastic manufacturing industry.
4. Develop cross-departmental knowledge and innovative capabilities.
5. Understand practical expertise across departments, transform organizational administrative processes, streamline operations, and reduce costs.
6. Foster continuous professional technical learning willingness and capability.
7. Establish foundational knowledge and concepts for international plastic manufacturing industries.
8. Enhance international competitiveness of trainees through specialized international business learning.

## 2024 Education and Training Implementation Data

### ● Annual Education and Training Hours Statistics

Category	Male			Female			Total		
	Number	Hours	Average Hours	Number	Hours	Average Hours	Number	Hours	Average Hours
Management	31	127	4	5	20	4	36	147	4
General colleagues	1	1	1	12	19	1.5	13	20	1.5
Subtotal	32	128	4	17	39	2.2	49	167	3.4

※Average Training Hours: Total training hours for the category / Number of employees in the category at the end of February of the current year.

To uphold labor and human rights and ensure that employees understand their various rights, our company planned and executed multiple labor and human rights training programs in 2023. The proportion of personnel who received human rights-related training reached 100%. The course statistics are listed below:

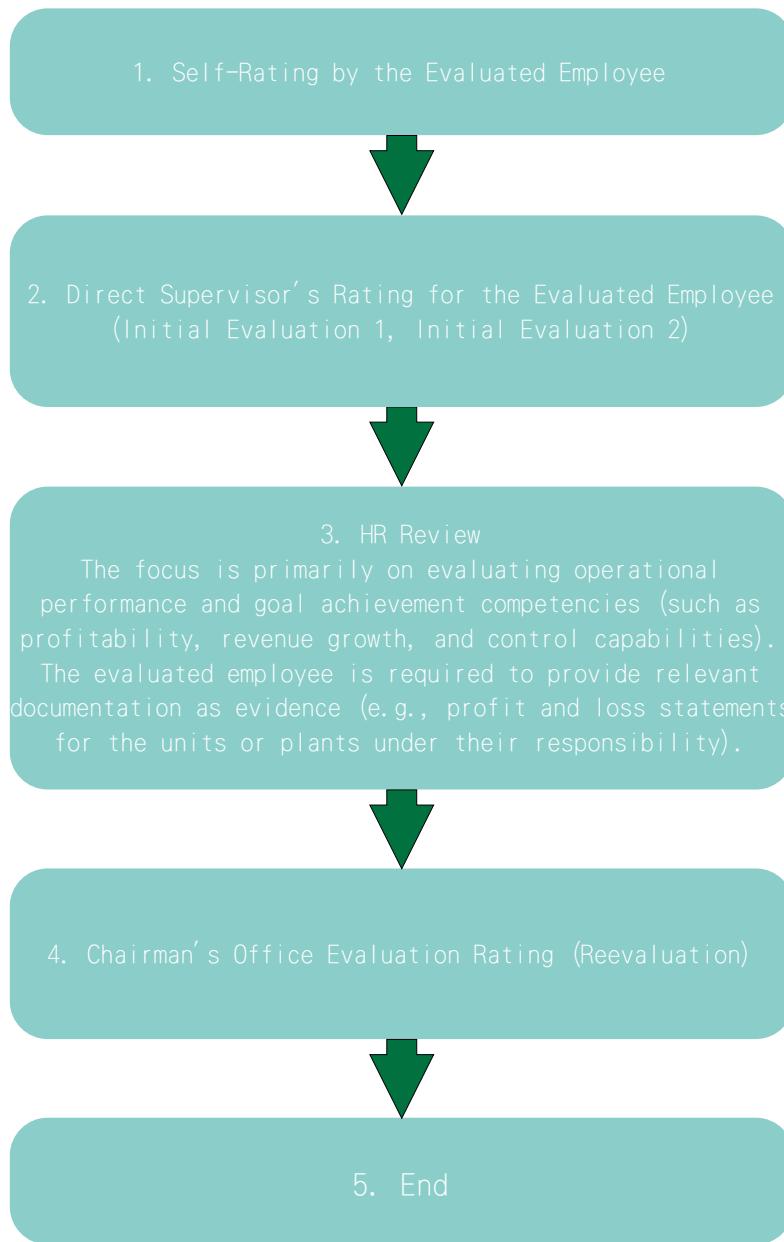
Course Title
New employees' information includes human rights education and training
New Employee Learning Guide
Integrity management and anti-corruption training
Explanation of the amendment to the Labor Law and its response

## Complete Performance Evaluation System

Yem Chio Distribution integrates the company's vision and strategic goals with individual employee objectives through the goal performance management feature in its HR system. The purpose of performance evaluations is to review and improve past performance while developing future goals and performance outcomes. For

employees with suboptimal performance, we use coaching and communication to collaboratively address and improve the situation. Supervisors assist in creating improvement plans, working together to enhance employee performance and, consequently, boost overall company productivity and competitiveness.

## Assessment Process



## Proportion of Employees Subject to Goal Performance Evaluation, Classified by Gender and Employee Category

The results of the performance management system are integrated into the promotion and reward systems, ensuring that performance evaluations are effectively utilized in human resources management. All local employees, except for division-level managers and expatriates, are required to undergo performance evaluations after completing a three-month probationary period. In 2024, 878 employees underwent performance evaluations, representing 100% of the employees eligible for evaluation across the company.

Project	Number	Proportion
Conduct Performance Appraisal	163	100%
No Performance Appraisal	0	0%
Total	163	100%

## 4-2-5 Employee Communication and Care



In addition to caring about employee rights, Yem chio Distribution also emphasizes providing proper care and attention to employees. The company offers multiple communication channels to enhance internal communication efficiency, establish positive labor-management relations, and encourage employees to submit various suggestions. While addressing complaints, we strive to meet reasonable demands and trace the root causes of issues to reduce the recurrence of similar problems, thereby increasing employees' sense of recognition and engagement with the company.

For example, communication channels include an employee communication email, a dedicated hotline, and a physical suggestion box in the cafeteria. Additionally, we use employee bulletin boards and HR systems to provide the most timely information and responses to employees, ensuring that

they have access to support and guidance. Employees are a crucial asset to the company. By enabling them to be more engaged in their work and enjoy a balanced life, we aim to provide greater care and support, thereby fostering employee loyalty and commitment.

Regular labor-management meetings are held to discuss and coordinate labor relations, promoting harmonious labor-management relationships. In the event of significant operational changes that may affect employees' job rights and changes in labor conditions, we fully comply with Article 16 of the Labor Standards Act, ensuring that the shortest notice period for terminating labor contracts is adhered to, and employees are informed promptly and thoroughly.

### Employee Complaints:

While caring for our employees, Yem chio Distribution not only strives to address the reasonable demands of complainants but also traces the root causes of issues to reduce the recurrence of similar problems. In 2024, there were no human rights-related complaints formally filed, processed, or resolved through the formal complaint mechanism. To protect employees from workplace sexual harassment, the company is committed to implementing various measures. In addition to enhancing awareness during new employee training, we also periodically post workplace protection posters explaining sexual harassment prevention, reporting channels, and case examples to ensure a friendly and safe working environment.

# 5. Appendix

## 5-1 GRI Content Index

Disclosure	GRI Standard Categories	Disclosure	Disclosure or Not	Additional Notes
General Standard Disclosures				
GRI-102 General Disclosure				
GRI-102-01	General Disclosure	Description Organization Name	V	
GRI-102-02	General Disclosure	Describe the main activities, brands, products and services	V	
GRI-102-03	General Disclosure	State the location of the organization's headquarters	V	
GRI-102-04	General Disclosure	Number and names of countries where the organization operates (including major countries of operation or countries related to the theme of sustainable development)	V	
GRI-102-05	General Disclosure	Ownership and legal form	V	
GRI-102-06	General Disclosure	Describe the market for services provided by the organization	V	
GRI-102-07	General Disclosure	State the size of the organization	V	
GRI-102-08	General Disclosure	Information about employees and other workers	V	
GRI-102-09	General Disclosure	Describe the organization's supply chain	V	
GRI-102-10	General Disclosure	Significant changes in the organization and supply chain during the reporting period	V	
GRI-102-11	General Disclosure	Describe the organization's prevention policy or principles	V	
GRI-102-12	General Disclosure	List the externally developed economic, environmental and social codes, principles or other initiatives to which the organization has endorsed	V	
GRI-102-13	General Disclosure	List the membership of the associations in which the organization participates	V	
GRI-102-14	General Disclosure	Provide a statement from the organization's top decision maker (e.g., CEO, chairman, or equivalent) that includes a statement of sustainability topics relevant to the organization and a statement of sustainability strategy	V	
GRI-102-15	General Disclosure	Describe key impacts, risks and opportunities	V	
GRI-102-16	General Disclosure	Describe the organization's values, principles, standards, and code of conduct	V	
GRI-102-18	General Disclosure	Describe the organization's governance structure, including the committees of the highest governance body. Identify which committees are responsible for decision-making on economic, environmental, and social impacts.	V	
GRI-102-40	General Disclosure	List the stakeholder groups with which the organization communicates	V	
GRI-102-41	General Disclosure	Group agreements, percentage of total employees covered	V	
GRI-102-42	General Disclosure	Identification and selection of stakeholders	V	
GRI-102-43	General Disclosure	Policy on communication with stakeholders	V	
GRI-102-44	General Disclosure	Describe the key themes and concerns raised through stakeholder communications and how the organization has responded to them, including through reporting. Describe the stakeholder groups that raised each key theme and concern	V	
GRI-102-45	General Disclosure	List all entities included in the organization's consolidated financial statements or equivalent. Indicate if there are any entities that appear in the organization's consolidated financial statements or equivalent that are not included in this report.	V	
GRI-102-46	General Disclosure	The process of defining report content and aspect boundaries. How organizations follow the "Principles for Defining Report Content"	V	
GRI-102-47	General Disclosure	List all significant themes identified in the process of defining the report content	V	
GRI-102-50	General Disclosure	The reporting period for which the information is provided (e.g., fiscal year or calendar year)	V	
GRI-102-51	General Disclosure	Date of last report (if any)	V	
GRI-102-52	General Disclosure	Reporting frequency (e.g. annually, biennially)	V	

Disclosure	GRI Standard Categories	Disclosure	Disclosure or Not	Additional Notes
GRI-102-53	General Disclosures	Contact point for questions regarding the report	V	
GRI-102-54	General Disclosures	Claims of reporting in accordance with the GRI Standards	V	
GRI-102-55	General Disclosures	GRI content index	V	
GRI-102-56	General Disclosures	External assurance (if any), including assurance report	V	
<b>GRI-103 Management Approach</b>				
GRI-103-01	Management Approach	Explanation of the material topic and its boundary	V	
GRI-103-02	Management Approach	The management approach and its components	V	Refer to respective chapters
GRI-103-03	Management Approach	Evaluation of the management approach	V	
<b>特定主題標準揭露 200/300/400</b>				
<b>GRI-200 Economic Standards</b>				
<b>GRI-201 Economic Performance</b>				
GRI-201-01	Economic Performance	Direct economic value generated and distributed	V	
<b>GRI-202 Market Presence</b>				
GRI-202-01	Market Presence	Ratio of standard entry-level wage by gender compared to local minimum wage	V	
GRI-202-02	Market Presence	Proportion of senior management hired from the local community	V	
<b>GRI-205 Anti-corruption</b>				
GRI-205-02	Anti-corruption	Communication and training about anti-corruption policies and procedures	V	
<b>GRI-300 Environmental Standards</b>				
<b>GRI-301 Materials</b>				
GRI-301-03	Materials	Reclaimed products and their packaging materials	V	
<b>GRI-302 Energy</b>				
GRI-302-01	Energy	Energy consumption within the organization	V	
GRI-302-05	Energy	Reductions in energy requirements of products and services	V	
<b>GRI-303 Water</b>				
GRI-303-01	Water	Water withdrawal by source	V	
GRI-303-02	Water	Sources significantly affected by withdrawal of water	V	
<b>GRI-305 Emissions</b>				
GRI-305-01	Emissions	Direct (Scope 1) GHG emissions	V	
GRI-305-02	Emissions	Energy indirect (Scope 2) GHG emissions	V	
<b>GRI-307 有關環境保護的法規遵循</b>				
揭露項目	GRI 標準類別	揭露內容	是否揭露	補充說明
GRI-307-01	法規遵循	違反環境法規	V	

GRI-400 Social				
GRI-401 Employment				
GRI-401-01	Employment	New employee hires and employee turnover	V	
GRI-401-02	Employment	Benefits provided to full-time employees that are not provided to temporary or part-time employees	V	
GRI-401-03	Employment	Parental leave	V	
GRI-402 Labor/Management Relations				
GRI-402-01	Labor/Management Relations	Minimum notice period regarding operational changes	V	
GRI-403 Occupational Health and Safety				
GRI-403-01	Occupational Health and Safety	Workers representation in formal joint management-worker health and safety committees	V	
GRI-403-02	Occupational Health and Safety	Types and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities, by region and gender	V	
GRI-403-04	Occupational Health and Safety	Health and safety topics covered in formal agreements with trade unions	V	
GRI-404 Training and Education				
GRI-404-01	Training and Education	Average hours of training per year per employee	V	
GRI-404-02	Training and Education	Programs for upgrading employee skills and transition assistance programs	V	
GRI-404-03	Training and Education	Percentage of employees receiving regular performance and career development reviews	V	
GRI-405 Diversity and Equal Opportunity				
GRI-405-01	Diversity and Equal Opportunity	Diversity of governance bodies and employees	V	
GRI-405-02	Diversity and Equal Opportunity	Ratio of basic salary and remuneration of women to men	V	
GRI-412 Human Rights Assessment				
GRI-412-02	Human Rights Assessment	Employee training on human rights policies or procedures	V	
GRI-414 Supplier Social Assessment				
GRI-414-01	Supplier Social Assessment	New suppliers that were screened using social criteria	V	
GRI-417 Marketing and Labeling				
GRI-417-01	Marketing and Labeling	Requirements for product and service information and labeling	V	
GRI-419 Socioeconomic Compliance				
GRI-419-01	Socioeconomic Compliance	Non-compliance with laws and regulations in the social and economic area	V	

## 5-2 SASB Disclosure Index

### Disclosure Index

Code	Topic	Disclosure Description	Disclosure or Not	Disclosed Remarks
Code	Topic	Disclosures		
TC-HW-230a.1	Product Security	Description of approach to identifying and addressing data security risks in products	V	
TC-HW-330a.1	Employee Diversity and Inclusion	Percentage of gender and ethnic diversity in: (a) executive management, (b) non-executive management, (c) technical staff, and (d) all other employees	V	
TC-HW-430a.1	Supply Chain Management	Percentage of Tier 1 supplier facilities audited to a RBA Validated Assessment Program (VAP) or equivalent, by (a) total and (b) high-risk facilities	V	
TC-HW-430a.2		Percentage of Tier 1 supplier (a) Priority and (b) non-priority non-conformance rates with RBA VAP or equivalent, and (2) associated corrective action implementation rates	V	
TC-HW-440a.1	Materials Sourcing	Description of the management of risks associated with the use of critical materials	V	



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炎洲集團  
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