



# **2023 ESG Report**

*Fudy  
Sustainability  
Report*

Perpetual  
Sustainability Spirit



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# Preface

## 0.1 Regarding the report

This report, issued in August 2024, is the second sustainability report publicly released by Fudy Printing Corporation Limited (hereinafter referred to as "Fudy"). We anticipate releasing the next report in August 2025. Our plan is to publish a sustainability report annually, with disclosures available on the company's website, aiming to share Fudy's efforts in corporate governance, social responsibility and environmental stewardship with our stakeholders. We will outline our management policies and response strategies for sustainability development issues, showcasing Fudy's annual ESG performance results.

### Report Boundaries and Data

This report discloses performance data on economic, environmental, and social aspects for the year 2023 (from January 1, 2023, to December 31, 2023). In order to ensure information completeness and comparability, some performance data extends back to December 31, 2022, and earlier periods. The collection, measurement, and calculation methods of the data disclosed in this report have been reviewed for content integrity by Fudy Sustainable Development Working Group. This year, we have recompiled information on the direct economic value generated and distributed by the organization in previous reporting periods, as well as customer satisfaction survey data, greenhouse gas emissions data,

and air pollutant emissions data. For more details, please refer to Section 2.2 Business Performance, Section 4.3 Customer Service, Section 5.3 Greenhouse Gas Emissions and Air Pollution Prevention within this report.

This report covers the scope of Fudy Printing Corporation Limited and its affiliated companies. The operational areas include Fudy Printing Corporation Limited in Taiwan (referred to as Taipei Fudy Headquarters or Taipei), Fuyang Color Printing Co., Ltd. in Dongguan, China (referred to as Dongguan Fuyang Plant or Dongguan), and Fuyang Packaging Materials (Suzhou) Co., Ltd. in Suzhou, China (referred to as Suzhou Fuyang Plant or Suzhou). The financial data disclosed in this report pertains to the combined total of the three plants, accounting for 100% of Fudy's revenue. There have been no significant changes in the organization's scale, structure, ownership, or supply chain during the reporting period.

### Compilation Guidelines

This report adheres the GRI Sustainability Reporting Standards 2021 edition issued by the Global Reporting Initiative (GRI) and aligns with the United Nations Sustainable Development Goals (SDGs). It also references the Task Force on Climate-related Financial Disclosures (TCFD) recommendations by the Financial Stability Board (FSB). A GRI Content Index is provided in the appendix.



## Report Governance and Quality Assurance Processes

Operating Procedures	Methods	Responsible Units
<b>Report Compilation</b>	The Fudy Sustainable Development Working Group oversees the coordination and planning of this report. The data, strategic objectives, performance indicators, and other disclosures in the report are provided by relevant departments. The Fudy Sustainable Development Working Group then integrates, compiles, and revises the content.	Sustainable Development Working Group, allelevant Dpartments
<b>Internal Review</b>	Upon completion, the report undergoes a thorough review by each department to ensure its integrity and accuracy before final approval by the respective departmental executives.	All relevant departments and executive leadership
<b>External Assurance</b>	<ul style="list-style-type: none"> <li>● <b>Financial Data Audit</b> : Taipei Fudy Headquarters: Fair Joint Certified Public Accountants ; Dongguan Fuyang Plant: Guangdong Xinrui Certified Public Accountants ; Suzhou Fuyang Plant: Jiangsu Huaxing Certified Public Accountants Co., Ltd.</li> <li>● <b>Verified International Standards and Criteria include</b> : ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, IECQ QC080000:2017 Hazardous Substance Process Management, ISO 45001:2018 Occupational Health and Safety Management System, RBA 7.0, Sedex Social Responsibility Audit, EcoVadis Global Supply Chain Continuous Assessment Platform, FSC® CoC, BRCGS Packaging Material Certification, G7 Certification, GMI (THD) Certification, ISO 14064-1:2018 Organizational Level Greenhouse Gas Emission Verification Statement, ISO 14067:2018 Product Carbon Footprint Certification.</li> <li>● <b>Greenhouse Gas Inventory Boundaries and Verification Agencies</b> :  Taipei Fudy Headquarters: Fudy Printing Co., Ltd. (ISO 14064-1:2018 by ARES Premium)  Dongguan Fuyang Plant: Fuyang Color Printing Co., Ltd. (ISO 14064-1:2018 by CTI Testing)  Third-party verification agencies  Suzhou Fuyang Plant: Fuyang Packaging Materials (Suzhou) Co., Ltd. (ISO 14064-1:2018 by WIT Certification)</li> </ul>	Third-party verification agencies
<b>Final Approval</b>	The complete report undergoes final review and approval by the Chair of the Fudy Sustainable Development Working Group and the Board of Directors.	The Board of Directors

### Feedback on the report

If you have any questions or suggestions regarding this report, please feel free to contact us through the following methods.

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C o n t a c t Fudy Sustainable Development Working Group

### Fudy Sustainable Information





## 0.2 Chariman's Message

I am delighted to inform you that Fudy Packaging Industry has made significant progress in 2023, signifying our steadfast commitment to sustainable development and marking the official commencement of our sustainable business practices.

We proudly present our inaugural Sustainability Report (2022), which examines the company's 40-plus years of development within the framework of ESG sustainable growth. To further drive sustainable development initiatives, we have established the Sustainability Office directly under the Chairman's Office. Through publishing weekly ESG reports and organizing sustainability workshops, we are dedicated to embedding sustainability concepts into the consciousness of all employees and integrating them into our daily work and lives.

We recognize the packaging industry's crucial role in the sustainable supply chains. In 2023, Fudy's headquarters in Taipei, Fuyang Plant in Dongguan, and Fuyang Plant in Suzhou have all initiated ISO 14064-1 greenhouse gas inventories and are expected to complete third-party verification by 2024. This demonstrates significant progress in our low-carbon transition and will serve as the foundation for further development of our carbon reduction strategies.

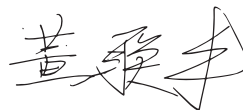
It is Fudy's mission to become the most reliable partner for customers in sustainable development. In order to meet customer demands, in 2023, our affiliate company, HIEP PHU GreenPack Technology in Bac Ninh, North Vietnam, began official production. This state-of-the-art packaging facility upholds our sustainable mission and vision, enabling Fudy to better serve the needs of our customers.

In 2023, we launched the "Pack a Home" design initiative, a social good project in partnership with the Kaohsiung City Animal Protection Office. By Leveraging our core competencies in packaging design and manufacturing, we reimagined multi-functional adoption boxes to help more stray animals find permanent homes. This project aligns with SDG 15, supporting the protection of biodiversity.

Employees are the most crucial foundation of an enterprise, and we place great importance on diversity, equality, talent development, and employee well-being. In 2023, all employees completed general health check-ups, we firmly believe that only employees who are physically and mentally healthy can support a sustainable enterprise.

Moving forward, we will continue to uphold the core values of "Integrity," "Caring," and "Sustainability," continuously enhancing the sustainable development of our business. We will collaborate with employees, customers, value chain partners, and all stakeholders to collectively achieve our sustainable development goals. We sincerely appreciate the attention and support of all stakeholders. We will persist in our efforts and take more proactive sustainable actions.

Fudy Printing Enterprise Co., Ltd.  
Chairman Lien-Feng Huang





## 0.3 2023 Annual Sustainability Special Edition

Internationally recognized!  
EcoVadis Bronze Medal and G7  
Certification

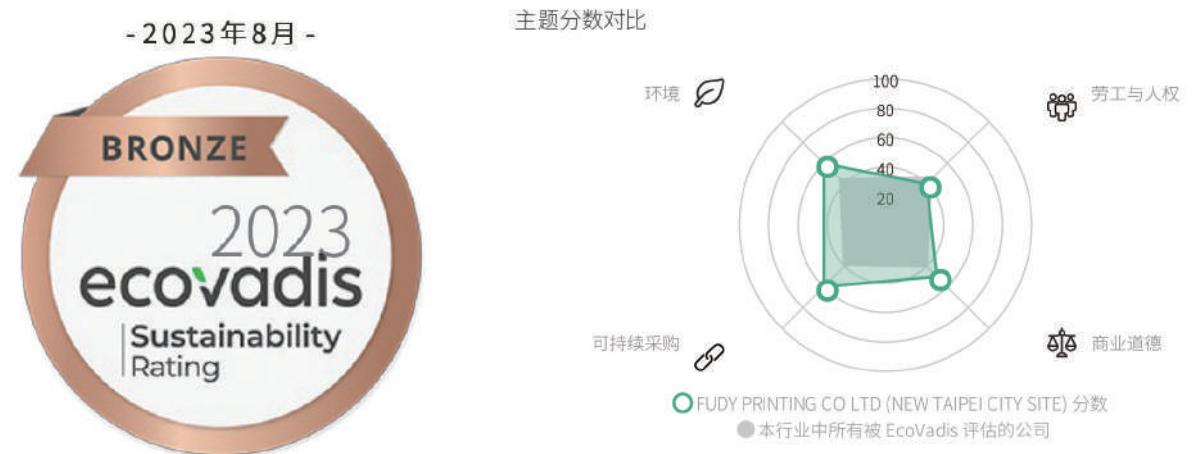
The EcoVadis evaluation platform is an online audit platform that assesses companies' ESG (Environmental, Social, and Governance) performance. The audit covers four main areas: environmental protection, labor and human rights, business ethics, and sustainable procurement. Many leading multinational companies recognize EcoVadis evaluations as part of their supply chain assessment criteria.

In 2023, Fudys Taipei headquarters underwent its first EcoVadis assessment and was honored with the Bronze Medal award! Suzhou Fuyang Plant has also received two EcoVadis Bronze Medal awards in 2019 and 2022. Although Dongguan Fuyang Plant has not yet participated in the EcoVadis evaluation, it upholds the same high standard ESG management as Taipei and Suzhou plants. All three plants work together to promote environmental protection, social responsibility, and corporate governance, striving to achieve sustainable development goals.

Furthermore, each Fudy plant has obtained G7 Color Management Certification. By continually enhancing our technical capabilities and quality management, we aim to increase our competitiveness in the international market and expand our business opportunities. This demonstrates Fudy's international recognition in ESG practices and professional quality management, positioning us as a leading pioneer in the industry.

### ★ Fudy's Taipei headquarters achieved the Bronze Medal in its inaugural participation

Fudy's Taipei headquarters excelled in the "Sustainable Procurement" and "Environment" categories, scoring 60 points each out of 100. This demonstrates that Fudy's production and procurement processes align with sustainable development goals such as plastic reduction and carbon footprint reduction. With a score of 51 out of 100 points, Fudy ranks among the top 50% of companies globally participating in the assessment.



▲ Fudy Taipei Headquarters EcoVadis Bronze Medal

▲ Headquarters EcoVadis Score Comparison



▲ Fudy Taipei Headquarters EcoVadis Scores by Category



### ★ Suzhou Fuyang Plant Honored with Two Bronze Medal awards

Suzhou Fuyang Plant first participated in the EcoVadis assessment in 2019 and received the Bronze Medal recognition. Three years later, in 2022, the plant participated in the assessment again, increasing its total score from 37 to 48 points and achieving the Bronze Medal once more. In the 2022 assessment, Suzhou Fuyang Plant scored 60 points in the "Environment" category and 50 points in the "Labor and Human Rights" category. These scores demonstrate Fudy's commitment to achieve sustainable development goals, including plastic reduction and carbon footprint reduction in its production and procurement processes. With a score of 48 out of 100, Suzhou Fuyang Plant ranks among the top 46% of outstanding companies. The award announcement was made on November 11, 2022, and remains valid until November 11, 2023.

Fudy's high quality has also been recognized by international industry leaders. Suzhou Fuyang and Dongguan Fuyang plants have obtained Disney FAMA (Facility and Merchandise Authorization) certification, passing the Disney's rigorous factory assessment and officially becoming authorized manufacturing facilities for Disney products. Disney's mission to provide a safe, inclusive, and respectful workplace for adult workers aligns closely with Fudy's values. Upholding a people-centric corporate social responsibility ethos, Fudy strives to create a safe, inclusive, and mutually respectful work environment.



▲ Suzhou Fuyang Plant EcoVadis Bronze Medal





## The EcoVadis Global Supply Chain Sustainable Assessment Platform

EcoVadis is a global platform for corporate sustainability assessment, founded on the ISO 26000 Corporate Social Responsibility standard and complemented by ESG principles. It provides certifications for global supplier enterprises across various dimensions of corporate social responsibility, including business ethics, environmental stewardship, labor and human rights, and sustainable procurement. Obtaining an EcoVadis certification is a rigorous process. Companies must achieve a minimum score of 30 points in each of the four CSR themes. Moreover, they must not have any severe findings in the 360° Watch assessment, as even a single significant issue could result in the revocation of the certification. Undergoing an EcoVadis assessment and audit helps ensure that an organization's sustainability practices align with international standards. Given that many multinational corporations place significant emphasis on their suppliers' environmental and social responsibility performance, Fudy has chosen to participate in these assessments to meet customer expectations. Through this engagement, we aim to enhance our competitive edge and mitigate potential risks.

## Taipei, Dongguan, and Suzhou have all passed the G7 Color Management Certification

As part of our commitment to excellence and customer satisfaction, Fudy has made significant investments in state-of-the-art hardware and software to provide comprehensive packaging integration services. Our focus extends beyond mere quality assurance to encompass advanced color management and rigorous printing quality control.

In 2023, Fudy Taipei headquarters attained the prestigious G7 Master Facility Colorspace certification—the highest level in color management. This achievement not only validates our stringent printing quality control standards but also underscores our dedication to delivering superior print quality. Building on this success, our Dongguan Fuyang and Suzhou Fuyang plants have committed to annual renewal of their G7 certifications. Furthermore, all other Fudy facilities have voluntarily adopted the G7 color management standard as a core operational requirement.



▲ Fudy Taipei Headquarters: G7 Master Facility Colorspace Certified



▲ Dongguan Fuyang Plant: Annual G7 Color Management Recertification



▲ Suzhou Fuyang Plant: Annual G7 Color Management Recertification

## G7 Color Management Certification



The G7 Color Management Certification, developed by Idealliance (International Digital Enterprise Alliance), is a standard designed to achieve consistent color quality in the printing and imaging industries. G7 stands for Gray Balance and Neutral Print Density, which are crucial elements in achieving accurate and consistent color reproduction. With a mature working system based on internationally recognized standards, the G7 color management system can help Fudy produce stable, high-quality products that stand out in a competitive market. G7 certified experts are recognized top-notch professionals in the printing field, further affirming Fudy's position as a tested and proven industry leader.

The G7 methodology serves as an effective communication tool for color management between our printing facilities and clients. This standardization significantly reduces communication overhead and enhances color management efficiency. Consequently, we can ensure consistent color reproduction across printed materials, regardless of production location..



### [Annual Design Project for Social Good] "Pack a Home": Pet Adoption Box Initiative

As an integral part of the sustainable supply chain, Fudy is committed to promoting the development of ESG for the benefit of both our planet and our customers. In our ongoing pursuits of enhancing our capabilities, we have launched an annual design project aimed at improving various ESG indicators. In recent years, biodiversity has become a highly critical issue globally. According to the KPMG 2020 ESG report on the top 250 global companies, only one-fourth of companies

disclosed their contributions to biodiversity. However, a significant milestone was reached at the United Nations Biodiversity Conference (COP15) in Montreal in 2022, where a consensus on the biodiversity framework was achieved. In Taiwan, the implementation of a no-kill policy in 2017 has led to an increase in the stray cat and dog population. In

response to these challenges and in alignment with the United Nations SDG 15 goal of "Life on Land," Fudy has launched the design project "Pack a Home." This initiative aims to promote animal welfare, enhance biodiversity, and reduce abandonment rates through the design of innovative adoption boxes.

## ★ Sustainability X Design: Innovative Adoption Tools

Fudy has conducted comprehensive research on the stray animal issue, gaining insights into the needs of animal welfare organizations, pet adoption agencies, and potential adopters. Our goal is to leverage our packaging expertise to develop novel adoption tools that can boost adoption rates. In our product design process, we prioritize waste reduction and long-term usability. The "Pack a Home" project is a voluntary initiative driven by Fudy's designers. Through an internal competition organized by our Sustainability Department, our designers have channeled their creativity and professional knowledge to create three groundbreaking packaging solutions:

### 1 Easy & Pleasant — Multi-functional adoption Box

This innovative box serves as both a transport carrier and a transformable cozy bed or resting place for animals. It revolutionizes the adoption process by changing how animals are carried - from single-handed lifting to a more nurturing, two-handed cradling approach. This design brings pets closer to their new families, enhancing the convenience and joy of adoption.

### 2 Howl House — Pet Game Box

This educational game box is designed to help adopters understand and meet their pets' play needs, thereby reducing behavioral issues and lowering abandonment rates.

### 3 Pet Guardian — Pet Disaster Preparedness Kit

Featuring a robust hexagonal structure capable of supporting adult weight, this box can be disassembled into two trapezoidal carry cases. Each case is equipped with essential supplies to sustain a pet for three days, ensuring proper care for pets even in emergency situations.



These designs exemplify our designers' innovative thinking, addressing the needs of stray animals from adoption through various aspects of their new lives, ultimately promoting the concept of providing stray animals with forever homes.

◀ Mortise and Tenon Structure: Adhesive-free design, recyclable paper, eco-friendly ◦



## ★ ESG-aligned Sustainable Packaging Design

Our designers have demonstrated their expertise in structural design and utilization of eco-friendly materials. Their creations aim to reduce plastic usage, minimize waste, promote biodegradability, and facilitate recyclability, all while creating a home for stray animals that embodies core ESG environmental principles.

Environmentally Friendliness	Social Responsibility	Open Source Sharing
The designs incorporate the traditional Chinese "mortise and tenon" construction method, primarily using two interlocking components without adhesives or additional processing materials. This approach results in an entirely adhesive-free and plastic-free box design, promoting full paperization for easy recycling. By using corrugated material made from recycled waste paper, we reduce resource waste and carbon emissions while extending the product's lifespan.	Our initiative enhances the existing adoption process, aiming to reduce abandonment and subsequently decrease the stray animal population. The Kaohsiung City Animal Protection Office has adopted our multi-functional adoption box, using it in 25 annual adoption events and facilitating the transportation of hundreds of stray cats and dogs.	To maximize the impact of our designs, Fudy provides free downloadable die-cut templates, giving back to the community. We also offer collaboration opportunities with relevant organizations to assist in producing adoption boxes. As of late 2023, our die-cut templates have been downloaded by 11 individuals, with 7 applications to trial the adoption boxes.

Through the annual "Pack a Home" design project, Fudy harnesses its core expertise in packaging structural design to revolutionize the animal adoption process. This initiative not only enhances animal welfare and bolsters the operations of animal shelters but also serves as a platform for employee development. By allocating resources to this project and providing internal training, Fudy simultaneously sharpens its employees' design skills and deepens their awareness of animal welfare issues.



▲ Multi-functional Adoption Box: Bridging the gap between humans and animals



▲ Pet Game Box: Helping new pet owners learn to engage with their furry companions



▲ Pet Disaster Preparedness Kit: Doubles as a seat for practical storage



# 01

## Perpetual Sustainability Spirit

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13	1.2 Stakeholder Engagement
15	1.3 Materiality Analysis



# Perpetual Sustainability Spirit

## 1.1 Sustainable Vision and Strategy

To enhance corporate sustainability competitiveness and effectively implement sustainability-related initiatives, in 2022, under the leadership of Chairman Lianfeng Huang, Fudy established a Sustainable Development Working Group with six task forces, marking 2022 as Fudy's foundational year for ESG sustainability, firmly believing that sustainability responsibility cannot be ignored.

Fudy's sustainable vision strategy is to play the role of a solid partner in customers' sustainable development within the industry chain. Adhering to the spirit of continuous sustainability, we integrate it into our daily operations, fully implementing the ESG spirit.



### Human Rights Policy **S**

We comply with relevant labor laws and adhere to international human rights conventions to ensure gender equality, labor rights, and the prohibition of any form of discrimination. We prohibit the use of child labor and forced labor, respect employees' freedom of association and collective bargaining rights, and establish relevant management norms.

### Ethics Policy **G**

We require all company personnel to adhere to principles of integrity, comply with regulations, refrain from bribery or corruption, prohibit unfair trade practices, infringement of intellectual property rights, and the provision of products or services that could harm the health and safety of others.

### Conflict Minerals Policy **S**

Fudy is committed to eliminating the use of conflict minerals and refrains from using minerals that may lead to international disputes concerning social security, environmental protection, and the deterioration of basic human rights. We also require all our suppliers to adhere to this commitment.

### Employee Care **S**

Fudy complies with labor laws, safeguards employee rights, provides fair and competitive compensation, establishes comprehensive welfare systems, prioritizes workplace safety, and offers employees a secure and reliable work environment.

### Environmental Policy **E**

We have established an ISO 14001 environmental management system that has been operational for over 10 years. We abide by international environmental regulations regarding hazardous substances or the prohibition of their use, aiming to prevent pollution and reduce the environmental impact of our operations.

### Human Rights Policy **S**

We are committed to upholding relevant labor laws and international human rights conventions. Our policy ensures gender equality, protects the right to work, and prohibits all forms of discrimination. We strictly forbid the use of child labor and forced labor, while respecting employees' freedom of association and right to collective bargaining. Comprehensive management protocols have been established to enforce these principles.

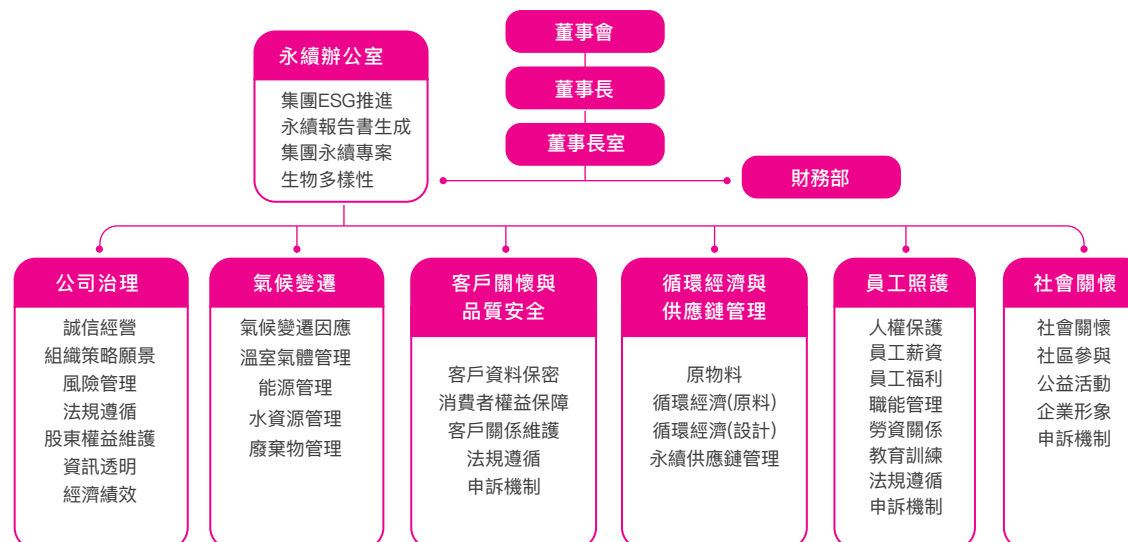


## 1.1 Sustainable Vision and Strategy      1.2 Stakeholder Engagement      1.3 Materiality Analysis

In 2023, we intensified our sustainability efforts, convening four Sustainability Promotion Group meetings with an impressive average attendance rate of 98%. Recognizing the critical importance of climate change and circular economy in sustainable industrial development, we restructured our Sustainability Promotion Group into six functional teams: "Corporate Governance," "Climate Change," "Customer Care and Quality Assurance," "Circular Economy and Supply Chain Management," "Employee Welfare," and "Community Engagement."

Through regular Sustainability Promotion Group meetings, we diligently tracked sustainability performance across all our facilities. Our aim is to play a leading role in the sustainable supply chain, driving the entire packaging industry towards higher sustainability standards.

Sustainability Governance Framework	Sustainability Awareness and Capacity Building	Strategic Development
<ul style="list-style-type: none"> <li>Established and board-approved "Sustainability Development Guidelines"</li> <li>Implemented a "Social Responsibility Management Manual" in compliance with the RBA (Responsible Business Alliance) Code of Conduct, providing clear directives for all Fudy members</li> </ul>	<ul style="list-style-type: none"> <li>Initiated a regular sustainability newsletter for Sustainability Promotion Group members.</li> <li>Content focused on key industry news, regulatory updates, and emerging sustainability trends, including carbon credits, energy transitions, and the Taskforce on Nature-related Financial Disclosures (TNFD).</li> </ul> <p>Encouraged active engagement through feedback mechanisms and leadership discussions, fostering a culture of sustainability awareness.</p>	<ul style="list-style-type: none"> <li>Regularly reviewed and optimized sustainability report disclosures</li> </ul> <p>Updated internal sustainability strategies to align with rapidly evolving global trends</p>



To concretize our commitment to sustainable development, we are set to collaborate with a diverse range of stakeholders including customers, employees, shareholders, supplier partners, regulatory bodies, and community/non-profit organizations. Our goal is to actively implement ESG initiatives across all dimensions, creating sustainable value in the packaging industry and collectively pursuing a sustainable and prosperous future.

◀ Organizational framework for the Sustainable Development Working Group



## 1.1 Sustainable Vision and Strategy

## 1.2 Stakeholder Engagement



## 1.3 Materiality Analysis

## 1.2 Stakeholder Engagement

Fudy adheres to the AA1000 Stakeholder Engagement Standard (AA1000 SES) in identifying and confirming our key stakeholders. Our Sustainability Promotion Group convened to assess stakeholder relationships based on dependency, responsibility, attention, influence, and diverse perspectives. Through this process, we identified seven primary stakeholder groups: customers, employees, shareholders, banks, suppliers, regulatory authorities, and community/non-profit organizations. We recognize that our stakeholders play crucial roles in Fudy's operations and development. We prioritize meaningful interactions and open communication with these groups to ensure the realization of mutual benefits and sustainable growth.

While pursuing sustainable operations and profitability, Fudy maintains a strong focus on environmental protection, social and employee welfare, and corporate governance. We engage with our stakeholders through appropriate channels to foster harmonious relationships and achieve our shared goal of sustainable prosperity.

### Fudy Stakeholder Engagement and Response in 2023

Stakeholders	Significance to Fudy	Key Concerns	Communication Methods and Frequency	Actual Engagement and Communication Results
 <b>Customers</b>	Customers are the core of Fudy's operations and the main source of profit.	<ul style="list-style-type: none"> <li>◆ Green Products</li> <li>◆ Product Quality</li> <li>◆ Customer Relationship Management</li> <li>◆ Ethical Business Practices</li> </ul>	<ul style="list-style-type: none"> <li>◆ Occasional in-person customer visits (based on customer importance)</li> <li>◆ Video conferences (irregularly)</li> <li>◆ Email and phone communication (real-time)</li> <li>◆ Customer satisfaction surveys and certifications (annually)</li> <li>◆ Design proposal presentations (periodically)</li> <li>◆ Website updates on corporate sustainability (irregularly)</li> <li>◆ Customer supplier conferences (irregularly)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Updated 18 certifications in 2023, providing certificates as per customer requirements</li> <li>◆ 2023 customer satisfaction survey averaged 91.2/100, with improvements and rewards based on results</li> <li>◆ Implemented and continuously improved plans aligned with customers' green energy, environmental, and social responsibility issues</li> <li>◆ Provided eco-friendly material and green process information to assist customers in packaging transformation</li> <li>◆ Participated in 6 customer supplier conferences in 2023, offering design proposal presentations at least 4 times per month as needed</li> <li>◆ Conducted at least 20 video conferences weekly and personally visited 325 customers in 2023</li> </ul>
 <b>Employees</b>	Employees are the foundation of Fudy's operations and key to industry competitiveness.	<ul style="list-style-type: none"> <li>◆ Occupational Safety and Health</li> <li>◆ Human Rights Protection</li> <li>◆ Ethical Business Practices</li> </ul>	<ul style="list-style-type: none"> <li>◆ Employee Welfare Committee meetings (quarterly)</li> <li>◆ Labor-management meetings (quarterly)</li> <li>◆ Educational training (irregularly)</li> <li>◆ Employee suggestion box (real-time)</li> <li>◆ Employee complaint hotline (real-time)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Held 14 Employee Welfare Committee meetings in 2023</li> <li>◆ Conducted 6 labor-management meetings in 2023</li> <li>◆ Provided 9,015 hours of employee training in 2023</li> <li>◆ Handled 1 employee complaint/suggestion case in 2023 with a 100% resolution rate</li> </ul>







## 1.1 Sustainable Vision and Strategy

## 1.2 Stakeholder Engagement

## 1.3 Materiality Analysis

## Fudy Stakeholder Engagement and Response in 2023

Stakeholders	Significance to Fudy	Key Concerns	Communication Methods and Frequency	Actual Engagement and Communication Results
 Shareholders	Shareholders support Fudy's steady growth, and Fudy is committed to protecting their interests.	<ul style="list-style-type: none"> <li>◆ Waste Management</li> <li>◆ Product and Service Innovation</li> <li>◆ Ethical Business Practices</li> <li>◆ Climate Change Response</li> </ul>	<ul style="list-style-type: none"> <li>◆ Financial statements for each plant (monthly)</li> <li>◆ Annual consolidated statements for each plant (yearly)</li> <li>◆ Business strategy discussions via phone/video (irregularly)</li> <li>◆ Regular board/shareholder meetings (annually)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Held 1 annual general meeting in 2023</li> <li>◆ Conducted 4 board meetings in 2023</li> <li>◆ Held 8 business strategy discussions via phone/video in 2023</li> <li>◆ Organized 1 annual management meeting in 2023</li> </ul>
 Banks	Banks provide financial support and services, ensuring the company's financial stability.	<ul style="list-style-type: none"> <li>◆ Product and Service Innovation</li> <li>◆ Green Products</li> <li>◆ Customer Relationship Management</li> <li>◆ Climate Change Response</li> </ul>	<ul style="list-style-type: none"> <li>◆ Discussions with banks on company fund allocation and scheduling (irregularly)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Financial specialists maintain contact with banks, arranging conference calls or in-person meetings as appropriate. In 2023, at least 10 conference calls and 5 in-person meetings were conducted. All related phone inquiries and emails were responded to promptly.</li> </ul>
 Suppliers	Suppliers provide essential raw materials and services, crucial for supply chain stability and sustainable development.	<ul style="list-style-type: none"> <li>◆ Product Quality Occupational</li> <li>◆ Safety and Health</li> <li>◆ Human Rights Protection</li> <li>◆ Climate Change Response</li> </ul>	<ul style="list-style-type: none"> <li>◆ New product material discussion meetings (irregularly)</li> <li>◆ Supplier audits (annually)</li> <li>◆ Supplier conferences (irregularly)</li> <li>◆ Quality control issues, inspection discussions, delivery tracking (real-time)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Held over 682 discussion and exchange sessions with suppliers in</li> <li>◆ 2023 Conducted routine audits of 88 suppliers in 2023</li> <li>◆ Participated in 1 supplier conference in 2023</li> </ul>
 Regulatory Authorities	Government policies significantly influence business operations. Fudy strictly adheres to relevant regulations.	<ul style="list-style-type: none"> <li>◆ Occupational Safety and Health Waste</li> <li>◆ Management Human Rights Protection</li> <li>◆ Climate Change</li> <li>◆ Response Ethical</li> <li>◆ Business Practices</li> </ul>	<ul style="list-style-type: none"> <li>◆ Designated personnel for liaison with authorities on relevant business and regulations (irregularly)</li> <li>◆ Official responses to government inquiries (real-time)</li> <li>◆ Phone calls/visits, questionnaires, and interviews (irregularly)</li> <li>◆ Labor safety/environmental/fire equipment inspections (irregularly)</li> <li>◆ Participation in government-related activities or meetings (irregularly)</li> <li>◆ Arranging inspections and reporting as per regulations (regularly)</li> </ul>	Regularly provided reports or responses as per government regulations: <ul style="list-style-type: none"> <li>◆ Completed 12 fire safety evacuation drills in 2023</li> <li>◆ Conducted 29 labor safety/environmental/fire inspections in 2023</li> <li>◆ Participated in 19 government-related activities and meetings in 2023</li> <li>◆ Engaged in official correspondence and visits 6 times, questionnaires or interviews 10 times in 2023</li> <li>◆ Complied with all regulations, completing relevant inspections and timely reporting</li> </ul>
 Community/ Non-profit Organizations	Fudy provides resources and manpower for community activities, addressing community needs and enhancing social recognition.	<ul style="list-style-type: none"> <li>◆ Waste Management</li> <li>◆ Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>◆ Charitable donations (irregularly)</li> <li>◆ Charitable activities (irregularly)</li> <li>◆ Design project for social good</li> </ul>	2023 charitable contributions: <ul style="list-style-type: none"> <li>◆ Total donations: NT\$1,745,415</li> <li>◆ Participated in, responded to, or organized 4 charitable activities</li> <li>◆ Invested approximately NT\$800,000 in doing good design costs, see [Annual Design Project for Social Good] "Pack a Home": Pet Adoption Box Initiative</li> </ul>



## 1.1 Sustainable Vision and Strategy

## 1.2 Stakeholder Engagement

## 1.3 Materiality Analysis

## 1.3 Materiality Analysis

Fudy's materiality assessment process consists of three stages: identification, evaluation and analysis, and disclosure. In 2023, we reviewed the sustainability topics collected in the previous year. The Sustainability Promotion Group, considering international sustainability trends, focus areas of leading domestic and international peers, and the management of material topics in 2022, held discussions with senior executives. It was decided to continue using the 2022 materiality assessment and analysis results for a two-year effective tracking and management period.

The material topics identified are Product Quality, Customer Relationship Management, Waste Management, Product and Service Innovation, Occupational Safety and Health, Green Products, Ethical Business Practices, Human Rights Protection.

This approach allows us to effectively implement our management objectives for material topics, rigorously review our progress and performance in sustainable operations, and fulfill our sustainability commitments.

Additionally, based on recommendations from external consultants, we have added "Climate Change Response" as a new material topic. This addition ensures the comprehensiveness of Fudy's material topics and their alignment with our corporate sustainability strategy.

For a more detailed description of our materiality assessment process, please refer to pages 13 and 14 of Fudy's 2022 Sustainability Report.

### Major theme list

Aspect	Material Topic	Corresponding GRI Standards	Value chain impact			Corresponding chapters
			Upstream	Fudy	Down stream	
Corporate Governance	Integrity Management	GRI 205: Anti-corruption 2016		●		03 Integrity, Care, and Sustainable Business Operations
Product	Product Quality	Custom Topic	●	●	●	04 A Steadfast Partner in Customer Sustainability
	Product and Service Innovation	Custom Topic		●		04 A Steadfast Partner in Customer Sustainability
	Customer Relationship Management	Custom Topic		●		04 A Steadfast Partner in Customer Sustainability
Environment	Climate Change Response	GRI 302-1、GRI 302-3、302-4 GRI 303-1、GRI 303-3、GRI 303-4、GRI 303-5 GRI 305-1、GRI 305-2、GRI 305-4、GRI 305-5 GRI 305-6、GRI 305-7		●		05 Collaborating for a Sustainable Global Environment
	Waste Management	GRI 303-2 Management of water discharge- related impacts GRI 306: Waste 2020		●		05 Collaborating for a Sustainable Global Environment
Product	Green Products	GRI 301-1 、GRI 301-2	●	●	●	05 Collaborating for a Sustainable Global Environment
Employee	Occupational Safety and Health	GRI 403: Occupational Health and Safety 2018	●	●	●	06 Fudy-licious: A Nourishing Work Environment for Body and Mind
	Human Rights Protection	GRI 202-1 、GRI 404-2 GRI 405: Employee diversity and equal opportunities 2016 GRI 406: Non-discrimination 2016 GRI 407: Freedom of association and collective bargaining 2016 GRI 408: Child labor 2016 GRI 409: Forced or compulsory labor 2016	●	●	●	06 Fudy-licious: A Nourishing Work Environment for Body and Mind



## Key theme management policy



Corresponding chapters | 3.3 Integrity in operations    GRI indicators    GRI 205: Anti-corruption 2016

### Integrity in operations

#### Major themes

#### Corresponding chapters

- + Positive Impact** Implementing integrity in operations can enhance Fudy's brand image and reputation, attract more customers and partners, increase customer loyalty, attract high-quality talents, enhance employee satisfaction and loyalty, reduce staff turnover rates, strengthen investor trust, bring more investment opportunities, reduce fraud and legal compliance risks, lower related costs, and mitigate operational risks.
- Negative Impact** Operating in violation of business ethics not only exposes the company to legal risks, damages its reputation, and leads to financial losses, but also impacts employee morale, causes talent drain, and undermines the confidence of customers and investors.

Policies and commitments	Complaint mechanism	Tracking management mechanism	Objectives
<p>Fudy prioritizes integrity in operations, strictly adheres to the ethical standards outlined in the RBA Social Responsibility Management Manual, deepens integrity in operations as part of the corporate culture from within and from top to bottom, and establishes guidelines for Fudy colleagues to follow.</p> <p><b>Responsible units</b></p> <p>The Chairman's Office, Human Resources Department, Procurement Department</p>	<p>Whistleblower mailbox: fudy_esg@mail.fudy.com.tw</p> <p>Complaint hotline: +886-2-2226-5868#301 (Fudy Headquarters in Taipei); +86-769-85824620#178 (Fuyang Plant in Dongguan); +86-512-62716091#328 (Fuyang Plant in Suzhou)</p>	<p>Regularly conduct RBA audits, SMETA social responsibility audits to inspect Fudy and all operational sites on whether they comply with local regulations and international standards in corporate governance and integrity in operations.</p>	<p><b>Short-term Goals</b></p> <ul style="list-style-type: none"> <li>Complete the registration of the "Worker Integrity Assurance Commitment" by June 2023</li> <li>80% of employees sign the "Worker Integrity Assurance Commitment" by 2023</li> <li>50% of suppliers sign the "Supplier Social Responsibility Commitment" by 2023</li> <li>Conduct integrity and cleanliness education and training for the Board of Directors, senior executives, and all employees at least once a year to ensure that all Fudy staff have relevant knowledge of integrity in operations from top to bottom</li> </ul> <p><b>Medium-term Goals</b></p> <ul style="list-style-type: none"> <li>100% of workers complete the signing of the "Employee Integrity Assurance Commitment"</li> <li>Achieve 90% of suppliers signing the "Supplier Social Responsibility Commitment" by 2025</li> </ul> <p><b>Long-term Goals</b></p> <ul style="list-style-type: none"> <li>Internalize integrity and cleanliness as part of Fudy's corporate culture among all employees, achieving it in daily work</li> <li>Ensure over 95% of suppliers sign the "Supplier Social Responsibility Commitment"</li> </ul>

#### Annual actions and achievements

##### Prevention and Mitigation of Negative Impact Management

- Establishing the "Employee Complaint and Whistleblower Management Measures" with clear provisions on the accepting units and investigation methods, creating and publicizing an anonymous email mailbox for complaints on the official website and internal network for internal colleagues and external personnel to use. In 2023, a total of 1 employee complaint and suggestion case was handled with a 100% closure rate
- Fudy has set forth the "Internal Audit Operating Procedures" to conduct checks through the internal audit system, auditing various risk issues, management deficiencies, and promptly taking corrective actions to uphold the commitment to integrity in operations
- Since 2022, Fudy has implemented the RBA management system to ensure that employees, suppliers, and other partners in the value chain conduct business operations in an environmentally friendly manner and adhere to ethical standards. Fudy's Fuyang and Fuyang plants are expected to complete the initial RBA 8.0 audit by 2024, with the Taipei Fudy Headquarters planning to undergo the new version RBA 8.0 third-party audit by February 2025

##### Positive Impact Management

- Regularly conduct employee education and training to deepen the corporate culture of integrity and cleanliness. In 2023, approximately 891 employees participated in anti-corruption courses, accounting for 95.19%
- In 2023, a total of 518 employees received regulatory education and training, with a total training hours of 1,001
- In 2023, no corruption whistleblowing cases were reported in any of the factories. The internal audit unit regularly audits whether the company complies with ethical standards and reports to the Board of Directors
- In 2023, Fudy and its main operational sites did not violate any significant regulations, received no complaints related to customer privacy violations or loss of customer data, and underwent external audits by third-party verification agencies without any major deficiencies, with all certificates remaining valid and renewable

##### Annual Achievements

- By June 2023, the registration of the "Worker Integrity Assurance Commitment" was completed, with 90.88% of workers having signed
- By 2023, 82.23% of suppliers have signed the "Supplier Social Responsibility Commitment"
- In 2023, the Board of Directors, senior executives, and all employees have completed integrity and cleanliness education and training

註 1. 因各地法規及政策不同，三廠供應商社會責任承諾書之文件名稱因地制宜而有所不同，但其承諾書要求供應商遵循之內容意涵一致，目前統計之數據為三廠平均。





Corresponding chapters | 4.2 Product Quality and Green Design

GRI indicators

Custom Themes

## Product Quality

### Major themes

#### Corresponding chapters

#### + Positive Impact

Implementing product quality management can enhance product competitiveness and brand recognition, leading to more domestic and international customer orders, and expanding the company's product market.

#### - Negative Impact

Failing to implement adequate quality control measures results in a sharp increase in defective products, adding unnecessary production costs, fostering negative customer perceptions, leading to a sharp decrease in order volume, and losing product competitiveness.

Policies and commitments	Complaint mechanism	Tracking management mechanism	Objectives
Adhering to customer requirements, referencing domestic and international product regulatory standards to establish internal management procedures, ensuring the compliance of product quality	Whistleblower mailbox: fudy_esg@mail.fudy.com.tw	<ul style="list-style-type: none"> <li>Tracking the monthly achievement rate of product quality objectives</li> <li>Tracking the monthly achievement rate of HSF objectives</li> <li>Continuously obtaining verification for the ISO 9001:2015 new version quality management system, Packaging Material Global Standard verification (BRC), and Color Management verification G7 Master Facility Colorspace</li> </ul>	<p>Using the year 2022 as the baseline</p> <p><b>Short-term Goals</b></p> <ul style="list-style-type: none"> <li>Taipei Fudy Headquarters: Product yield rate to reach 97.5%</li> <li>Fuyang Plant in Dongguan: Product yield rate to reach 98%</li> <li>Fuyang Plant in Suzhou: Product yield rate to reach 96%</li> </ul> <p><b>Medium-term Goals</b></p> <ul style="list-style-type: none"> <li>Taipei Fudy Headquarters: Product yield rate to reach 97.6%</li> <li>Fuyang Plant in Dongguan: Product yield rate to reach 98.5%</li> <li>Fuyang Plant in Suzhou: Product yield rate to reach 96.5%</li> </ul> <p><b>Long-term Goals</b></p> <ul style="list-style-type: none"> <li>Taipei Fudy Headquarters: Product yield rate to reach 97.8%</li> <li>Fuyang Plant in Dongguan: Product yield rate to reach 99%</li> <li>Fuyang Plant in Suzhou: Product yield rate to reach 97%</li> <li>Collaborating with suppliers to continuously seek alternative low-carbon, reduced plastic raw materials, ensuring production quality while building a low-carbon, green production supply chain</li> </ul>
Responsible units			
<p>Taipei Fudy Headquarters: Materials Department, Quality Assurance Department</p> <p>Fuyang Plant in Dongguan: Engineering Product Design Team, Quality Assurance Department</p> <p>Fuyang Plant in Suzhou: Management Department, Quality Assurance Department</p>			
Annual actions and achievements			
<h4>Prevention and Mitigation of Negative Impact Management</h4> <ul style="list-style-type: none"> <li>Expanding the manpower of quality assurance units at each operational site to continuously enhance the company's quality control capabilities: Taipei Fudy Headquarters has a total of 32 quality assurance staff; Fuyang Plant in Dongguan has allocated 29 quality assurance talents, and the quality inspector team at Fuyang Plant in Suzhou consists of 12 members</li> <li>According to reports from third-party testing agencies, the inks used by Fudy have all met the 2023 regulatory standards at 100%: total content of mineral oil saturated hydrocarbons (MOSH) and mineral oil aromatic hydrocarbons (MOAH) &lt;1%.</li> <li>Through tracking management and corrective measures, all five product quality abnormal cases occurring in 2023 have been 100% improved, with relevant preventive measures also reported in management review meetings</li> </ul>		<h4>Positive Impact Management</h4> <ul style="list-style-type: none"> <li>In 2023, Fuyang Plant in Suzhou successfully implemented QS production permits, achieving higher-quality product production</li> <li>In 2023, Taipei Fudy Headquarters obtained the highest level of G7 Master Facility Colorspace certification, meeting customers' requirements for specialized printing colors and stable color output</li> <li>Fudy continues to obtain ISO 9001, ISO 14001, IECQ QC 080000 system certifications, confirming product quality compliance with regulations and customer requirements through various inspections</li> </ul>	
		<h4>Annual Achievements</h4> <ul style="list-style-type: none"> <li>Using 2022 as the baseline year for product quality yield management, in 2023, Taipei Fudy Headquarters achieved a product yield rate of 98.4%; Fuyang Plant in Dongguan achieved a product yield rate of 98.0%; and Fuyang Plant in Suzhou achieved a product yield rate of 98.3%, all meeting the short-term goals</li> </ul>	





Product  
Service and  
Innovation

Major themes

Corresponding chapters | 4.2 Product Quality and Green Design

GRI indicators

Custom Themes

Corresponding chapters

+ Positive Impact

Through actively selecting environmentally friendly materials, implementing innovative technologies and green design, Fudy enhances the product value for customers. This not only attracts more domestic and international brand orders for Fudy but also reduces carbon emissions and waste, increases recycling rates, and lightens the environmental burden.

– Negative Impact

Without investing in green product-related technological innovations, besides continuing to generate waste, there may also be a decrease in orders due to the inability to meet environmental standards required by domestic and international customers.

Policies and commitments	Responsible units	Complaint mechanism	Objectives
Actively developing environmentally friendly materials and innovative designs to reduce packaging size and raw material usage, achieving product reduction in plastic, weight, ease of disassembly, and biodegradability, conducive to recycling goals. Providing customers with a more diverse selection of green products, creating sustainable competitiveness for corporate products.	Taipei Fudy Headquarters: Design Department Fuyang Plant in Dongguan: Engineering Department Fuyang Plant in Suzhou: Design Department	Whistleblower mailbox: fudy_esg@mail.fudy.com.tw	Using 2022 as the base year
		Tracking management mechanism	Short-term Goals
		◆ Number of patents applied for innovative products	Medium to Long-term Goals

Short-term  
Goals

Strengthen the Design Department's capability in collecting and utilizing new environmentally friendly materials, collaborate with the Materials Department to identify qualified suppliers for sustainable product development

Medium to  
Long-term  
Goals

Collaborate with the Research and Development Design Center and production end to jointly develop and utilize new materials, enhancing product design and innovation capabilities  
Achieve 15 innovative product developments (5 sustainable product packaging, 10 green environmentally friendly material products)

Annual actions and achievements

Prevention and Mitigation of  
Negative Impact Management

- Investment in hardware and software equipment, cultivating professional design talents, conducting product development experiments to provide innovative products in an environmentally friendly manner. A total of 16 R&D personnel will be allocated in 2023
- Taipei Fudy Headquarters plans to establish an ISTA 2A Packaging Testing Laboratory by 2024 through the addition of testing equipment and the deployment of professional engineers, aiming to meet customer requirements for packaging material quality
- Fudy has adopted the EcoImpact-COMPASS® product packaging life cycle assessment software to provide customers with environmentally friendly packaging solutions

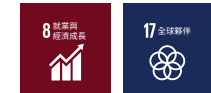
Positive Impact Management

- Developing water-based light oil as a substitute for plastic film to meet customer requirements for reduced plastic usage
- Fuyang Plant in Dongguan assists customers in reducing plastic film usage through innovative cold embossing technology on paper
- In 2023, Taipei Fudy Headquarters will invest NT\$3,550,000 to gradually replace all plastic materials with paper-based or all-plant fiber materials
- Fuyang Plant in Dongguan designs eco-friendly plastic-free packaging for mouse packaging, replacing PP film with vegetable oil, enabling 100% recyclable packaging
- The under-cap non-adhesive inner sticker technology developed by Fuyang Plant in Suzhou can save approximately NT\$2,160,000 in annual labor costs
- By leveraging its structural design capabilities, Fudy offers customers eco-friendly and durable packaging options
- Suzhou Fuyang Plant provides plastic reduction solutions by replacing plastic packaging with green paper-based designs
- In addition to continuous research and development of innovative products, Fudy has established a proposal incentive system to encourage employees to propose innovative and improvement suggestions related to product development. A total of 6 new patents were obtained in 2023, accumulating a total of 32 patents as of December 31, 2023

Annual Achievements

- With the goal of establishing a laboratory with ISTA 2A certification by Q1 of 2024, the procurement of relevant testing equipment and training of personnel has been completed in 2023





Customer Relationship Management

Major themes

Corresponding chapters | 4.3 Customer Service

GRI indicators

Custom Themes

Corresponding chapters

+

Positive Impact

By valuing customer feedback and actively participating in various certifications, we have gained customer trust and improved company performance

-

Negative Impact

Failure to respond promptly and resolve customer issues can lead to a decline in service quality and a decrease in orders

Policies and commitments	Responsible units	Complaint mechanism	Objectives
To enhance customer satisfaction, we aim to establish a multifunctional service team that delivers comprehensive, efficient, and real-time services to our customers	Taipei Fudy Headquarters: Business Management Department Fuyang Plant in Dongguan: Sales Department Fuyang Plant in Suzhou: Sales Department	Whistleblower mailbox: fudy_esg@mail.fudy.com.tw	<div>Short-term Goals</div> <div>Achieve an average customer satisfaction score of 90 or above</div>
		Tracking management mechanism	<div>Medium-term Goals</div> <div>Continuously improve customer service management processes with the aim of maximizing customer satisfaction</div>
		<div>Evaluation of Customer Satisfaction Survey Results</div>	<div>Long-term Goals</div> <div>Collaborate with customers to achieve a vision of sustainable mutual benefit</div>

年度行動及成果

Prevention and Mitigation of Negative Impact Management

- Providing diverse and transparent communication channels to effectively address customer needs and maintain the highest standards for products
- By tracking customer satisfaction scores and reviewing and improving based on customer feedback, we aim to uphold excellent customer service
- Fudy designs different survey categories based on the operational nature of each factory. Taipei Fudy Headquarters has the highest weight in the evaluation of business services, accounting for 20%. Fuyang Plant in Dongguan and Fuyang Plant in Suzhou, being crucial production bases, include criteria such as responsiveness of business personnel, sample confirmation timeliness, and delivery speed

Positive Impact Management

- In collaboration with customers to achieve sustainable mutual benefit, Taipei Fudy Headquarters participated in 2 supplier conferences in 2023, conducted 15 factory tours or audits with customers, and delivered 5 environmental sustainability presentations to customers
- To facilitate constructive communication with customers, Fudy conducts annual customer satisfaction surveys. Each factory randomly selects and surveys at least 10 (inclusive) customers, sending out satisfaction survey questionnaires
- In 2023, Fudy participated in 6 customer-supplier conferences, provided design proposal briefings at least 4 times per month based on customer needs, held video conferences at least 20 times per week, and personally visited 325 customers

Annual Achievements

- Customer satisfaction survey results for 2023: Taipei Fudy Headquarters achieved a customer satisfaction score of 54.6 points (equivalent to 91 points on a percentage scale); Fuyang Plant in Dongguan scored 91.6 points; Fuyang Plant in Suzhou scored 91.2 points
- Taipei Fudy Headquarters is dedicated to achieving sustainability goals, leading the supply chain towards sustainable mutual benefit, and was recognized by customers with the award for "Sustainable Development Supplier."



## Adaptation to Climate Change

### Major themes

Corresponding chapters |  
5.1 Adaptation to Climate

GRI  
indicators

GRI 302-1, GRI 302-3, GRI 302-4, GRI 303-1, GRI 303-3, GRI 303-4, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-4, GRI 305-5, GRI 305-6, GRI 305-7



#### Corresponding chapters

#### + Positive Impact

Having pre-planned preventive measures in place to address the effects of climate change can significantly reduce related losses during extreme weather events, ensuring operational continuity and uninterrupted supply

#### - Negative Impact

Without a strategic plan to address climate change, the lack of preparedness for extreme weather conditions can lead to damage to factory buildings and machinery, resulting in forced shutdowns and unforeseeable financial losses for the company, as well as customer inconvenience

Policies and commitments	Responsible units	Complaint mechanism	Objectives
Pollution prevention, waste reduction; efficient resource utilization, energy conservation; compliance with environmental regulations, continuous environmental improvement; comprehensive education, participation, and contributing back to society are our environmental policies.	Taipei Fudy Headquarters: Business Management Department Fuyang Plant in Dongguan: Sales Department Fuyang Plant in Suzhou: Sales Department	Whistleblower Mailbox : fudy_esg@mail.fudy.com.tw  Complaint Hotline Taipei Fudy Headquarters+886-2-2226-5868 Fuyang Plant in Dongguan +86-769-85824620 Fuyang Plant in Suzhou +86-512- 62716091	<div>Short-term Goals</div> <ul style="list-style-type: none"> <li>Conduct comprehensive greenhouse gas inventories at all three main operational sites to fully understand Fudy's carbon emission equipment and levels across the entire factory domain</li> </ul> <div>Medium-term Goals</div> <ul style="list-style-type: none"> <li>Develop a carbon reduction plan by gradually replacing old equipment and enhancing equipment efficiency to reduce electricity consumption. Taipei Fudy Headquarters will introduce green energy, while Fuyang Plant in Suzhou will decrease water usage on the premises</li> </ul> <div>Long-term Goals</div> <ul style="list-style-type: none"> <li>Achieve net-zero carbon emissions across all Fudy factory sites by 2050</li> </ul>

#### Tracking management mechanism

- ◆ Continuously maintain ISO 14001:2015 Environmental Management System standard certification
- ◆ Manage annual carbon emissions at the factory premises through ISO 14064-1:2018 Greenhouse Gas Inventories
- ◆ Track the expenses allocated to environmental management initiatives for the year and monitor the progress towards achieving environmental sustainability goals
- ◆ Establish environmental policies based on the internal "Environmental Manual" and plan annual environmental sustainability management objectives accordingly



Corresponding chapters |  
5.1 Adaptation to Climate

GRI  
indicators

GRI 302-1, GRI 302-3, GRI 302-4, GRI 303-1, GRI 303-3, GRI 303-4, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-4, GRI 305-5, GRI 305-6, GRI 305-7



## Adaptation to Climate Change

### Major themes

#### Annual actions and achievements

##### To mitigate and manage negative impacts

- ◆ To comply with renewable energy-related regulations, the Fuyang Plant in Suzhou has implemented the use of renewable energy, having obtained green energy certificates and utilizing self-produced solar photovoltaic power, generating 991,976 kWh annually, accounting for approximately 13.95% of the total factory electricity consumption
- ◆ To enhance corporate resilience towards climate change, senior management underwent sustainability-related training courses totaling 38.5 hours in 2023, strengthening their expertise in international sustainability trends and climate change
- ◆ In efforts to promote energy efficiency, Fudy actively implements energy-saving and carbon reduction initiatives in daily operations. In 2023, a total energy saving of 4,062,231.82 MWh and a reduction of 551.39 metric tons of CO<sub>2</sub>e were achieved
- ◆ The Fuyang Plant in Suzhou completed an upgrade project for "Waste Gas Treatment Equipment" in 2023, effectively enhancing VOCs control efficiency and reducing organic waste gas emissions
- ◆ In 2023, Fudy invested a total of NT\$5,755,019 in environmental management, including expenses for replacing energy-saving equipment, to mitigate the environmental impact of operational activities
- ◆ Fudy is committed to environmental protection by using FSC® certified paper and applying "water-based sub-plastic oil" to outer layers of paper packaging to meet international environmental standards such as RoHS, REACH, and VOCs
- ◆ To address water resource pressures, the Fuyang Plant in Suzhou established water resource control objectives, aiming to annually reduce water consumption by 0.006 million cubic meters. In 2023, water consumption at the Suzhou Fuyang Plant decreased by 7.72 million cubic meters compared to 2022
- ◆ Water conservation actions were implemented at the Fuyang Plant in Dongguan and Suzhou Fuyang Plant, resulting in a combined water saving of 33,352 tons compared to the previous year, with an annual reduction rate of approximately 59.71%

##### Positive Impact Management

- ◆ Fudy has developed low-carbon and green services. The North Vietnam Xufu Green Packaging Technology Co., Ltd., which commenced production in 2023, has obtained ISTA 2A Laboratory Certification. This factory primarily offers environmentally friendly green packaging to assist clients in achieving ESG goals
- ◆ The Suzhou Fuyang Plant continues to focus on green and low-carbon technological innovations to cater to the green product market. It has been recognized as a national-level high-tech enterprise by the Chinese government, qualifying for corporate income tax incentives and government subsidies
- ◆ To effectively manage energy usage efficiency, the Taipei Fudy Headquarters plans to invest NT\$3 million in 2024 to enhance its energy management system. The Suzhou Fuyang Plant will also implement ISO 50001 energy system optimization for efficient energy management on the premises
- ◆ The Taipei Fudy Headquarters actively seeks alternative local raw materials and conducts various environmental tests using innovative technologies to provide clients with localized carbon reduction procurement solutions
- ◆ We have set 2023 as the base year for greenhouse gas emissions. Moving forward, we will manage greenhouse<sup>2</sup> gas emissions based on 2023 data,<sup>2</sup> develop relevant carbon reduction strategies, and continue tracking emission reduction performance

##### Annual Achievements

- ◆ In 2023, all three key operational sites of Fudy conducted greenhouse gas inventories following ISO 14064-1:2018 standards. The total Scope 1 emissions were 661.70 tCO<sub>2</sub>e, Scope 2 emissions were 5,827.09 tCO<sub>2</sub>e, resulting in a total emission of 6,488.79 tCO<sub>2</sub>e with an emission intensity of 2.94.



Corresponding chapters |  
5.4 Waste Management and Recycling

GRI  
indicators

GRI 303–2 Management of Impacts Related to  
Drainage, GRI 306: Waste 2020



## Waste Management

### Major themes

#### + Positive Impact

Effectively managing waste recycling and disposal increases resource efficiency and the potential for a circular economy, reducing production costs and achieving waste reduction

#### - Negative Impact

Improper waste management can lead to environmental pollution, increased disposal costs, violation of local regulations, and negative impacts on company operations and the surrounding environment

### Corresponding chapters

Policies and commitments	Complaint mechanism	Tracking management mechanism	Objectives
Properly managing waste to reduce environmental impacts in the vicinity. Increasing the utilization rate of environmentally friendly materials in products and enhancing resource recycling rates, while establishing waste reduction goals.	Whistleblower Mailbox : fudy_esg@mail.fudy.com.tw  Complaint Hotline Taipei Fudy Headquarters+886-2-2226-5868 Fuyang Plant in Dongguan +86-769-85824620 Fuyang Plant in Suzhou +86-512- 62716091	<ul style="list-style-type: none"><li>◆ At the end of each quarter, the responsible units review the amount and density of waste generation, report to the Sustainability Promotion Committee, and track the achievement of sustainable waste management goals</li><li>◆ Implement waste management in production processes based on the principles of Reduce, Reuse, and Recycle (3R)</li><li>◆ The Suzhou Fuyang Plant holds monthly EHS management meetings to review environmental management-related matters</li></ul>	Using the year 2022 as the baseline  <div><div>Short-term Goals</div><ul style="list-style-type: none"><li>◆ Increase recyclable waste density by 1%</li><li>◆ Decrease non-recyclable waste density by 1%</li></ul></div> <div><div>Medium-term Goals</div><ul style="list-style-type: none"><li>◆ Increase recyclable waste density by 3%</li><li>◆ Decrease non-recyclable waste density by 3%</li></ul></div> <div><div>Long-term Goals</div><ul style="list-style-type: none"><li>◆ Increase recyclable waste density by 5%</li><li>◆ Decrease non-recyclable waste density by 5%</li><li>◆ Continuously pursuing a circular economy model to enhance recyclable waste density and reduce the quantity of non-recyclable waste</li></ul></div>
Responsible units			
Taipei Fudy Headquarters: General Affairs Department Fuyang Plant in Dongguan: Management Department Fuyang Plant in Suzhou: Management Department			

#### Responsible units

Taipei Fudy Headquarters: General Affairs  
Department Fuyang Plant in Dongguan:  
Management Department Fuyang Plant in  
Suzhou: Management Department

### Annual actions and achievements

#### Prevention and Mitigation of Negative Impact Management

- Implement waste classification and conduct internal audits to propose improvement plans annually, enhancing resource reuse capabilities
- Track and manage the disposal methods of waste in the supply chain, requiring suppliers to sign the "Supplier Social Responsibility Commitment" and undergo regular ESG assessments
- Suzhou Fuyang Plant uses a full life cycle monitoring system to control hazardous waste
- Dongguan Fuyang Plant employs online monitoring and solid waste platform systems to control hazardous waste
- Handle hazardous waste inspection and control based on internal inspection forms
- Monthly data statistics and management by waste category, regularly reporting waste generation to regulatory authorities
- Dongguan Fuyang and Suzhou Fuyang Factories require personnel in charge of wastewater management to sign the "Environmental

#### Positive Impact Management

- In 2023, a total of NT\$ 5,638,958 was invested in waste collection, equipment upgrades, testing, and other related measures to reduce the environmental impact of business waste generated by the company
- In 2023, all Fudy plants comply with local water quality regulations for wastewater management, with wastewater discharge meeting local regulations
- In 2023, Suzhou Fuyang Plant completed the "Air Pollution Control Equipment" upgrade project, significantly reducing the generation of air pollutants
- Fudy recycles and reuses scrap and surplus materials generated in the production process
- Office supplies and labor protective equipment replacements are quantitatively controlled through a trade-in strategy

#### Annual Achievements

- Recyclable waste density increased by 115% (achieved); non-recyclable waste density increased by 50% (not achieved)
- In 2023, both Dongguan Fuyang and Suzhou Fuyang Factories upgraded their internal equipment and established more energy-efficient and environmentally friendly processes and waste disposal methods in response to environmental trends. Due to policy changes in environmental protection, Dongguan Factory's sludge collection pool was managed as hazardous waste, resulting in a 115% increase in recyclable waste density in 2023. However, Suzhou Factory generated a significant amount of non-recyclable waste due to equipment upgrades and replacements in 2023, leading to a 50% increase in non-recyclable waste density compared to the baseline year.

#### Note

- The 3R principles refer to Reduction, Reuse, and Recycling.
- The definition of recyclable and non-recyclable waste for management goal setting is based on the state in which Fudy generates the waste item, not on the disposal method used in its final treatment.



Corresponding chapters |  
5.4 Waste Management and Recycling

GRI indicators    GRI 301-1, GRI 301-2



**Green  
Products**  
Major themes

Corresponding chapters

**+ Positive Impact**

Actively producing green products, implementing plastic and carbon reduction policies in line with customer demands can increase product orders and enhance the rate of waste reuse. Choosing green materials (such as VOC-free inks) can help prevent or reduce occupational hazards for factory workers.

**- Negative Impact**

Using hazardous substances in product manufacturing increases environmental burdens and poses health and safety risks to customers and employees. Failure to introduce green products may hinder compliance with international supply chain requirements, leading to a loss of market competitiveness and a reduction in the product's market share.

Policies and commitments	Responsible units	Complaint mechanism	Objectives
Implementing green design and production to reduce plastic usage, avoid excessive packaging, achieve product reduction, lightweighting, ease of disassembly, and biodegradability. Proactively advocating the use of environmentally friendly materials to customers.	Fudy Taipei Headquarters: Design Department, Materials Department, Sales Department Fuyang Dongguan Factory: Engineering Department, Procurement Department Fuyang Suzhou Factory: Engineering Department, Procurement Department	Whistleblower mailbox: fudy_esg@mail.fudy.com.tw  <b>Tracking management mechanism</b>  ◆ Utilization of raw materials compliant with RoHS and REACH SVHC regulations ◆ Evaluation of green procurement expenditure	Using the year 2022 as the baseline  <b>Short-term Goals</b> ◆ Increase green procurement expenditure by 1% ◆ Reduce plastic raw material procurement expenditure by 1%  <b>Medium-term Goals</b> ◆ Increase green procurement expenditure by 3% ◆ Reduce plastic raw material procurement expenditure by 3%  <b>Long-term Goals</b> ◆ Increase green procurement expenditure by 5% ◆ Reduce plastic raw material procurement expenditure by 5%

Annual actions and achievements

**Prevention and Mitigation of  
Negative Impact Management**

- ◆ Using locally sourced raw materials in production procurement to reduce product lifecycle carbon emissions, aiming for an 88% local procurement ratio by 2023
- ◆ Fudy tracks progress in plastic reduction through green procurement initiatives, with environmental material procurement accounting for approximately 51.55% and plastic procurement around 12.59% in 2023
- ◆ In compliance with local environmental policies, Fuyang Suzhou factory substitutes solvent-based auxiliary materials with five environmentally friendly water-based or semi-water-based chemicals, achieving a replacement rate of 75%
- ◆ Fuyang Dongguan factory transitions to water-based vacuum forming oil to replace oil-based ones fully, focusing on increasing the proportion of oil substitutes for PP films, currently at 8.4%

**Positive Impact Management**

- ◆ Fudy practices green design by incorporating recycled materials and eco-friendly packaging. In 2023, the procurement ratio of FSC® – certified eco-friendly materials is approximately 1.86% for Taipei headquarters, 10.14% for Fuyang Dongguan factory, and 11.44% for Fuyang Suzhou factory
- ◆ Fudy implements green design by introducing recycled materials and eco-friendly packaging. The recycling of FSC® corrugated paper boxes is a primary focus. In 2023, the FSC® raw material procurement ratio is about 2.69% for Taipei headquarters, 29% for Fuyang Dongguan factory, and 37% for Fuyang Suzhou factory
- ◆ Fudy designs products with recyclability in mind. Currently, Taipei headquarters has a renewable material usage rate of approximately 66.1%, while the Fuyang plants have around 52%
- ◆ Through innovation and green low-carbon technology, Fudy explores the potential of replacing plastics with biomaterials and non-plastics like paper, eggshells, metals, and recycled marine waste
- ◆ Taipei headquarters replaces EPE cushioning materials with high-load-bearing buffering paper clamps and uses pure plant fiber materials for product protection sleeves instead of plastic packaging bags
- ◆ Replacing heavy grey paperboards with lighter corrugated paper for luxury boxes increases recyclability and reduces transportation costs
- ◆ The packaging design at Taipei headquarters features dovetail structure, promoting all-paper design to reduce plastic material usage
- ◆ Fuyang Suzhou factory utilizes FSC® paper in a closed-loop system and opts for water-based chemicals over solvent-based ones to minimize environmental impact

**Annual Achievements**

- ◆ In 2023, there was a decrease of approximately 5.78% in environmental material procurement expenditure due to customer-specified materials not being eco-friendly. Moving forward, regular promotion of eco-friendly materials and proactive proposal of eco-friendly material design schemes will be implemented to achieve green procurement objectives. Plastic procurement expenditure increased by about 11.91%, primarily because customers lacked confidence in the durability of eco-friendly materials. Future efforts will focus on conducting packaging tests to enhance customer confidence in eco-friendly materials



Corresponding chapters |  
4.2 Occupational Health and Safety

GRI  
indicators

GRI 403:  
Occupational Safety and Health 2018



## Occupational Safety and Health

### Major themes

#### Corresponding chapters

#### + Positive Impact

Implementing rigorous occupational safety and health management to create a healthy and safe workplace for all employees enhances job satisfaction, effectively retains top talent, reduces occupational accidents, lowers environmental pollution risks, ensures the safety and health of nearby residents, and fulfills corporate social responsibility.

#### - Negative Impact

Failure to establish effective occupational health and safety measures leads to major occupational accidents, endangering employee safety, causing a significant loss of talent, diminishing workplace competitiveness, and resulting in severe harm to surrounding communities and the environment, leading to negative social perceptions.

Policies and commitments	Responsible units	Complaint mechanism	Tracking management mechanism
Fudy strictly adheres to occupational health and safety regulations, as well as standards like the RBA Code of Conduct, aiming to establish a "healthy, secure, and reliably safe working environment." Through occupational health and safety management frameworks worldwide, we develop comprehensive health management systems, draft annual implementation plans, involve occupational health and safety personnel, nurses, and occupational physicians in health management, provide occupational health and safety education and training to help colleagues enhance their awareness of workplace hazards, fulfill the responsibility to protect the health and safety of workplace employees, and actively promote a healthy work environment.	Fudy Taipei Headquarters : General Affairs Department, Operations Management Office  Fuyang Dongguan Factory : Management Department  Fuyang Suzhou Factory : Management Department	Emergency contact numbers for occupational safety : +886-2-2226-5868 #108 ( Taiwan )  +86-769-85824620#178 ( Dongguan )  +86-512-62716091#328 ( Suzhou )	<ul style="list-style-type: none"> <li>◆ Continuously conducting occupational safety and health management through RBA 7.0, ISO 45001, SMETA-2P, and SMETA-4P verification</li> <li>◆ The Occupational Safety and Health Committee holds regular monthly meetings to discuss occupational safety, health, and occupational disease identification-related issues</li> <li>◆ The Workplace Environment and Occupational Health Promotion Team conducts annual internal and external inspections on environmental, safety, health, and fire protection through regular activities</li> </ul>

#### Objectives

In accordance with domestic regulations on occupational accidents and the defined goal of achieving "zero disasters, zero accidents," we aim to create a completely safe working environment.

#### Short-term Goals

- ◆ Zero severe occupational accidents
- ◆ ≤ 4 incidents of minor or above accidents
- ◆ Disability injury frequency rate (FR) and disability injury severity rate (SR) better than 1.71 and 21, respectively, in the printing manufacturing industry

#### Medium-term Goals

- ◆ Zero occupational accidents annually
- ◆ Disability injury frequency rate (FR) and disability injury severity rate (SR) both at 0

#### Long-term Goals

- ◆ Maintain zero occupational accidents annually for at least three years, with disability injury frequency rate (FR) and disability injury severity rate (SR) both at 0



Corresponding chapters |  
4.2 Occupational Health and Safety

GRI  
indicators

GRI 403:  
Occupational Safety and Health 2018



## Occupational Safety and Health

### Major themes

#### Annual actions and achievements

##### Prevention and Mitigation of Negative Impact Management

- ◆ In 2023, a total of NT\$326,886 was allocated for external audit inspections in environmental, safety, health, and fire protection activities
- ◆ To enhance manpower resources for occupational safety and health management, a total subsidy of NT\$67,551 was provided in 2023 to assist colleagues in obtaining 49 relevant occupational safety and health management certifications
- ◆ We conducted regular drills of emergency scenarios and developed corresponding response measures to reduce losses caused by emergency accidents. In 2023, there were no severe occupational accidents or occupational disease-related cases
- ◆ Fudy adheres to occupational safety and health regulations and company policies at each business location. We implement occupational safety and health management and disaster prevention through the PDCA management cycle. The Fudy Taipei Headquarters complies with the Responsible Business Alliance (RBA) Code of Conduct 7.0, Fuyang Dongguan complies with Supplier Ethical Data Exchange (SMETA-2P), and Fuyang Suzhou complies with ISO 45001:2018 Occupational Health and Safety Management System and Supplier Ethical Data Exchange (SMETA-4P) for occupational safety and health management.
- ◆ In 2023, we conducted hazard control for 5 Level IV health managers, adjusted their positions, and implemented follow-up management measures through annual occupational health examinations
- ◆ We completed 12 fire safety evacuation drills and carried out 29 occupational safety, environmental, and fire inspections in 2023, enhancing Fudy's occupational safety and health management level

##### Positive Impact Management

- ◆ To enhance workers' safety awareness and continuously improve occupational safety and health, a total of 6,072 hours of occupational safety education and training were conducted in 2023, with 1,862 participants trained, averaging 3.26 hours per person
- ◆ Fudy values the physical, mental, and emotional health of its workers. In 2023, a total of 603 Fudy employees underwent general health checks, and 178 underwent special health checks. Nurses and medical staff implemented health education and health tracking checks based on the examination results
- ◆ In 2023, NT\$112,061 was invested in a one-day vegetarian event to encourage employees to consume more vegetables and less meat, promoting overall well-being

##### Annual Achievements

- ◆ Zero severe occupational accidents; 5 minor or above accident incidents
- ◆ Disability injury frequency rate (FR) for employees at 2.50 and non-employees at 2.14; employee disability injury severity rate (SR) at 82

Following a review of the causes of accidents by relevant departments, safety knowledge training has been conducted for each case, along with on-site safety education to enhance employee safety awareness. Moving forward, we will strengthen pre-employment occupational safety and health education for new employees and have supervisors rigorously oversee operational procedures in daily work to prevent accidents.





## Human Rights Protection

### Major themes

Corresponding chapters |  
6.4 Human Rights Protection

GRI  
indicators

GRI 202-1, GRI 404-2, GRI 405,  
GRI 406, GRI 407, GRI 408, GRI 409

### Corresponding chapters

#### + Positive Impact

By formulating a comprehensive human rights policy to safeguard the rights of employees, we aim to enhance job satisfaction, attract more outstanding job seekers and partners, cultivate a diverse and inclusive team, increase market competitiveness, and demonstrate Fudy's commitment to social responsibility.

#### - Negative Impact

Failure to prioritize human rights protection as a key operational concern may result in neglecting employee rights, leading to violations of human rights regulations, legal lawsuits, and substantial fines. This could damage the company's brand image, erode confidence among business partners and investors, lead to the termination of partnerships or withdrawal of investments, and create financial burdens.

### Policies and commitments

We adhere to relevant labor laws and uphold international human rights conventions, ensuring gender equality, labor rights, and prohibiting any form of discrimination. We prohibit the use of child labor and forced labor, respect employees' freedom of association and collective bargaining rights, arrange work hours and breaks appropriately, and provide fair wages and benefits.

### Responsible units

Fudy Taipei Headquarters: Finance  
Department Fuyang Dongguan  
Factory: Management Department  
Fuyang Suzhou Factory: Manage-  
ment Department

### Tracking management mechanism

- Regularly conduct internal and external audits of human rights standards at each operational site
- Consistently adhere to the Responsible Business Alliance Code of Conduct, Supplier Ethical Data Exchange (SMETA-4P), and Sedex Social Responsibility Audits

### Complaint mechanism

- Sexual harassment complaint hotline :  
+886-2-2226-5868 #106 (Taiwan)  
+86-769-85824620#178 ( Dongguan)  
+86-512-62716091#328 (Suzhou)
- Complaint email:  
fudy\_hr@mail.fudy.com.tw (Taiwan)  
person@fuyangprint.com (Dongguan)  
nj@mail.fuyangpacking.com (Suzhou)

### Objectives

#### Short-term Goals

- Completion rate of human rights-related courses for employees in all three factories: 95%

#### Medium-term Goals

- Completion rate of human rights-related courses for employees in all three factories: 99%

#### Long-term Goals

- Percentage of employees from diverse categories ≥ 8%

### Annual actions and achievements

### Prevention and Mitigation of Negative Impact Management

- In 2023, a union meeting was held at the Fuyang Suzhou Factory for female employees to establish a collective agreement, covering 100% of the total workforce
- Strict adherence to the company's human rights policy resulted in no incidents of discrimination, related complaints, violations of freedom of association and collective bargaining rights, child labor, forced labor, major labor disputes, delayed accumulation of employee opinions and complaints in 2023
- Each operational site undergoes annual human rights audits, with 4 internal reviews and 13 external audits in 2023, all yielding no major anomalies
- A total of 6 labor-management meetings were held in 2023, with 4 at the Fudy Taipei Headquarters, 1 at the Fuyang Dongguan Factory, and 1 at the Fuyang Suzhou Factory, providing a platform for communication to foster a fair and humane work environment

### Positive Impact Management

- In 2023, the Taipei Fudy Headquarters achieved the EcoVadis Bronze Medal recognition, while the Fuyang Suzhou Factory achieved the EcoVadis Bronze Medal in both 2019 and 2022, showcasing consistent excellence
- Fudy upholds an equal employment recruitment policy. In 2023, there were 33 female managers, accounting for 4.44% of all managers, providing equal career development opportunities for both genders
- In alignment with SDG 8, Fudy employed 25 individuals from minority groups (including indigenous and ethnic minorities), 19 foreign staff, and 2 individuals with disabilities, creating a diverse, inclusive, and equal-friendly workplace environment with a representation of 6.18% employees from diverse backgrounds
- Implementing a fair salary system without gender discrimination, the male-female salary ratio for managers at the Taipei Fudy Headquarters in 2023 was 0.74:1, and for non-managers was 0.80:1; for the Fuyang Dongguan Factory, it was 1.26:1 for managers and 1.36:1 for non-managers; and for the Fuyang Suzhou Factory, it was 0.96:1 for managers and 1.22:1 for non-managers

### Annual Achievements

- In 2023, a total of 1,816.5 hours were dedicated to human rights training courses, with an average completion rate of 90.73% for human rights-related courses for employees in all three factories. Specifically, the training rate was 97.48% for employees at the Taipei Fudy Headquarters, 81.69% for the Fuyang Dongguan Factory, and 93.02% for the Fuyang Suzhou Factory. While the short-term goal of achieving a 95% completion rate for human rights courses for employees in all three factories has not yet been met, future plans include developing more diverse annual human rights education training courses to actively promote and implement policies for the protection of employees' human rights.



# 02

## Fudy, Your Product Packaging Consultant

28	Chapter Highlights
29	2.1 About Fudy
33	2.2 Financial Performance
35	2.3 Engagement in Industry Associations and External Organizations



## Fudy, Your Product Packaging Consultant



### Chapter Highlights

#### UN SDGs Indicators

#### Sustainable Performance



**SDG 8**  
就業與  
經濟成長

- Fudy's total revenue reached 2.2 billion NTD in 2023
- Taipei Headquarters experienced approximately 16.5% year-over-year revenue growth



**SDG 12**  
永續消費  
與生產

- Innovative technology converts oyster and eggshells into eco-friendly packaging materials, SGS Eco Product certified
- Sustainable packaging options include: FSC® paper products, bio-based plastic materials GEXTM/GMXTM, paper-plastic composites, all-paper structural design, paper cushioning materials, and mineral oil-free ink printing



**SDG 17**  
全球夥伴

- Taipei Fudy Headquarters participated in the "Yu Shan ESG Sustainable Initiative Action" for two consecutive years, committing to the 2050 net-zero target alongside hundreds of other companies

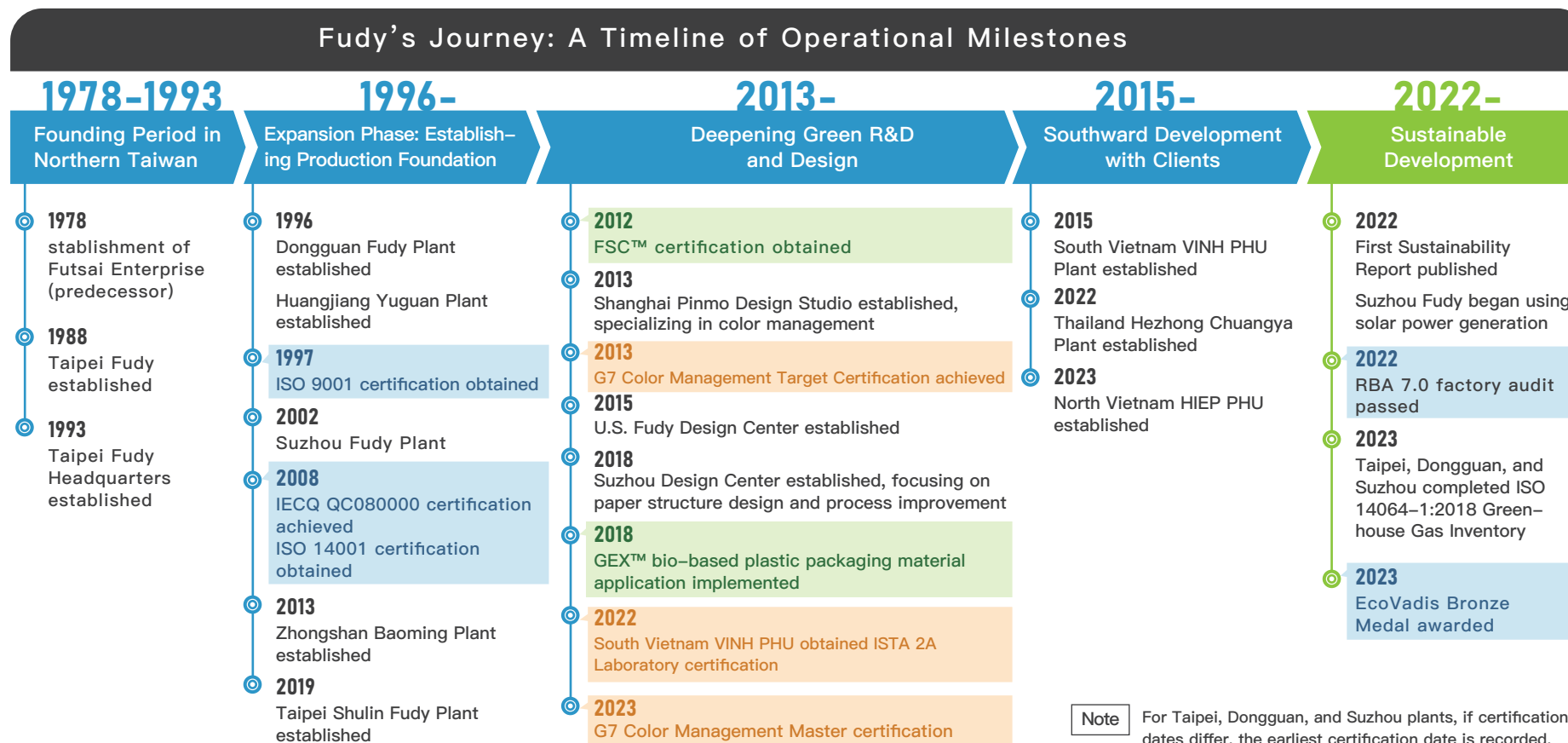


# Fudy, Your Product Packaging Consultant

## 2.1 About Fudy

Established in 1978 as Futsai Enterprise, Fudy has been a cornerstone in the packaging industry for over four decades. Headquartered in Taiwan, the company has expanded its operations to include manufacturing facilities across Taiwan, Thailand, the United States, Vietnam, and mainland China. Committed to sustainable innovation, Fudy has strategically positioned design and R&D centers in California, Taipei, Suzhou, and Shanghai, enhancing its capabilities in eco-friendly product development.

Under the leadership of Chairman Huang Lien-Feng, Fudy embodies the ethos of "Innovative Breakthroughs, Pursuit of Excellence." Over four decades, Fudy has consistently surpassed expectations, adapting to evolving customer needs and successfully transitioning from a traditional printing facility to a leader in sustainable, eco-friendly packaging solutions. By offering comprehensive packaging solutions to domestic and global clients, Fudy has revitalized the industry and embraced sustainable development.





## 2.1 About Fudy

## 2.2 Financial Performance

## 2.3 Engagement in Industry Associations and External Organizations

Fudy			
Company Name	FUDY PRINTING CO., LTD.	Dongguan Fuyang Printing Co., Ltd.	Suzhou Fuyang Printing Co., Ltd.
Ownership Structure	Privately held company		
Capital	NT\$ 60 million	US\$ 5.1 million	US\$ 9.19 million
Year of Establishment	1988	1998	2001
Chairman	Huang Lien-Feng		
General	Wu Hui-Ming	Hsu Xian-bao	Zhao Chao-Gang
Operational	7F-5, No. 496, Bannan Road, Zhonghe District, New Taipei City, Taiwan	No. 3, Yiheng Lane, Baotun Industrial Zone, Houjie Town, Dongguan City, Guangdong	No. 42, Qiye Road, Suzhou Industrial Park, Suzhou, China
Main Products	Color boxes, corrugated boxes, hardcover boxes, corrugated cartons, molded pulp, vacuum-formed		
Key Operational Locations	Taiwan, mainland China, Vietnam, Thailand, California, USA		
Service Markets	Europe, USA, Mexico, Japan, Vietnam, Thailand, China		

To drive packaging innovation and deliver comprehensive solutions, we have invested in a full spectrum of advanced hardware and software, along with skilled design professionals. Recognizing the vital role packaging plays in our customers' sustainable supply chains, Fudy proudly positions itself as "Your Product Packaging Consultant." Beyond our cutting-edge equipment, we are committed to enhancing our soft power, focusing on research capabilities, design expertise, problem-solving skills, management proficiency, and data security. We offer a diverse range of product options, including color boxes, corrugated boxes, hardcover boxes, corrugated cartons, molded pulp, vacuum-formed plastics, stickers, instruction manuals, packaging bags, posters, various cushioning materials, and comprehensive packaging support services aligned with sustainability principles.

Fudy is committed to the core values of "Integrity," "Care," and "Sustainability." We have established robust strategies and action plans encompassing corporate governance, social responsibility, and environmental protection. These efforts ensure the preservation of sustainable product values while driving business growth. We place a strong emphasis on employee development and encourage self-improvement, providing comprehensive training and advancement opportunities to support their professional growth. In collaboration with our business partners, customers, and employees, Fudy aims to effectively contribute to environmental sustainability. Through these endeavors, we strive to achieve the goal of mutual prosperity for the enterprise, society, and the environment.

## Fudy's 5 Forces: Driving Customer Satisfaction

### 01 Research Capability

We invest in R&D, conducting experiments and tests to pioneer innovative technologies and materials. This enables us to create precise, tailored packaging solutions that meet diverse product needs.

### 02 Design Expertise

Our in-house design team, specializing in graphic structure and 3D technology, leverage rich experience to deliver precise and imaginative product packaging designs.

### 03 Problem-Solving Acumen

Leveraging our global presence and extensive resources, we offer comprehensive planning services. We oversee every aspect of the printing process, from design and production to logistics, ensuring seamless execution.

### 04 Management Excellence

We hold national-level management certifications and employ multiple testing simulations. This ensures meticulous handling throughout our operations- from raw materials selection and, precise manufacturing, to environmentally friendly product care for our customers.

### 05 Data Security Commitment

We maintain stringent and independent production processes, prioritizing the protection of customer information. We establish tailored confidentiality agreements and implement high-standard information controls to meet specific requirements.

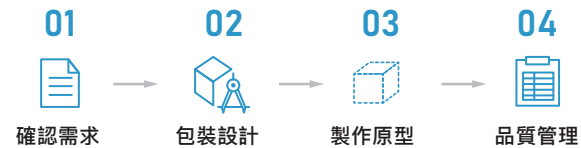


## One-stop service

Fudy provides comprehensive one-stop services, ranging from design, sampling, quality control, production, assembly, and logistics. With our extensive industry experience, we meet customers' high-quality requirements for products and services. Our products are developed and designed by structural designers. Customer confirmation samples are efficiently produced through automated printing equipment. We strictly adhere to industry-standard testing processes for product quality management and have established a complete warehouse management and logistics transportation mechanism to ensure timely and perfect product delivery.

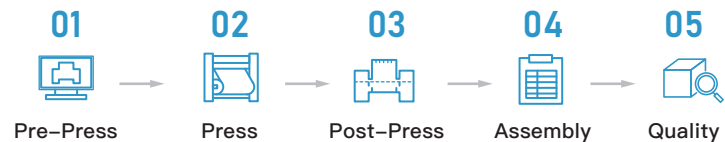
### Product Packaging Design

**Conveying Brand Value** | Through our design centers in North America and Asia, we engage in ongoing discussions with clients to provide packaging structural design solutions



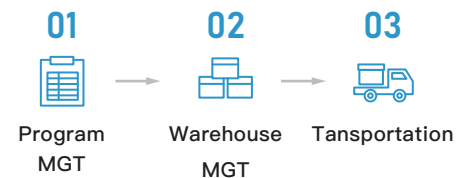
### Production Process

**Steps from Concept to Realization** | Our confidential workshops offer efficient sampling services, leveraging precise production techniques to deliver high-quality mass production capabilities for customized assemblies



### Logistics Management

**Professional Warehouse and Transportation Management** | Our well-established warehouse and transportation management system ensures timely fulfillment of customers' packaging needs



For many years, Fudy has been dedicated to researching and developing innovative materials and products, offering diverse combinations to meet customer demands. In recent years, as global sustainability awareness has risen, we recognize the constant presence of manufacturing and consumption cycle. Being part of the industry chain, we understand that even small changes can significantly reduce the environmental impact. To address this, we have partnered with a biotechnology research company to establish an exclusive laboratory focused on developing more environmentally friendly packaging materials. Leveraging our expertise in structural design and printing technology, we collaborate with customers and supply chains to reduce plastic usage, minimize waste, promote biodegradability, and encourage recyclability, fostering a positive cycle together.



## 2.1 About Fudy | 2.2 Financial Performance | 2.3 Engagement in Industry Associations and External Organizations

Following the international 3R1D principles and starting from ecological waste management, we utilize innovative technologies to repurpose natural waste into aesthetically pleasing green and environmentally friendly packaging materials. We have successfully transformed oyster shells and eggshells into eco-friendly packaging materials, verified by SGS Eco Product certification. Our comprehensive range of sustainable packaging solutions includes: FSC® paper products, bio-based plastic materials GEXTM/GMXTM, molded pulp, all-paper structural designs, paper cushioning materials, mineral oil-free ink printing, and more, providing customers with a comprehensive range of environmentally friendly packaging solutions.

### Sustainable Environmental Packaging

- ◆ GEXTM/GMXTM Bioplastic
- ◆ FSC® Sustainable Forest Paper
- ◆ Plastic-Free Biodegradable Protective Film
- ◆ Molded Pulp
- ◆ Paper Tape





## 2.2 Financial Performance

In 2023, Fudy's total revenue reached NT\$2.2 billion, a slight decrease of 0.72% compared to 2022. This decline was mainly due to the global economy economic challenges, including high inflation and interest rates, which led to a slowdown in manufacturing activities and reduced demand. Geopolitical factors prompted many customers to relocate production to Southeast Asia, impacting revenue at our Dongguan and Suzhou plants.

The slow post-pandemic economic recovery prolonged industry inventory adjustments, exacerbating market uncertainties. Businesses faced multiple challenges, including labor shortages, rising costs, fragmented demand, and inflation pressures.

Despite these obstacles, Taipei Fudy headquarters of Fudy achieved remarkable growth, with annual revenue increasing by 16.5% year-over-year, demonstrating strong market competitiveness and resilience. To mitigate supply chain risks, we actively expanded our presence in Southeast Asia, investing in packaging factories in Vietnam, Thailand, and other regions. In 2023, our affiliated, North Vietnam Rich Green Packaging Technology, completed the construction and commenced operations of its factory.

This strategic adjustment enhances our ability to provide flexible, high-quality services and products to customers. Moving forward, we will continue to monitor market trends, diversify our customer base, develop green alternative materials, optimize talent and resource allocation, establish stronger partnerships, and maintain our competitive edge while striving for sustainable development goals.

Project (Unit: NTD '000)		2021	2022	2023
Generated Direct Economic value	Revenue	2,285,015.44	2,223,426.78	2,207,405.68
Distributed Economic Value	Operating Costs	1,847,684.00	1,712,741.00	1,500,786.66
	Employee Salaries and Benefits	268,653.00	267,774.00	227,554.12
	Payments to Onvestors	4,062.00	5,357.00	4,457.53
	Community Investments	162.00	308.00	458.00
Total Distributed Economic Value		2,120,561.00	1,986,180.00	1,733,256.31
Retained Economic Value		164,454.44	237,246.78	474,149.37

**Note** Due to adjustments in the distributed direct economic value items starting from 2023, data for the past three years has been recalibrated to ensure accurate tracking of data changes.



## Government Financial Assistance

In the fiscal year 2023, Fudy received financial assistance from the public sector, totaling 17,107.81 thousand New Taiwan Dollars (NTD). This included 135.04 thousand NTD in on-site health service subsidies for the Taipei headquarters. The Dongguan Fuyang factory primarily benefited from tax exemptions for vulnerable groups and stable job subsidies, amounting to 674.78 thousand NTD. Our Suzhou Fuyang plant secured 16,297.99 thousand NTD through three specific assistance projects.



Facility	Subsidy Program	Amount (Thousand NTD)
Taipei Headquarters	Ministry of Labor, Occupational Safety and Health Administration - On-site Health Service Subsidy for SEMs	135.04
DongguanFuyang Plant	EmploymentStabilitySubsidy	4.32
	Tax Incentives for Priority Groups	670.46
Suzhou Fuyang Plant	R&D Expense Tax Deduction	46.91
	High-Tech Enterprises Preferential Tax Rate	15,700.30
	Employment Stability Subsidy	550.78
Total		17,107.81

**Note** RMB amounts converted to NTD using Cathay United Bank's central exchange rate of 4.32 as of December 29, 2023.



## 2.3 Engagement in Industry Associations and External Organizations

Fudy actively engages with industry associations and external organizations across our operational sites. Through collaborative initiatives, knowledge exchange, and networking, we foster strategic partnerships aimed at advancing sustainable development, promoting industry growth, and implementing ESG best practices. This engagement allows us to leverage our expertise and influence to drive positive change within our sector and beyond.

Associations/Initiatives	Participating Facilities
Taiwan Climate Alliance	Taipei Headquarters
New Taipei City Industrial Association	
ESG Initiative by Yuanshan	
International Safe Transit Association, ISTA	
EcoVadis	
Responsible Business Alliance, RBA	Dongguan Fuyang Plant
Dongguan Taiwan Investment Enterprises Association (Houjie Sub- Association)	
Dongguan Social Security Association	
Dongguan Printing Industry Association	
Houjie Town General Union of Dongguan City	
Sedex (Supplier Ethical Data Exchange)	Suzhou Fuyang Plant
Suzhou Printing Industry Association	
Suzhou Industrial Park Taiwanese Enterprises Association	
Suzhou Industrial Park Foreign Investment Enterprises Association Suzhou Industrial Park	
Chamber of Commerce	
EcoVadis	Suzhou Fuyang Plant
Sedex (Supplier Ethical Data Exchange)	



- ▲ For two consecutive years, Taipei Fudy headquarters has participated in the "Yuanshan ESG Sustainable Initiative Action". This engagement demonstrates our firm commitment to sustainability. Alongside over a hundred corporate representatives, we reaffirmed our pledge to achieve net-zero emissions by 2050, aligning with global climate goals.



# 03

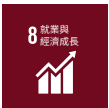


## Integrity, Care, and Sustainable Business Operations

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# Integrity, Care, and Sustainable Business Operations

## Chapter Highlights

UN SDGs Indicators	Sustainable Performance
 <b>SDG 4</b> 優質教育	<p>◆ In 2023, the total training hours for Fudy's Board of Directors and senior executives amounted to 38.5 hours, with an average of 7.7 hours per person.</p>
 <b>SDG 8</b> 就業與經濟成長	<p>◆ In 2023, Fudy underwent external audits conducted by third-party verification agencies for all systems, with no significant issues identified. All certifications remain valid and renewed.</p>
 <b>SDG 9</b> 永續工業、 產業創新、 韌性基礎建設	<p>◆ In 2023, no complaints related to customer privacy infringements or loss of customer data were received.</p> <p>◆ In 2023, Taipei Fudy completed 80% of the replacement progress for outdated information security hardware and software .</p> <p>◆ In 2023, Fudy upgraded the network firewall firmware, continuously enhancing the security of remote VPN access</p> <p>◆ In 2023, Fudy conducted information security education and training for a total of 150 participants, totaling 165 hours</p>
 <b>SDG 16</b> 和平與正義 與制度	<p>◆ In 2023, an anti-corruption training program was conducted, with a total of 891 participants, accounting for 95.19% of the total staff.</p> <p>◆ In 2023, the signing rate for the Employee Integrity Commitment reached 90.88%, while the signing rate for the Supplier Social Responsibility Commitment was 82.23%.</p> <p>◆ In 2023, comprehensive corruption assessments were conducted for the three main operational sites, accounting for 100% of the evaluation, with no significant corruption risks identified.</p> <p>◆ In 2023, Fudy and its main operational sites did not violate any major regulatory requirements.</p> <p>◆ In 2023, regulatory education and training sessions were conducted, with a total of 518 participants and a cumulative training duration of 1,001 hours.</p>

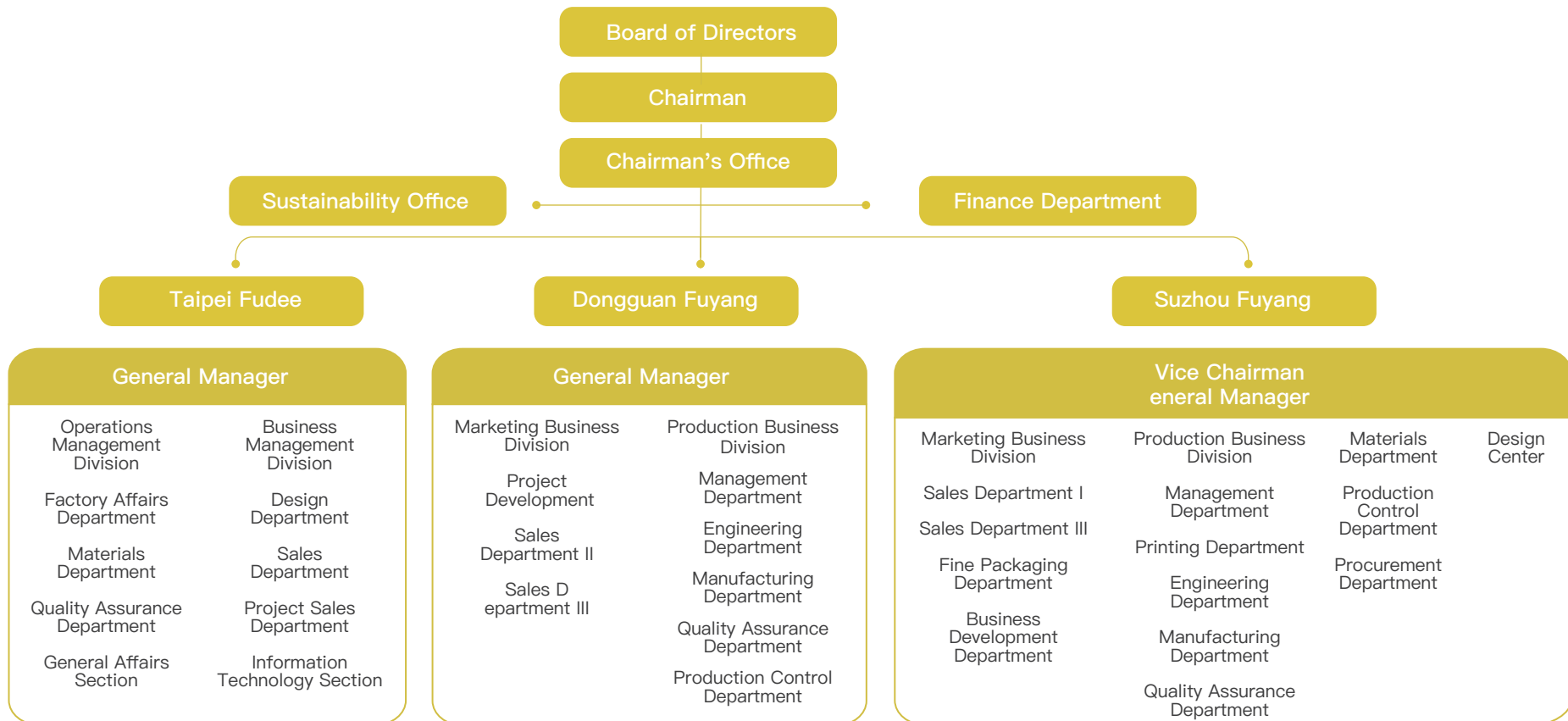


## 3.1 Company Overview

In 2023, Fudy established a Sustainability Office responsible for coordinating, promoting Fudy's sustainability projects, and tracking the sustainability performance of each plant.

We uphold "Integrity, Care, Sustainability" as the fundamental principles of our operations and "Perfect Service, Stable Growth, Pursuit of Corporate Sustainable Development" as our corporate mission. Through governance and supervision from the Board of Directors, we examine the inseparable relationship between the business and the environment. Under the leadership of Chairman Huang Lianfeng and other senior executives, we identify and assess sustainability issues by conveying our philosophy and vision, and formulate short, medium, and long-term goals accordingly. Simultaneously, we integrate resources to gradually increase the proportion of environmentally friendly materials in our products. Environmental friendliness is not just a corporate social responsibility but also a driving force rooted in our original intentions. We are committed to making a better promise to society for a sustainable future.

### Organizational Structure of Fudy and Its Affiliated Companies





## 3.2 Composition and Operation of the Board of Directors

Fudy is a privately held limited company, with the Board of Directors serving as the highest governance body. The current board consists of 6 directors, with no independent director position established yet. To strengthen corporate governance effectiveness, we will continue to evaluate the addition of external independent directors in the future to ensure the board's independence and efficient operation. The directors do not belong to any disadvantaged social groups, with only one female director, accounting for 17%. We will persist in enhancing board diversity to ensure inclusivity and equality at all levels of the company.

Board of Directors		Title	Name	Gender	Other positions held in the company	Age	Professional and industry experience	Number of board meetings attended/ attendance rate
Taiwan Fudy Headquarters	Dongguan Fuyang Plant and Suzhou Fuyang Plant							
●	●	Chairman	Huang Lianfeng	Male	N	61–70	Strategic Operations	4/100%
●	●	Director	Huang Yuyuan	Male	Y	51–60	Business Management	4/100%
●		Director	Huang Chengyu	Female	N	31–40	Sustainable Development	4/100%
	●	Director	Hsu Xianbao	Male	Y	51–60	Production Processes	4/100%
	●	Director	Liao Shuichung	Male	N	61–70	Industry Expertise	4/100%
	●	Director	Wu Wanglong	Male	Y	41–50	Accounting and Financial Analysis	4/100%

The selection of board members is based on relevant regulations and the company's bylaws of each plant area. Members are elected or appointed by the shareholders' meeting, with the possibility of consecutive terms. The current board was re-elected in January 2022 for a term from January 2022 to January 2025. Board members possess diverse capabilities in areas such as industry expertise, strategic operations, financial analysis, business management, production processes, and sustainable development. They also bring rich business experience to provide concrete policy approaches, enhancing the company's foresight and rigor in operational management, thereby improving operational efficiency, risk management, and industry trend insights.

To further strengthen corporate governance and promote sustainable development, we will continue to enhance the board members' knowledge in areas such as environmental sustainability, climate risks, and labor rights, reinforcing the board's oversight of international sustainable development trends. We will also plan to establish relevant "Board Nomination Regulations" to develop a more comprehensive system and procedures.

In 2023, Fudy convene a total of 4 board meetings with a 100% attendance rate of all directors. The meetings discussed and resolved matters such as company investments and capital increases, as well as addressed the introduction of an energy management system, progress in using green energy, and investments in equipment at the North Vietnam plant. Additionally, to align with international sustainable development trends and continue promoting Fudy's sustainable operations, the company established a Sustainability Office under the jurisdiction of the Chairman's Office.



### 2023 Fudy Board Meeting Overview

Number of meetings held	4 (2 online meetings, 2 in-person meetings)
Average attendance rate (%)	100%
Key Resolutions in 2023	<ul style="list-style-type: none"> <li>◆ Capital increase for the Fuyang Plant in North Vietnam.</li> <li>◆ Release of the 2023 ESG Sustainability Report.</li> <li>◆ Implementation of energy management systems and evaluation of green energy usage at operational sites in Taipei, Dongguan, and Suzhou.</li> <li>◆ Establishment of a Sustainability Office and appointment of a full-time Sustainability Manager.</li> </ul>

In 2023, the Fudy Board of Directors held discussions on a total of 1 factory capital increase issue and 3 significant events related to sustainable development.

### Conflict of interest prevention

The Chairman of Fudy, the highest governing body, is Chairman Huang Lianfeng, who does not hold any other senior management positions within the company. Currently, the company has explicitly outlined in its "Code of Ethics and Conduct" that all employees must remain vigilant to avoid potential conflicts of interest, with approval and enforcement overseen by the Chairman. In the future, we will continue to develop a "Code of Ethics" for board members, incorporating guidelines on conflicts of interest. Through robust conflict of interest policies, board members will be required to uphold high ethical standards, demonstrate a sense of self-awareness, and fulfill their managerial ethical duties diligently and faithfully. This will help Fudy establish clearer guidelines for board members on actions to take when faced with conflicts of interest, fostering a transparent and morally sound corporate culture.

### Appointment of supervisors

In accordance with the company's governance charter, each of the Fudy Three Plants' boards of directors appoint a supervisor selected and appointed by the shareholders' meeting for a three-year term. The Dongguan Fuyang Plant and the Suzhou Fuyang Plant also strictly prohibit company directors and senior executives from concurrently serving as supervisors to effectively oversee company interests and safeguard shareholder rights. The primary duties of the supervisors include:

- ◆ To examine the company's financial affairs.
- ◆ To supervise the performance of duties by directors and senior management personnel. They may propose the removal of directors and senior management personnel who violate laws, administrative regulations, the company's articles of association, or shareholders' resolutions.
- ◆ To demand rectification from directors and senior management personnel when their actions harm the company's interests.
- ◆ To propose the convening of extraordinary board meetings.
- ◆ To submit proposals to the shareholders.
- ◆ To initiate legal proceedings against directors and senior management personnel in accordance with Article 152 of the Company Act. Supervisors may attend board meetings in a non-voting capacity and may raise questions or offer suggestions regarding matters resolved by the board of directors.





## Continuing Education for the Board of Directors and Senior Executives

To enhance the company's governance and risk management capabilities in response to the rapidly changing business environment, the members of the Fudy Board of Directors are dedicated to improving their industry expertise and enriching their corporate governance experience. In a competitive business landscape, continuous self-improvement is essential for sustainable operations. Fudy continuously strengthens information dissemination and training programs based on the needs and feedback of each board member to enhance and consolidate the collective intelligence of the highest governing body in sustainable development. This effort aims to improve decision-making quality and fulfill leadership and supervisory functions effectively.

### Training and Development of Fudy's Board Members and Senior Executives in 2023

Course Title	Organizer	Duration (hours)	Participant
The "Towards 2030 New Future: Smart Sustainable Summit" forum.	The Taipei Tech College of Management X Taipei Tech EMBA Alumni Association	6	Chairman Huang Lianfeng
2023 Global Sustainability Focal Forum	Taiwan Institute for Sustainable Energy	3	Director Huang Cheng-Yu of the Taipei Fudy Headquarters (Chair of the Sustainability Promotion Committee)
The 2023 interpack Exhibition Forum	Messe Düsseldorf GmbH.	9	Director Huang Cheng-Yu of the Taipei Fudy Headquarters (Chair of the Sustainability Promotion Committee)
2023 Sustainable Future: Comprehensive Low-Carbon Innovation Blueprint	KPMG Taiwan, Taiwan Institute for Sustainable Energy, and the Chung-Ting Education Foundation	3	Director Wu Wanglong
The Sustainable Leadership, Leveraging Influence – 2023 Leadership ESG Sustainability Forum.	Leadership in Business Management	5	General Manager Wu Huiming of the Taipei Fudy Headquarters
An Overview of the Corporate ESG Low-Carbon Transformation Development Pathways.	The JiaDian ESG Academy	3	General Manager Wu Huiming of the Taipei Fudy Headquarters
Accelerating Transition in Global Change: Perspectives of Opportunities and Challenges	Taiwan Institute for Sustainable Energy, National Taipei University College of Business	3	General Manager Wu Huiming of the Taipei Fudy Headquarters
Towards a green new future: Enterprises respond to the EU's new carbon net-zero transformation	Taiwan Institute for Sustainable Energy, SGS Taiwan Inspection Technology	3.5	General Manager Wu Huiming of the Taipei Fudy Headquarters
The digitization and smartification of carbon management in the dual carbon theme	The Energy Management Department of the Suzhou Government	3	General Manager Zhao Chaogang of Suzhou Fuyang



In 2023, the total training hours for the Fudy Board of Directors and senior executives amounted to 38.5 hours. Among them, the total training hours for board members reached 21 hours, with an average of 3.5 hours per board member. Continuous training for board members not only enhances individual capabilities but also drives the overall development of the company. In the future, Fudy will continue to organize training sessions on economic, environmental, and social issues related to operations to enhance the company's expertise and capabilities in sustainable development, thereby increasing the company's competitiveness in the global market.

## The Compensation Policy for Directors and Managers

The Fudy Board of Directors has not yet established a specific performance evaluation mechanism. In the future, we will continue to plan relevant evaluation mechanisms, set evaluation criteria, and introduce diverse assessment methods to ensure the board's performance effectiveness, enhance corporate governance quality, and decision-making efficiency. The annual remuneration for board members includes director's fees, salaries, and bonuses (the latter two only for those who hold dual positions as employees); while the remuneration for senior executives includes salaries, bonuses, and retirement benefits. The determination of director compensation mainly depends on the company's operating profit, and salary assessments for senior management are conducted in accordance with the company's "Salary Management Regulations." These assessment criteria include factors such as the company's financial performance, achievement of performance targets, leadership abilities, and contributions. Apart from the above, senior executives do not receive any other significant special benefits, and their retirement benefits are handled in accordance with legal regulations, similar to other employees.

To enhance the professional conduct , professional ethics, and professional competence of our company and all employees, Fudy clearly stipulates in the "Code of Ethics and Conduct" that individuals who violate the regulations shall not only return any improper benefits obtained but also face disciplinary actions based on the severity of the violation. These actions may include withholding performance bonuses, year-end bonuses, dividends, dismissal, demotion, or even legal measures. We expect all employees, including managers, to fulfill their responsibilities in management and supervision, strictly adhere to professional ethics, and ensure the sustainable growth and development of the company.

## The Compensation Structure

Currently, the ratio of the annual total income of the highest-paid individual to the median annual total income of other employees (excluding the highest-paid individual) at each of Fudy's operational locations ranges from 4.66:1 to 3.66:1. Based on the data from 2023, the median ratio of the percentage increase in the annual total income of the highest-paid individual to the percentage increase in the annual total income of other employees (excluding the highest-paid individual) is 1.47:1 for the Taipei Fudy Headquarters, 0.96:1 for the Dongguan Fuyang Plant, and 1.09:1 for the Suzhou Fuyang Plant.

Operating Location	Highest to Median Annual Income : atio	Highest to Median Annual Income Increase Percentage : atio
Taipei Fudy Headquarters	4.54: 1	1.47: 1
Dongguan Fuyang Plant	3.66: 1	0.96: 1
Suzhou Fuyang Plant	4.66: 1	1.09: 1

These data illustrate the salary ratio trends across Fudy's operational locations, demonstrating our commitment to transparency and fairness in compensation structures. They ensure that the salary gap between senior executives and regular employees remains within a reasonable range, while also linking salary growth to individual contributions and the company's overall development.



### 3.3 Integrity Management

#### Integrity in Business and Commitment

At Fudy, we uphold "integrity management" as our core business philosophy, ensuring that all company members adhere to principles of integrity and comply with regulations. We maintain a zero-tolerance policy towards unethical behaviors such as bribery and prohibit unfair competitive practices, infringement of intellectual property rights, and the provision of products or services that may harm others' health and safety. To ensure effective management of integrity, Fudy has established a "Code of Professional Ethics and Conduct" for personnel at all levels. This code encompasses guidelines on "preventing conflicts of interest, opportunities for personal gain, confidentiality obligations, fair dealing, and protection and proper use of company assets." We require all personnel to conduct business activities with honesty and transparency.

To continuously strengthen our culture of integrity, we have established annual integrity management plans. Through educational training and value chain engagement, we ensure that all Fudy stakeholders clearly understand our commitment and determination to integrity management. Our Human Resources Department serves as the primary unit for implementing integrity training for employees. We utilize various communication channels, including active organization of educational training and promotional activities, to convey the importance of integrity management. In 2023, approximately 891 employees participated in anti- corruption courses, accounting for 95.19% of our total workforce. We also require our supply chain partners to sign a "Supplier Social Responsibility Commitment," ensuring all business partners adhere to the same ethical and social responsibility standards. This approach promotes trust and cooperation, mitigates risks associated with supplier non-compliance, and fosters stable, long-term business relationships.

Through a series of initiatives promoting integrity management, we ensure that company members fully understand, accept, and comply with anti-corruption measures, playing a crucial role in this area. We also engage meaningfully with stakeholders on our value chain on integrity management, jointly focusing on corporate social responsibility and ethical standards. We remain committed to our ongoing efforts to build a transparent and integrity-based business environment.





### Annual Review: Fudy's Integrity Management Program

Project	Target	Content	Execution Frequency	Achieve	Objectives	2023 Results
Internal Education and Training Programs and Commitments	All employees	Promotion of integrity management culture in new employee orientation	Intermittent	Y	<ul style="list-style-type: none"> <li>◆ Ensure all employees fully recognize the importance of integrity management</li> <li>◆ 80% of employees to sign the Employee Integrity Commitment in 2023</li> <li>◆ 100% of employees to sign the Employee Integrity Commitment by 2024</li> </ul>	<ul style="list-style-type: none"> <li>◆ 891 employees (95.19%) participated in anti-corruption courses</li> <li>◆ 90.88% of employees signed the Employee Integrity Commitment</li> </ul>
		Anti-corruption courses	Once per year	Y		
		Signing of "Employee Integrity Commitment"	Intermittent	Y		
Value Chain Engagement	Suppliers	Signing of "Supplier Social Responsibility Commitment"	Intermittent	Y	<ul style="list-style-type: none"> <li>◆ 50% of suppliers to sign the Supplier Social Responsibility Commitment in 2023</li> <li>◆ 90% of suppliers to sign the Supplier Social Responsibility Commitment by 2025</li> </ul>	<ul style="list-style-type: none"> <li>◆ 82.23% of suppliers signed the Supplier Social Responsibility Commitment</li> </ul>

## Whistleblowing and Prevention Systema

Fudy has established a "Code of Professional Ethics and Conduct" to handle violations of integrity management through transparent, open, and clear procedures, demonstrating our firm commitment to ethical business practices. We have publicly disclosed a whistleblowing channel on our company website, the "Integrity

Violation Reporting Mailbox," which is directly managed by the Chairman's Office. This provides all stakeholders with a transparent and accessible communication platform, showcasing the company's emphasis on integrity and determination, while effectively mitigating the impact of negative issues on our operations.

In 2023, our company conducted corruption-related assessments at our three main operational sites, covering 100% of our key operations. The assessment results identified no significant corruption risks, and there were no actual incidents related to corruption or ethical violations.



### 違反誠信經營守則檢舉信箱

檢舉信箱：fudy\_esg@mail.fudy.com.tw

檢舉專線：+ 886-2-2226-5868#301

受理單位：董事長室

檢舉不法人人有責，人員如有違反『誠信經營』原則，您可檢具事證透過電子信箱或專線電話向本公司 董事長室檢舉。

Regarding potential unreasonable or unfair treatment of employees, we have also established an internal "Employee Grievance and Whistleblowing Management Procedure." This procedure explicitly stipulates protective measures for complainants, ensuring they will not be subject to improper treatment or retaliation. We encourage employees to utilize various communication channels for grievances or reports. In 2023, we received one employee complaint/suggestion, which has been properly addressed, achieving a 100% case closure rate.



### 3.4 Regulatory Compliance

Fudy adheres to relevant laws, regulations, and industry standards, fulfilling its corporate social responsibility to employees, neighboring communities, regulatory authorities, and other stakeholders. Through regulatory compliance, we ensure that company operations are conducted within the legal framework, avoiding operational suspensions due to violations and safeguarding stable business operations. **In 2023, neither Fudy nor its main operational sites incurred any violations of major relevant regulations.**

#### Fudy defines instances of significant regulatory non-compliance

Category	Main Content
Financial Impact	If a regulatory violation results in fines or compensation exceeding NTD 100,000.
Operational Impact	If a regulatory violation leads to suspension or revocation of main production lines or operating permits, affecting operations for more than two weeks.
Reputational Impact	If a regulatory violation triggers significant media coverage, resulting in substantial damage to the company’s brand image or major public backlash.
Legal Liability	If a regulatory violation involves legal proceedings that may lead to high legal liabilities for the company (exceeding 1% of the company’s annual revenue).
Stakeholder Impact	If a regulatory violation severely affects key stakeholders (including customers, suppliers, employees, shareholders, etc.), leading to significant distrust or divestment actions by these stakeholders.

We routinely assess regulatory requirements, incorporating them into our company policies and procedures. Through targeted training sessions, we keep our workforce informed about pertinent international regulations and standards. In 2023, the total number of workers trained reached 518, with a total of 1,001 training hours. Fudy uses regulatory compliance to establish a sound internal control and compliance management system, enhancing corporate management standards and operational efficiency. This helps identify and mitigate internal risks, ensuring the legality and standardization of company operations. We aim to create a comprehensive, healthy, stable, and sustainable foundation for corporate governance.



## Annual Review: 2023 Regulatory Compliance Training

Course Topic	Operating Location	Number of Trainees	Total Training Hours
Human Rights, Anti-discrimination, Integrity Management	Taipei Fudy Headquarters	102	204
Integrity Management and Employee Interviews (including Human Rights, Anti-discrimination)		14	28
Type B Occupational Safety and Health Business Supervisor		1	35
Regulatory Training	Dongguan Fuyang Plant	367	666
Legal and Regulatory Knowledge Training	Suzhou Fuyang Plant	34	68
Total		518	1001

### 3.5 Risk management

To mitigate potential operational risks and achieve sustainable development, Fuddy implements risk management strategies across various aspects, including finance, operations, raw materials, talent, employee health, environment and safety, climate change and energy, and infectious diseases.

After identifying various risk issues, the Board of Directors and senior management develop response measures to mitigate or reduce potential impacts. Based on the type of risk impact, responsible units are assigned. These units are required to report their action plans and implementation results of response strategies at the annual business management meeting. The Board of Directors regularly reviews the effectiveness of the company's impact management during this meeting. The Chairman of the Board is responsible for overseeing impact management.





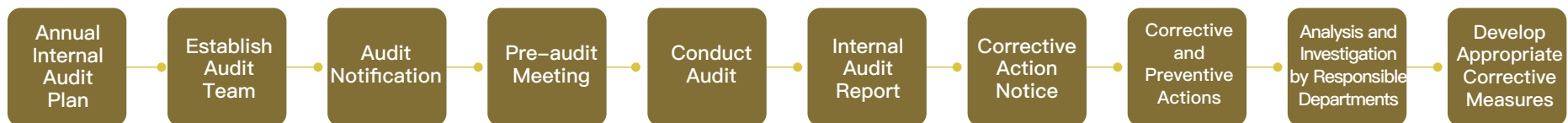
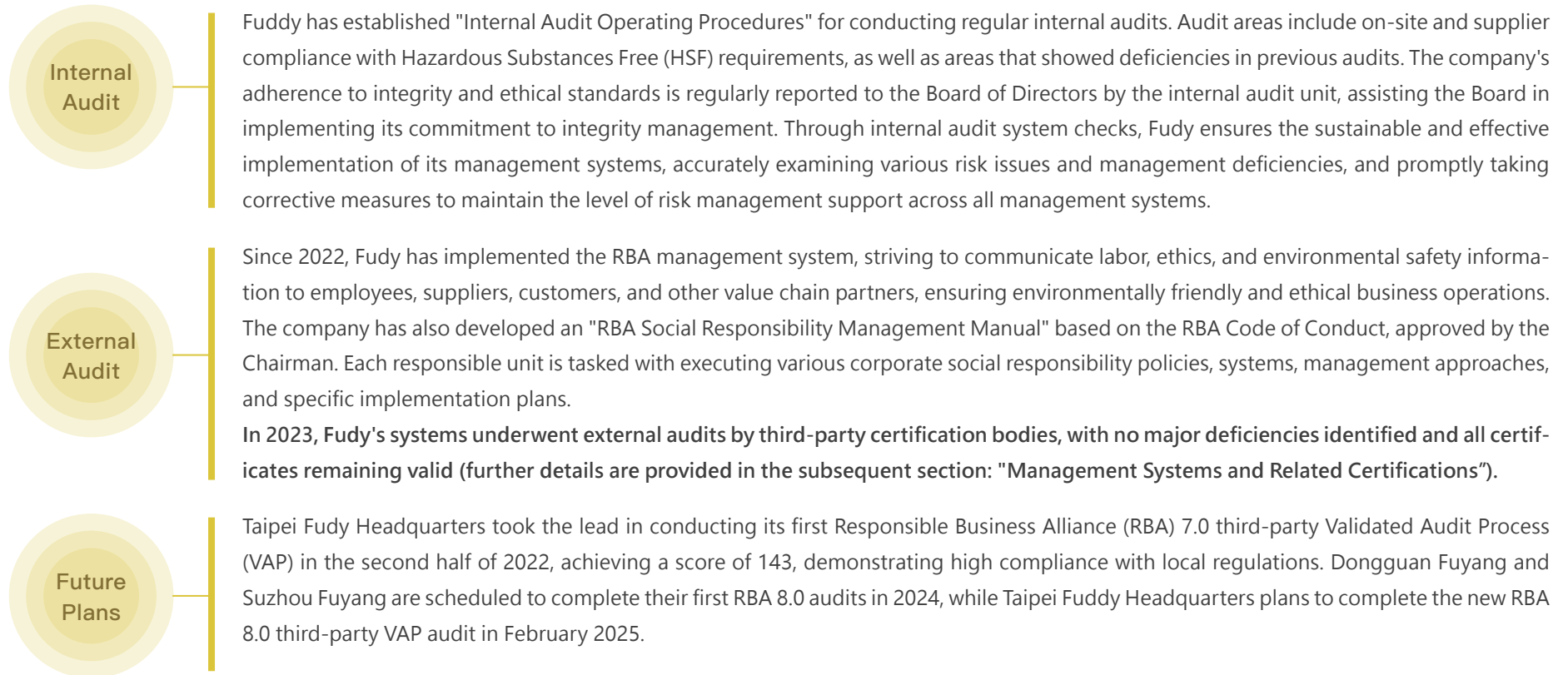
Risk Category	Identified Issue	Description	Current and Future Response Measures	Responsible Department
Financial	Financing transactions	Potential risks include financing, investments, liquidity management, and hedging against foreign exchange and interest rate fluctuations.	In the future, it is anticipated that a "Financial Risk Management Policy" will be formulated, and the financial department along with department heads will manage relevant risks in accordance with this policy.	Finance Department
	Customer bad debts	Customer bad debts resulting in delayed payments impacting the company's cash flow.	For new customer partnerships, the Finance and Sales departments investigate contracts and creditworthiness according to procedures, and strictly control final payment terms.	Finance DepartmentSales Department
Operations	Operations, regional politics	Regional political dynamics may impact operations to some extent, leading to increased costs and potentially causing major customers to relocate.	<ul style="list-style-type: none"> <li>◆ Actively expand into the ASEAN region, currently with factories in Thailand, South Vietnam, and North Vietnam, to mitigate operational risks stemming from potential regional political instability</li> <li>◆ Continuously maintain and manage customer relationships with existing key electronic factories, while making sustainable commitments and changes in response to customers' ESG performance requirements</li> <li>◆ Increase the proportion of new customer development to reduce dependence on major clients, and continuously improving technical, talent, equipment, and other supporting resources for different industries</li> </ul>	Management Department Quality Assurance Department
Raw materials	Material shortages, non-compliance of raw materials with environmental requirements	Risks include delayed supplier deliveries, material shortages due to quality incidents, and the use of materials that do not comply with regulations.	<ul style="list-style-type: none"> <li>◆ Establish an "Emergency Supply Interruption Contingency Procedure" to ensure stable raw material sourcing</li> <li>◆ Diversify supplier base, establishing multiple sourcing channels, and optimizing logistics flexibility</li> <li>◆ Mandate periodic environmental compliance testing from suppliers with validated third-party certifications</li> <li>◆ Enforce stringent quality control protocols for incoming materials to ensure adherence to standards</li> <li>◆ Implement comprehensive evaluation processes, including rigorous testing and environmental documentation, for all newly introduced materials</li> </ul>	Materials Department
Talent	Labor shortages, talent gaps	Aging management and talent gap	<ul style="list-style-type: none"> <li>◆ Mapping: Conduct a reevaluation of the organization, positions, and talent to ensure alignment with team and future strategic goals</li> <li>◆ Incentivization : Differentiate and nurture high-potential talent, foster a model work environment, enhance team dynamics, and attract top-tier professionals</li> <li>◆ Recruitment : Expand recruitment channels, including online apps and industry-academic collaborations</li> <li>◆ Development : Cultivate and educate core talents and key positions</li> </ul>	Human Resources Department Management Department Sustainability Office



Risk Category	Identified Issue	Description	Current and Future Response Measures	Responsible Department
Environment and safety health	Environment, occupational safety, employee health	<ul style="list-style-type: none"> <li>Lack of awareness of regulations leading to non-compliance, consequently affecting reputation and resulting in loss of orders</li> <li>The physical and mental health of employees directly impacts productivity and company operations</li> </ul>	<ul style="list-style-type: none"> <li>To ensure legal compliance in environmental management, we have established environmental management procedures such as the "Environmental Health and Safety Risk Identification Management Procedure," "Water Pollution Management Procedure," "Stormwater Management Procedure," "Energy Resource Management Operation Procedure," "Greenhouse Gas Inventory Procedure," "Waste Management Procedure," and "Chemical Substance Management Procedure." These procedures are posted on the internal website for all employees to follow</li> <li>In order to maintain the health of all employees, we have implemented preventive and comprehensive employee health management practices. We have on-site medical personnel and have developed relevant guidelines such as the "Occupational Health and Safety Work Guidelines," "Maternal Health Protection Plan," "Prevention of Musculo-skeletal Disorders Plan," "Prevention Plan for Diseases Triggered by Abnormal Workloads," and "Prevention Plan for Workplace Misconduct," aiming for optimal employee health management</li> </ul>	General Affairs Division Management Department Resources Department
Climate change and energy	Greenhouse gas emissions, climate disasters, increased operating costs due to carbon taxes	Extreme weather conditions may result in an increase in raw material prices, leading to higher operational costs	<ul style="list-style-type: none"> <li>We have established a "Greenhouse Gas Inventory Procedure" for comprehensive inventory management and are promoting third-party verification. Taipei Fudy headquarters, Dongguan Fuyang Plant, and Suzhou Fuyang Plant have scheduled to complete the 2023 greenhouse gas inventory ISO 14064:2018 third-party verification by 2024</li> <li>We have implemented an "Emergency Preparedness and Response Management Procedure" to address climate-related disasters</li> <li>The introduction of solar power generation has commenced, with the Suzhou plant's solar energy program already operational in 2022. By 2023, solar energy will account for 13.95% of electricity consumption in Suzhou, aiming to reduce carbon emissions</li> <li>Our goal is for the Taipei headquarters, Dongguan Fuyang Plant, and Suzhou Fuyang Plant to achieve Taiwan's Renewable Energy Initiative RE10x10 by 2025, with 10% of green energy consumption</li> </ul>	Sustainability Office General Affairs Division Management Department
Infectious diseases	Impact on employee health, production interruption, supply chain disruption, decreased market demand	A widespread infectious disease outbreak may impact employee health, leading to factory shutdowns, supply chain disruptions, or reduced consumer spending, ultimately resulting in a decrease in market demand.	<ul style="list-style-type: none"> <li>Establish "Business Continuity Plan" to address sudden large-scale infectious disease outbreaks</li> <li>Diversify our supply chain to avoid dependence on a single market</li> <li>Implement comprehensive preventive employee health management to safeguard the health of all employees</li> </ul>	Human Resources Department Management Department



## Audit System



▲ Internal Audit Process Flowchart



Management Systems and Related Certifications

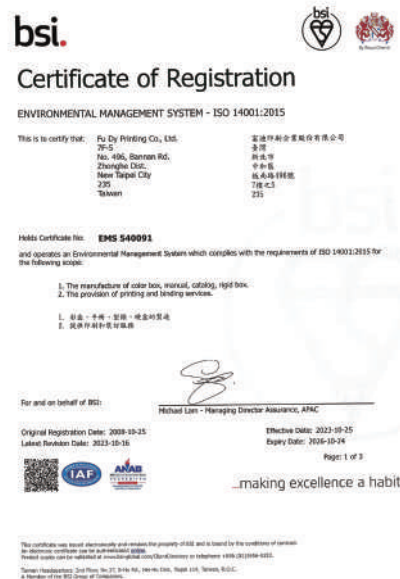
To implement effective risk management, Fudy has introduced various management systems and certifications. Through standardized processes and guidelines, we ensure that all departments and employees adhere to risk control measures. These management systems and certifications assist us in assessing and managing various operational risks. By systematically identifying potential risks, we can take early preventive measures, strengthen risk response strategies, and ensure that company operations comply with relevant regulatory requirements. We also utilize the periodic review and update mechanisms of ISO management systems to ensure that our risk management strategies are continuously optimized, adapting to ever-changing internal and external environments, thereby enhancing corporate resilience and adaptability.

Certification Category	Certification	Issuing Authority	Certification Status by Location		
			Taipei Fudy HQ	Dongguan Fuyang Plant	Suzhou Fuyang Plant
Manage-	ISO 9001:2015 Quality Management	BSI	2026/10/24 ( Joint certification for Taipei and Dongguan )		2026/10/30
	ISO 14001:2015 Environmental Manage-		2026/10/24 ( Joint certification for Taipei and Dongguan )		2026/10/30
	IECQ QC 080000:2017 Hazardous		2026/01/23	—	—
	ISO 45001:2018 Occupational Health and	ACM	—	—	2025/06/20
Social	RBA 7.0	TUV	2024/09/30 (bennial audit)	—	—
	Sedex	BV/ESTS	—	Approved on 2023/03/24 (annual review)	Approved on 2023/08/28 (annual review)
	EcoVadis	EcoVadis	Bronze 2024/08/27	—	Bronze 2023/11/01
Materials	FSC® CoC	SGS	2024/07/10	2025/04/21	2027/07/09
	BRCGS	ESTS	—	2025/06/22	2024/12/31
Profes-	G7	IDEALLIANCE	2024/07/31	2024/08/31	2024/05/31
	GMI (THD) Certification (Lowe’s, Target,	GMI	—	Passed on 2012/07/19	—
Sustain-	ISO 14064–1:2018 Organizational Level Greenhouse Gas Emission Verification	CTI/Wantai	Expected to obtain the statement in 2024/10	Obtained the statement on 2024/05/01	Obtained the statement in 2024/07
	ISO 14067:2018 Product Carbon Footprint	Wantai	—	—	2026/12/28

To continuously enhance the company's risk management effective-ness, Fudy continues to deepen and expand existing management systems and related certifications, obtaining new certifications based on internal and external environmental require-ments. Taipei Fudy Headquarters plans to obtain C-TPAT anti-terror-ism certification in Q1 2024, further strengthen- ing the security and reliability of the supply chain. Additionally, the Suzhou Fuyang Plant will complete the EcoVadis assessment re- evaluation in 2024.



## 驗證總覽 | 台北廠





## 驗證總覽 | 東莞廠



The mark of  
responsible forestry



## SMETA Sedex Members Ethical Trade Audit Report Version 6.1



## bsi. Certificate of Registration

QUALITY MANAGEMENT SYSTEM - ISO 9001:2015

This is to certify that: Fu Dy Printing Co., Ltd.  
2F-5  
No. 496, Baotian Rd.  
Zhongxing Dist.  
New Taipei City  
225  
Taiwan

Public Certificate No: FM 38162  
and operates a Quality Management System which complies with the requirements of ISO 9001:2015 for the following scope:

1. The manufacture of color box, material, labeling, rigid box.
2. The provision of printing and binding services.

For and on behalf of BSI:

Michael Lam - Managing Director Assurance, APAC

Original Registration Date: 2008-09-29

Latest Revision Date: 2023-10-16

Effective Date: 2023-10-16

Expiry Date: 2026-10-14

Page: 1 of 3

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This certificate may be used electronically and remains the property of BSI and is issued by the conditions of use.

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Headquarters: 389 Chiswick Lane, Uxbridge, Middlesex, UK. Tel: +44 (0)1895 969100. Fax: +44 (0)1895 969101.

A member of the BSI Group of Companies.

## bsi. Certificate of Registration

ENVIRONMENTAL MANAGEMENT SYSTEM - ISO 14001:2015

This is to certify that: Fu Dy Printing Co., Ltd.  
2F-5  
No. 496, Baotian Rd.  
Zhongxing Dist.  
New Taipei City  
225  
Taiwan

Public Certificate No: EMS 540091  
and operates an Environmental Management System which complies with the requirements of ISO 14001:2015 for the following scope:

1. The manufacture of color box, material, labeling, rigid box.
2. The provision of printing and binding services.

For and on behalf of BSI:

Michael Lam - Managing Director Assurance, APAC

Original Registration Date: 2008-09-29

Latest Revision Date: 2023-10-16

Effective Date: 2023-10-16

Expiry Date: 2026-10-14

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## 3.6 Information Security Management

Effective information security management is a crucial foundation for stable corporate development. Fudy has established a dedicated Information Security Management Department responsible for comprehensive control and supervision of information security operations across all units, safeguarding the integrity and privacy of confidential information. We implement strict security measures and conduct regular risk assessments and vulnerability scans to identify and mitigate potential threats. The Information Security Management Department provides ad hoc reports to senior management on the status of information security and future plans, as needed. This approach aligns strategy with actual actions, protects the security and stability of corporate information assets, and continuously enhances the company's information security standards.

### Personal Data Security

To protect the confidentiality of customer data, Fudy has formulated the "Personal Data Protection Management Regulations" and "Customer Property Control Operating Procedures" to maintain customer privacy and ensure personal data security, thereby enhancing customer trust. In 2023, we received no complaints related to customer privacy violations or loss of customer data, which underscores Fudy's strong commitment to and effective practices in information security.

### Operational Document

To achieve the integrity of Fudy's data storage and maintain document confidentiality, all company documents are managed according to the internal "Document and Data Control Operating Procedures." Documents are categorized as either external or internal, with internal documents further classified into four tiers. The Document Control Center is responsible for the ultimate control, distribution, and destruction of internal documents.

### Information Security Management Measures

- ◆ Provide information security education, training, and awareness programs for employees
- ◆ Implement security management for information equipment
- ◆ Maintain network security management
- ◆ Enforce access control for information systems
- ◆ Establish specialized confidentiality processes tailored to customer requirements
- ◆ Conduct oversight through the Information Security Department
- ◆ Regularly disseminate information security updates to reinforce security awareness
- ◆ Perform routine backups of critical data
- ◆ Regularly update server and computer programs
- ◆ Conduct periodic audits of software license quantities
- ◆ Regularly update antivirus software and maintain firewall systems
- ◆ Design email filtering systems to prevent spam and phishing attempts



### Information Security Management Enhancement Plan

Enhancement	Implementation Progress and Planning
Data off-site backup	Planned for full implementation by 2024
Phase out outdated hardware and software	80% replacement progress achieved in 2023
Continuously strengthen remote VPN access security	Network firewall firmware updated in 2023
Enhance information security education and training	Initial implementation of employee information security training at Dongguan Fuyang Plant; 100% completion of security education and training expected by 2024. In 2023, a total of 150 employees from three plants completed security training.
Strengthen control and encryption mechanisms for network accounts	The Information Security Department continues to promote awareness and notify password updates

### Annual Review: 2023 Information Security Training Summary

Operational Sites	Training Courses	Course Duration (hours)	Total Number of Trainees	Total Training
Taipei Fudy Headquarters	New Employee Information Security Training	0.5	15	22.5
	Periodic Information Security Promotion	0.5	85	42.5
Dongguan Fuyang Plant	Information Security Education and Training	2	27	54
Suzhou Fuyang Plant	Information Security Training	2	23	46
Total			150	165



In terms of information disclosure, Fudy adheres to the company's "Information Disclosure Management Regulations" to ensure corporate transparency while preventing the leakage of confidential information and safeguarding stakeholders' rights. Looking ahead, we will continue to enhance our cybersecurity strategy, strengthen server firewalls, and expand the coverage of employee cybersecurity training. Our goal is to build a comprehensive information security protection mechanism and elevate our staff's awareness of good cybersecurity practices. In 2023, a total of 150 Fudy employees participated in information security education and training, amounting to 165 hours of instruction.



# 04

## A Steadfast Partner in Client Sustainability

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76	4.3 Customer Service



## A Steadfast Partner in Customer Sustainability

### Chapter Highlights

#### UN SDGs Indicators

#### Sustainability Performance



#### SDG 9 永續工業、 產業創新、 韌性基礎建設

- In 2023, routine supplier audits were conducted for 88 suppliers, achieving a 100% completion rate. Audit results showed no non-compliant suppliers.
- Social responsibility risk assessments were conducted for 104 Fudy suppliers in 2023, all of whom complied with Fudy's ESG policy requirements.
- In 2023, product yield rates at various operating locations were: Taipei Fudy Headquarters 98.4%; Dongguan Fuyang Plant 98.0%; Suzhou Fuyang Plant 98.3%.
- Fudy obtained 6 new patents in 2023, accumulating a total of 32 patent rights.
- In 2023, Taipei Fudy Headquarters received the highest level G7 Master Facility Colorspace certification, while Suzhou Fuyang Plant obtained QS production license certification.



#### SDG 12 永續消費 與生產

- In 2023, Fudy's local procurement ratio was 88%, showing a year-on-year increase over the past three years. Since 2022, 99% of procurement at Taipei Fudy Headquarters has been from local suppliers.
- New suppliers were screened using environmental criteria. 100% of suppliers at Dongguan Fuyang Plant and Suzhou Fuyang Plant signed the "Guarantee for Non-use of Prohibited Substances" and "Declaration of Non-applicable/Prohibited Substances".
- 100% of the inks used by Fudy met the 2023 regulatory standards: total content of Mineral Oil Saturated Hydrocarbons (MOSH) and Mineral Oil Aromatic Hydrocarbons (MOAH) <1%.
- In 2023, Fudy invested a total of 3,680,000 in green design R&D.
- The bottom cover-free inner lining process at Suzhou Fuyang Plant saves approximately 2,160,000 in labor costs annually.
- 蘇州富揚廠下蓋免貼內貼工藝每年可節省人力成本費用約 2,160,000元
- Starting from 2023, Fudy successfully developed zero-plastic packaging products, offering customers environmentally friendly and durable packaging options.



#### SDG 16 和平與正義 制度

- Fudy uses social criteria to screen new suppliers. 100% of suppliers at Suzhou Fuyang Plant signed the "Conflict-Free Minerals Declaration", "Supplier Social Responsibility Commitment", and "Supplier Integrity Commitment". 93% of suppliers at Dongguan Fuyang Plant signed the "Supplier Labor and Business Ethics Compliance Agreement".



#### SDG 17 全球夥伴

- In 2023, Fudy's various operating sites participated in 6 customer supplier conferences. Taipei Fudy Headquarters participated in the Industrial Development Administration Ministry of Economic Affairs' mentorship program, cooperating with 15 customer plant tours or audits. Several senior executives were also dispatched to deliver a total of 5 lectures on environmental topics for customers, with a total of 55 participants.



## 4.1 Sustainable Supply Chain Management

Fudy primarily engages in the packaging business for consumer electronics and accessories. Our services span globally, with clients in industries including electronic products, pharmaceutical manufacturing, food processing, and chain supermarkets. Our products are mainly sold to regions such as Europe, America, Japan, Vietnam, and Thailand. In 2023, packaging sales for electronic consumer products accounted for 90% of the company's revenue.

We occupy the middle segment of the paper packaging industry supply chain. Upstream suppliers provide raw materials such as paper and auxiliary materials, while downstream are corporate clients and end-users of the final products. To promote sustainable development, Fudy actively builds a sustainable supply chain by rigorously screening upstream suppliers to ensure them meet environmental standards and by adopting certified renewable materials whenever possible. Downstream, we work closely with customers to reduce packaging waste and promote the recycling and reuse of packaging materials.

In 2023, with the official commencement of production at North Vietnam HIEP PHU Green Packaging Technology in the third quarter, Fudy continued to expand its business in Southeast Asia, offering customers greater flexibility and choices. HIEP PHU will focus on the research, development, and production of eco-friendly packaging. This not only enhances our competitiveness in the regional market but also further solidifies our commitment to sustainable development.

### Fudy's Sustainable Procurement Strategy

To simultaneously achieve environmental protection, fulfill corporate social responsibility, drive innovative development, and enhance economic benefits, Fudy adopts a sustainable procurement approach that considers environmental, social, and economic factors. This approach meets current needs without compromising future requirements. We have implemented five sustainable procurement strategies to achieve our goal of sustainable operations:

- 1 **Supplier Diversity:** Establish a diverse supplier base to reduce dependence on single suppliers.
- 2 **Localized Procurement:** Prioritize local suppliers while balancing price and quality considerations.
- 3 **Supplier Social Assessment:** Collaborate with socially responsible suppliers to promote corporate social responsibility.
- 4 **Supply Chain Transparency:** Actively track the supply chain to ensure products meet sustainability standards.
- 5 **Technological Innovation Collaboration:** Partner with technologically advanced suppliers to foster innovation and progress.



Among these, localized procurement strengthens the economic ties between the company and local communities. While supporting local economic development, it significantly reduces the substantial carbon emissions generated by long-distance transportation, making it a crucial strategy for achieving corporate sustainability. As an integral part of the supply chain, the carbon emissions of the packaging industry directly impact the overall carbon footprint of our clients' products. Through appropriate management and procurement strategies, Fudy believes that localized procurement can maximize positive effects. We are not only committed to striving towards localized procurement goals ourselves but also assist our clients in meeting their carbon reduction needs by providing localized procurement solutions. We are dedicated to enhancing the sustainability and competitiveness of Fudy's sustainable supply chain.



## 4.1 Sustainable Supply Chain Management

## 4.2 Product Quality and Green Design

## 4.3 Customer Service

In 2023, Fudy collaborated with 319 raw material suppliers globally, with a total procurement value of NT\$ 958,339,350. Of this, approximately NT\$ 845,190,900 came from local suppliers, accounting for 88% of the total procurement value. Over the past three years, Fudy's local procurement ratio has been increasing annually. Since 2022, 99% of procurement for Fudy's Taipei headquarters has come from local suppliers, while the local procurement ratio for our facilities in mainland China has also been rising year by year, reaching 83% in 2023.

**Fudy's Local Procurement Over the Past 3 Years  
(Unit: Thousand NTD)**

Year	2021	2022	2023
Local Procurement Amount	907,936.83	759,330.03	845,190.90
Total Procurement Amount	1,141,138.98	905,869.62	958,339.35
Local Procurement Ratio	80%	84%	88%

**Fudy's Local Procurement Ratio by Region Over the Past 3 Years**

Year	2021	2022	2023
Taiwan	88%	99%	99%
mainland China	73%	79%	83%

為可能，竭盡所能 | 富迪永續專欄—在地化採購減碳解決方案

看見客戶減碳需求，富迪主動提出解決方案。作為紙製品包材供應鏈中不可或缺的一部分，包裝行業的碳排放將直接影響客戶產品的整體碳足跡。富迪的客戶主要生產3C產品，這些產品在外觀設計與產品保護方面有著極高的要求。過去，我們的主要客戶通常從中國大陸和紐西蘭進口包裝原料，長途運輸帶來了大量碳排放，這些長途運輸不僅增加碳排放，還帶來成本和供應鏈風險。

為幫助客戶實現減碳目標，並實現永續供應鏈管理目標，富迪提出換料減碳方案。通過多方研究與搜尋，我們成功於台灣找到適合之原料，然，因此款原料單價稍高，且該款在地生產原料需增加額外之環境測試成本，讓客戶望而卻步。

秉持著成為客戶永續發展最堅持夥伴之信念，我們積極與客戶議和換料，並願意承擔部分換料成本，以確保客戶達到其減碳目標。透過持續努力和堅定信念，終以節省運輸成本和增進環境效益等關鍵因素，成功說服客戶轉向使用在地原料。根據我們的估算，通過在地化採購，客戶的碳排放量減少了近40%，且客戶的產品包裝亦達成百分百在地採購與生產的永續供應鏈管理目標。



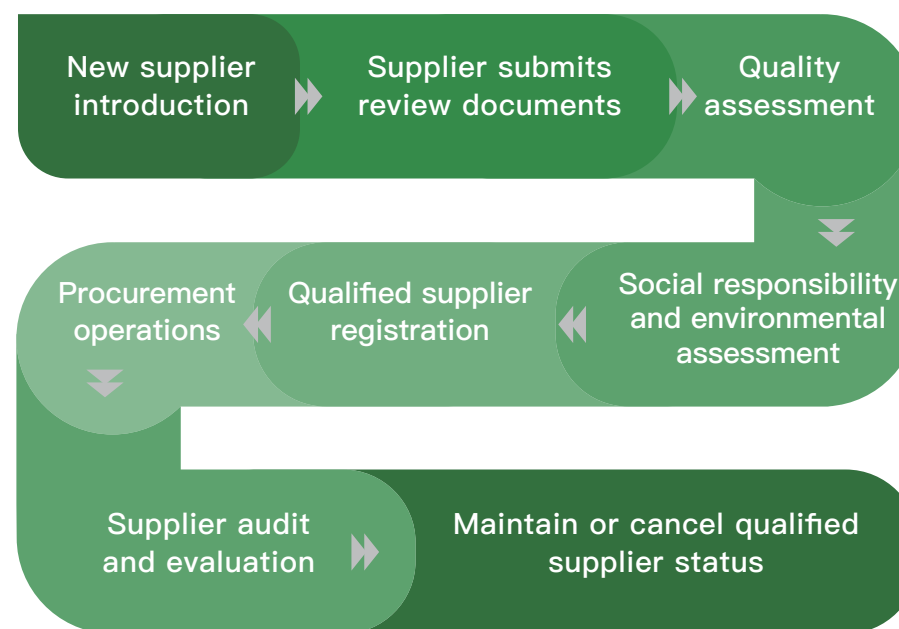
## Supplier Management Policy

Fudy is committed to being a steadfast partner in our customers' sustainable supply chains. Our mission is to assist customers in achieving their sustainability goals. Through collaboration with suppliers and local procurement strategies, we ensure supply chain resilience and quality excellence while fostering local economic growth. Supply chain management is primarily the responsibility of the procurement department, which includes seeking, evaluating, and managing suppliers, as well as executing procurement opera-

Fudy's Taipei headquarters has established a "Supplier Management Operating Procedure," requiring suppliers to not only comply with our quality requirements and operational standards but also fulfill their corporate social responsibilities. This includes joint efforts towards sustainability goals in economic governance, environmental protection, and social inclusion. Annual audits are conducted on qualified production suppliers to ensure supply chain stability and quality. Regular supplier social responsibility assessments are also carried out to encourage all suppliers to take measures to improve their social responsibility performance.

The Dongguan Fuyang Plant implements the 'External Supplier Management Operating Procedure' to select qualified suppliers. This process involves evaluating the quality of raw materials and ensuring that all procured items—including materials, consumables, auxiliary materials, and outsourced processing—comply with the company's environmental sustainability standards.

The Suzhou Fuyang plant has established a comprehensive supplier management system through procedures such as the 'Supplier Management Operating Procedure,' 'GP Supplier Management Operating Procedure,' and 'Supplier and Subcontractor Evaluation Control Procedure.' These procedures address the environmental and occupational health and safety impacts of supplier activities, products, and services. Through regular assessments, we ensure that suppliers consistently meet the company's SA system implementation requirements and demonstrate continuous improvement. We have implemented protocols for environmental assessment and coordination management to guarantee that suppliers' raw and auxiliary materials align with our environmental sustainability standards.



▲ Supplier Management Process



## New Supplier Qualification Criteria

The ability of new suppliers to provide quality products and services directly impacts a company's product quality and reputation. To diversify risks and continuously improve overall supply chain quality, Fudy identifies and assesses various risks that new suppliers may bring. This ensures that new suppliers comply with relevant laws, regulations, and industry standards, and meet Fudy's sustainable supply chain management goals in terms of environmental protection and social responsibility. These criteria are used to evaluate new suppliers' production and delivery capabilities, ensuring their on-time delivery rates and avoiding supply disruptions that could affect business operations. Our company particularly emphasizes the realization of corporate social responsibility among suppliers, using social criteria to screen new suppliers. This aligns with Fudy's vision of building a sustainable supply chain, working hand in hand with customers and business partners to achieve sustainable operations.

### Fudy Qualified Supplier Selection Criteria

- ◆ Compliance with supplier selection principles as outlined in the supplier management operational procedures.
- ◆ Compliance with the "Supplier Quality Assessment": Assessment areas include management capabilities in operations, production capacity, quality, and environment. Suppliers must achieve a score of 75 or above.
- ◆ "Supplier Social Responsibility Risk Assessment": Assessment areas include human rights, work safety, environmental protection, legality, and business ethics. Suppliers must be assessed as medium or low risk at minimum.
- ◆ Priority consideration given to suppliers who have obtained certifications such as ISO 9001, ISO 14001, and ISO 45001, demonstrating verified quality, environmental, and occupational health and safety management systems.
- ◆ Suppliers must provide third-party certified test reports for raw materials or sign the "Commitment to Restricted Use of Hazardous Substances," with regular updates required.
- ◆ Evaluation of suppliers' product quality, delivery time, pricing, and contract fulfillment capabilities to meet Fudy's requirements.

Suppliers meeting the above three assessment requirements may be listed as qualified vendors.

### New suppliers must submit the following qualification supporting documents

- ◆ Supplier Quality Assessment
- ◆ Supplier Social Responsibility Risk Assessment
- ◆ Commitment to Restricted Use of Hazardous Substances
- ◆ Third-Party Certified Test Reports
- ◆ Supplier Social Responsibility Commitment
- ◆ Supplier Basic Information
- ◆ Qualified Supplier Quality Approval Certificate



## 4.1 Sustainable Supply Chain Management

## 4.2 Product Quality and Green Design

## 4.3 Customer Service

Supplier Risk  
Assessment

## Environmental Risk

- ◆ 50% of raw material suppliers for Taipei Fudy Headquarters signed the "Commitment to Restricted Use of Hazardous Substances," while the remaining suppliers provided third-party certified test reports.
  - ◆ 100% of suppliers for Dongguan Fuyang Plant signed the "Guarantee for Non-use of Prohibited Substances."
  - ◆ 100% of suppliers for Suzhou Fuyang Plant signed the "Declaration of Non-applicable/Prohibited Substances."
- Taipei Fudy Headquarters requires raw material suppliers to sign the "Commitment to Restricted Use of Hazardous Substances" or provide third-party certified test reports. If neither condition can be met, internal periodic XRF testing is conducted on raw materials. Any abnormalities are sent to third-party certified units for confirmation.

Social  
and  
Governance  
RiskTaipei Fudy  
Headquarters

- ◆ 57% of Taipei Fudy Headquarters suppliers signed the "RBA Supplier Social Responsibility Commitment."
- Taipei Fudy Headquarters requires all suppliers to sign the "RBA Supplier Social Responsibility Commitment," which includes commitments to avoid conflict minerals, labor rights, social responsibility, and integrity. We also implement supplier social responsibility risk assessment and evaluation forms. In 2023, we surveyed 130 suppliers, with 56 non-responses, achieving a 57% response rate, meeting our 2023 target. We will continue to engage non-signatories or non-respondents through our "Supplier Management Operating Procedures" to achieve our corporate integrity goals. (For detailed objectives, please refer to the Commitment to Integrity Management section)

Dongguan  
Fuyang Plant

- ◆ 93% of Dongguan Fuyang Plant suppliers signed the "Supplier Labor and Business Ethics Compliance Agreement."
- Dongguan Fuyang Plant developed the "Supplier Labor and Business Ethics Compliance Agreement" based on the RBA Code of Conduct, covering conflict minerals, labor rights, social responsibility, and integrity. In 2023, we surveyed 97 suppliers, achieving a 93% signing rate. The 7 non-signing suppliers were assessed and found to have no apparent violations of labor rights or business ethics. However, we maintain a rigorous approach: if these suppliers fail to sign the agreement by 2024, they will be reclassified as unqualified suppliers in accordance with our "External

Suzhou  
Fuyang Plant

- ◆ 100% of Suzhou Fuyang Plant suppliers signed the "Conflict-Free Minerals Declaration."
- Suzhou Fuyang Plant prohibits the use of conflict minerals to ensure that minerals used in our products (e.g., Ta, Sn, W, Au, Co) do not finance armed conflicts. Suppliers using these minerals must disclose their sources. In 2023, we surveyed 92 suppliers with a 100% response rate, confirming no risk of conflict mineral use.
- ◆ 97% of Suzhou Fuyang Plant suppliers signed the "Social Responsibility Commitment."
- To mitigate supply chain labor rights risks, Suzhou Fuyang Plant conducted social risk and human rights impact assessments on 92 suppliers in 2023. 89 suppliers signed the "Social Responsibility Commitment," achieving a 97% signing rate. The 3 non-signing suppliers were new subcontractors lacking familiarity with the commitment content. We have since provided training to ensure timely completion within our specified timeframe.
- ◆ 100% of Suzhou Fuyang Plant suppliers signed the "Supplier Social Responsibility Commitment."
- Based on SMETA social responsibility audits and our "Business Ethics Control Procedures," we required 92 suppliers to sign the "Supplier Social Responsibility Commitment." All 92 suppliers responded, achieving a 100% response rate.
- ◆ 100% of Suzhou Fuyang Plant suppliers signed the "Supplier Integrity Commitment."
- Following SMETA social responsibility audits and our "Business Ethics Control Procedures," Suzhou Fuyang Plant required all suppliers to sign the "Supplier Integrity Commitment." In 2023, all 92 suppliers completed the signing process. After our evaluation and approval, suppliers meeting the standards were classified as qualified for ongoing business transactions.



## Supplier Audits and Evaluations

Fudy conducts annual supplier audits as part of its commitment to responsible supply chain management. At the Taipei headquarters, the Procurement, Production Management, and Quality Assurance departments jointly evaluate outsourced suppliers (subcontractors), while the Procurement and Quality Assurance departments collaborate to audit raw material suppliers. The audit assessment encompasses six key ESG categories: Environmental Stewardship, Social Responsibility, Occupational Health and Safety, Production and Delivery Accuracy, Raw Material Quality Management and Regulatory Compliance. Suppliers must achieve a minimum score of 70 points (out of 100) to qualify. Those failing to meet this threshold are required to submit improvement plans. Suppliers who fall short of the standard in two consecutive evaluations are removed from the list of approved suppliers. In 2023, Fudy's Taipei headquarters successfully conducted on-site audits of 50 suppliers, achieving a 100% completion rate. Notably, all audited suppliers met the qualification criteria, with no suppliers falling below the required standards.

Supplier Audit Implementation at Fudy's Taipei Headquarters for the Past 3 Years

Supplier Category		All		
Audit Method		2021	2022	2023
On-site Audit	Planned	28	38	50
	Completed	28	38	50
	Completion Rate	100%	100%	100%

At Dongguan Fuyang Plant, the Materials Warehouse Management and Procurement teams jointly conduct monthly supplier evaluations. These assessments are based on multiple criteria: incoming material quality, price reduction collaboration, delivery punctuality, overall cooperation, and proposed improvement initiatives. The monthly average scores are documented in the "Supplier Evaluation Notification" and communicated to the respective suppliers. A stringent policy is in place: if a supplier receives a D grade (69 points or below) for two consecutive months, their orders are immediately suspended and their status as a qualified supplier is revoked. Notably, in 2023, the supplier assessments yielded positive results, with no suppliers receiving a D grade.

Dongguan Fuyang Plant implements a rigorous annual audit process for its suppliers. A cross-functional audit team, comprising experts from Quality Control, Internal Audit, and Materials Management, conducts comprehensive assessments, including evaluations of suppliers' environmental management systems. These audits are guided by the "Fuyang External Supplier Evaluation" criteria. Upon completion of each audit, the team promptly identifies and documents any non-conformities in the "Fuyang External Supplier Audit Non-Conformity Notification". Suppliers are then given a three-day window to propose corrective actions, with procurement personnel closely monitoring the implementation and effectiveness of these improvements. In 2023, Dongguan Fuyang Plant successfully completed its audit targets, conducting on-site evaluations for 7 suppliers and document reviews for 15 others. Notably, this 100% completion rate yielded positive results, with all audited suppliers meeting the required standards.



## 4.1 Sustainable Supply Chain Management

## 4.2 Product Qualith and Green Design

## 4.3 Customer Service

**Dongguan Fuyang Plant Supplier Evaluation  
Results for the Past 3 Years**

Supply	Grade	2021	2022	2023
Supplier	Grade A	20	23	14
	Grade B	4	1	8
	Grade C	0	0	0
	Grade D	0	0	0

Suzhou Fuyang Plant conducts daily evaluations and management of its suppliers. The Quality Assurance Department compiles monthly assessments of supplier quality, delivery times, costs, service, and production line anomalies. The Procurement Department provides delivery and cost information, which is recorded on the "Supplier Incoming Material and Quality Comparison Notification" and sent to suppliers. Additionally, the Quality Assurance Department provides guidance to suppliers rated as Class C (60-74 points) and Class D (below 60 points) each month, assisting with improvements and tracking the implementation and results of their corrective actions. In 2023, no suppliers were rated as Class C or D in the supplier evaluation.

**Dongguan Fuyang Plant Supplier Audit  
Implementation for the Past 3 Years**

Audit Type		2021	2022	2023
On-site Audit	Planned audits	12	8	7
	Completed audits	12	8	7
	Completion rate	100%	100%	100%
Docu- ment Audit	Planned audits	12	16	15
	Completed audits	12	16	15
	Completion rate	100%	100%	100%

For the annual supplier audit, the Quality Assurance Department notifies the Procurement Department monthly according to the "Annual Supplier Audit Plan" sequence. The Procurement Department provides a "Supplier On-site Audit Report" for suppliers to complete. Subsequently, the Quality Assurance, Engineering, and Management departments conduct supplier audits based on the annual supplier audit checklist. Suppliers are required to complete a "Supplier Audit Deficiency Form" for any identified shortcomings, notifying them of necessary improvements and confirming the results. Suppliers who fail to meet standards after three consecutive improvement assessments lose their qualified supplier status. In 2023, Suzhou Fuyang Plant conducted on-site audits for 14 suppliers with a 100% completion rate, and document audits for 2 suppliers with a 100% completion rate. The audit results showed no non-compliant suppliers.



## 4.1 Sustainable Supply Chain Management

## 4.2 Product Quality and Green Design

## 4.3 Customer Service

**Suzhou Fuyang Plant Supplier Evaluation  
Results for the Past 3 Years**

Supply	Grade	2021	2022	2023
Supplier	Grade A	39	36	40
	Grade B	44	50	52
	Grade C	0	0	0
	Grade D	0	0	0

**Suzhou Fuyang Plant Supplier Audit  
Implementation for the Past 3 Years**

Audit Type		2021	2022	2023
On-site Audit	Planned audits	12	14	14
	Completed audits	10	10	14
	Completion rate	83.33%	71.43%	100%
Docu- ment Audit	Planned audits	2	2	2
	Completed audits	2	2	2
	Completion rate	100%	100%	100%

**Note** According to the "Supplier Management Operating Procedures," two suppliers are trading companies and do not require on-site audits.

In 2023, Fudy conducted routine audits on a total of 88 suppliers. The audit results revealed that no suppliers were terminated due to non-compliance with Fudy's ESG regulations.





## Supplier Social Responsibility Assessment

Fudy prioritizes sustainable value creation and implements supplier social responsibility assessments. This initiative aims to engage supplier partners in upholding corporate social responsibility across key areas including environmental stewardship, occupational health and safety, labor rights, and ethical business conduct. Partnerships with suppliers who violate Fudy's social assessment criteria or cause substantial adverse environmental and social impacts are subject to termination.

- ♦ **Audit Process :** Fudy's Procurement Department conducts risk assessments on suppliers based on factors such as **transaction amount, criticality, and scale**, categorizing them into high, medium, and low-risk levels. The frequency of on-site audits is adjusted according to these risk levels.
- ♦ **Audit Focus Areas :** The supplier social responsibility assessment primarily examines suppliers' compliance in areas of "Labor, Occupational Health and Safety, Environmental Pollution, Business Ethics, and Management Systems." If a supplier is found to be non-compliant with the requirements stipulated in the commitment letter, they are mandated to implement immediate corrective measures. In cases of severe violations or persistent non-compliance where the supplier fails to make necessary improvements, Fudy reserves the right to terminate the business relationship.

### Supplier Social Responsibility Risk Assessment and On-site Audit Frequency

Supplier Category	Social Responsibility Risk Assessment	On-site Audit
Top 30 Suppliers by Transaction Volume	Once every two years	–
Indirect Suppliers (Security, Dormitory Supervisors, Cleaning, Catering, Labor Agencies, and Dormitory Services)	Once every two years / New suppliers	Annually
Key Suppliers (Main Raw Materials, Processing Outsourcing Vendors)	Once every two years / New suppliers	Annually (at least 3 suppliers)
High-risk (As determined by Supplier Social Responsibility Risk Assessment)	–	Annually
Medium-risk (As determined by Supplier Social Responsibility Risk Assessment)	–	Once every two years
Low-risk (As determined by Supplier Social Responsibility – Risk Assessment)	–	Once every three years
On-site Audit Grading Criteria: Grade A (Excellent): 90–100, Grade B (Satisfactory): 80–89, Grade C (Acceptable): 70–79, Grade D (Unsatisfactory): Below 70		



## 4.1 Sustainable Supply Chain Management

## 4.2 Product Qualith and Green Design

## 4.3 Customer Service

## Taipei Fudy Headquarters

Supplier Social Responsibility Risk Assessment 2023				Supplier Social Responsibility On-site Audit 2023				
High-risk	Medium-risk	Low-risk	Total	Grade A	Grade B	Grade C	Grade D	Total
0	0	10	10	12	0	0	0	12

**Note** Suppliers receiving a Grade D are required to implement corrective actions. Failure to improve will result in contract termination.

## Dongguan Fuyang Plant

Supplier Social Responsibility Risk Assessment 2023				Supplier Social Responsibility On-site Audit 2023				
High-risk	Medium-risk	Low-risk	Total	Grade A	Grade B	Grade C	Grade D	Total
0	0	2	2	2	0	5	0	7

**Note** Suppliers receiving a Grade D are required to implement corrective actions. Failure to improve will result in contract termination.

## Suzhou Fuyang Plant

Supplier Social Responsibility Risk Assessment 2023		
Approved	Disapproved	Total
92	0	92

- Note**
- Suppliers receiving a Grade D are required to implement corrective actions. Failure to improve will result in contract termination.
  - Suzhou Fuyang Plant has not yet implemented supplier on-site social responsibility audits. The audit policy will be enhanced in 2024 to ensure more comprehensive oversight of suppliers' social responsibility performance.

▲ Annual Review: 2023 Supplier Social Responsibility Assessment Results









# 05

## Collaborating for a Sustainable Global Environment

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## Chapter Highlights

UN SDGs Indicators	Sustainability Performance
 <b>SDG 7</b> Affordable and Clean Energy	<ul style="list-style-type: none"> <li>In 2023, the Suzhou Fuyang plant generated 991,976 kWh of electricity through solar panels for self-use, accounting for approximately 13.95% of the plant's total electricity consumption.</li> <li>In 2023, the Suzhou Fuyang plant introduced energy-efficient LED tube lights, while the Dongguan Fuyang plant switched kitchen equipment fuel from LPG to electricity, resulting in a total energy saving of 4,062,231.82 million joules and a reduction of 551.39 tons of CO2e emissions.</li> <li>Through water-saving measures, the Dongguan Fuyang plant reduced water consumption by 25,625 tons in 2023 compared to the previous year, a reduction rate of about 42%.</li> <li>The Suzhou Fuyang plant, located in a water-stressed area, implemented various adaptive measures, reducing water consumption by 7.72 million liters compared to 2022, a reduction rate of about 27%.</li> </ul>
 <b>SDG 11</b> Sustainable Cities and Communities	<ul style="list-style-type: none"> <li>In 2023, the Suzhou Fuyang plant completed the renovation of its "exhaust gas treatment equipment," replacing the original photocatalytic oxidation technology with secondary activated carbon filtration technology. It also used raw materials with low or zero VOC emissions, effectively reducing VOC emissions and air pollutants</li> <li>In 2023, the Dongguan Fuyang and Suzhou Fuyang plants upgraded their equipment in response to environmental trends, adopting more energy-efficient and environmentally friendly production processes and waste treatment methods, increasing the intensity of recyclable waste by 115%.</li> <li>In 2023, Fudy's main operating sites all implemented ISO 14064-1: 2018 greenhouse gas inventory, establishing a baseline year to formulate relevant carbon reduction strategies and continuously track emission reduction performance.</li> <li>In 2023, all Fuy plants managed wastewater quality in accordance with local water quality standards and regulations. The wastewater discharge in 2023 complied with local regulations.</li> </ul>
 <b>SDG 12</b> Responsible Consumption and Production	<ul style="list-style-type: none"> <li>In 2023, Fudy invested approximately NT\$5,755,019 in environmental management-related expenses, reducing environmental pollution from production processes.</li> <li>In 2023, Fudy's procurement of environmentally friendly materials amounted to NT\$493.66 million, accounting for about 51.55% of total procurement.</li> <li>In 2023, the proportion of FSC®-certified environmentally friendly material procurement for Fudy was: Taipei Fudy Headquarters 1.86%, Dongguan Fuyang Plant 10.14%, and Suzhou Fuyang Plant 11.44%.</li> <li>The Suzhou Fuyang plant uses environmentally friendly water-based or semi-water-based chemicals to replace solvent-based auxiliary materials. Currently, it has successfully replaced 5 chemical items, achieving a substitution rate of 75%.</li> <li>In 2023, the Dongguan Fuyang plant fully introduced alcohol-free dampening solution to reduce the use of thinner and isopropanol.</li> <li>In 2023, the Taipei Fudy Headquarters adopted mortise and tenon structures for packaging design, implementing all-paper-based packaging to reduce the use of adhesives. The Suzhou Fuyang plant completely replaced vacuum-formed plastic packaging with molded pulp for innovative packaging designs. The Dongguan Fuyang plant switched from oil-based to water-based vacuum forming oil, reducing environmental impact.</li> <li>Taipei Fudy Headquarters replaced the original EPE cushioning materials with high-load-bearing paper cushions and used pure plant fiber materials to make product protective covers, replacing plastic packaging.</li> <li>The proportion of renewable materials used at various operating sites: approximately 66.1% for Taipei Fudy Headquarters, and about 52% for the Dongguan and Suzhou plants.</li> </ul>
 <b>SDG 13</b> Climate Action	<ul style="list-style-type: none"> <li>Suzhou Fuyang plant invested in renewable energy planning, purchasing green electricity from abroad and obtaining green electricity certificates in 2023.</li> <li>To mitigate the risk of work stoppages caused by extreme weather, the Taipei Fudy Headquarters has implemented an 'Supply Chain Disruption Emergency Response Procedure'. This procedure allows for flexible adjustment of production capacity as needed.</li> <li>To develop climate adaptation and insurance risk solutions, the North Vietnam HIEP PHU Green Packaging Technology Co., Ltd., which started production in 2023, has obtained ISTA 2A laboratory certification, helping customers achieve ESG goals.</li> <li>Suzhou Fuyang plant, focusing on product green and low-carbon technology innovation and development, received national-level high-tech enterprise certification from the Chinese government.</li> <li>To effectively manage energy use efficiency, the Taipei Fudy Headquarters plans to invest NT\$3 million to install an energy management system in 2024.</li> </ul>



## 5.1 Environmental Sustainability Management

### Environmental Policy

Environmental stewardship goes beyond corporate social responsibility; it is the enduring force that drives our founding principles. At Fudy, we have embraced the ISO 14001:2015 Environmental Management System standard and developed an internal "Environmental Manual" to guide our commitment to minimizing our environmental impact and conserving natural resources. Our core environmental policy is built on five key principles:

1. Prevent pollution and reduce waste
2. Utilize resources efficiently and conserve energy
3. Comply with environmental regulations
4. Continuously improve environmental performance
5. Foster education, participation, and social contribution among all employees

Annually, we identify critical environmental issues relevant to our operations. Based on these findings, we establish yearly environmental sustainability objectives that address both positive and negative impacts. For 2023, our specific objectives and management actions are as follows:

Environmental Objectives	Actions
<b>I. Management of Air Emissions, Noise, and Wastewater Discharge</b>	<ul style="list-style-type: none"> <li>◆ Taipei Fudy Headquarters: All emissions are monitored and treated as per regulatory requirements</li> <li>◆ Dongguan Fuyang Plant: All emissions are monitored and managed according to pollution discharge permit requirements</li> <li>◆ Suzhou Fuyang Plant: Annual monitoring as per government requirements; immediate action taken if anomalies are detected</li> </ul>
<b>II. Hazardous Waste Disposal Management</b>	<ul style="list-style-type: none"> <li>◆ Taipei Fudy Headquarters and Dongguan Fuyang Plant: Ensure hazardous substances are handled by qualified contractors for proper treatment, transportation, storage, recycling, or reuse</li> <li>◆ Suzhou Fuyang Plant: Report as required in the corresponding government systems. Properly maintain data forms related to hazardous waste generation, temporary storage, collection, and centralized treatment</li> </ul>
<b>III. Chemical Substance Management</b>	<ul style="list-style-type: none"> <li>◆ Taipei Fudy Headquarters: Established "Chemical Substance Management Procedure" for raw material control based on IECQ QC 080000:2017 standard</li> <li>◆ Dongguan Fuyang Plant: Established "EICC0022 Chemical Use Management Procedure" for chemical material control</li> <li>◆ Suzhou Fuyang Plant: Established "FYSA0033-A0 Hazardous Chemical Safety Management System" for material control</li> </ul> <p>Chemical procurement and requests are processed through application forms filled by the using departments, with relevant records retained. Suppliers are required to provide Safety Data Sheets (SDS) and transport chemicals in compliance with regulatory requirements. Upon receipt, chemicals are verified against their corresponding SDS, and then stored, used, and disposed of in accordance with SDS guidelines.</p>
<b>IV. Potential Fire Hazard Management</b>	<ul style="list-style-type: none"> <li>◆ Taipei Fudy Headquarters: Conduct fire drills once per quarter/half-year</li> <li>◆ Dongguan Fuyang Plant: Conduct fire drills quarterly</li> <li>◆ Suzhou Fuyang Plant: Conduct fire drills semi-annually</li> </ul>



## 5.1 Environmental Sustainability Management

## 5.2 Energy Management

## 5.3 Greenhouse Gas Emissions and Air Pollution Prevention

## 5.4 Waste Management and Recycling

## 5.5 Water Resource Management

### ▼ ISO 14001:2015 Environmental Management System Standard Third-Party Verification



To effectively manage the potential environmental impacts of its operational activities, Fudy has established an "Environmental Impact Identification and Management Procedure" to determine the environmental impacts of products or services provided by the company's operations. The assessment factors include the type of environmental impact, frequency of occurrence, scope of influence, characteristics of energy and resource use, characteristics of waste generated, hazardousness, corresponding quantitative data, and severity. Based on the assessment results, significant environmental aspects are identified, and environmental management priorities are formulated. Before implementing any environment-related management system, the following five impact factors of operational activities must be considered:

1. Energy and resource consumption required for production, as well as emissions of waste, wastewater, and air pollutants.
2. Potential environmental impacts caused by raw material suppliers, waste treatment suppliers, and product transportation providers related to product manufacturing.
3. Regular and non-regular operational states of the plant area, such as factory start-up or work stoppages due to emergencies.
4. Past or existing negative environmental impacts, as well as identification of potential future environmental compliance issues.
5. Environmental impacts throughout the product or service lifecycle, including raw material supply, energy and resource consumption in manufacturing processes, outsourced services, product transportation and storage, customer use of products, and final product disposal.



Fudy tracks the costs of replacing energy-saving equipment and managing waste, wastewater, and air pollution, as well as monitoring the achievement of environmental sustainability goals to understand the degree of environmental impact from operational activities. In 2023, Fudy's total expenditure on environmental management-related activities was approximately NT\$ 5,755,019, mainly for waste treatment equipment upgrades or waste disposal fees. Fudy actively invests resources in environmental improvements to reduce pollution from production processes and is committed to energy conservation, safeguarding the Earth's sustainable ecosystem.

### Annual Review: Fudy Environmental Management Expense Statistics 2023

Operating Location	Expenditure Category	Detailed Description (NTD)	Total Amount (NTD)
Taipei Fudy Headquarters	Waste Disposal Related Expenses	Waste Reporting: 31,080	951,366
		Garbage Collection Fee: 182,400	
		Water Purification Equipment: 700,000	
		Environmental Testing: 32,925	
		Effluent Testing: 4,961	
Dongguan Fuyang Plant	Waste Disposal Related Expenses	Waste Disposal Fee: 651,798	1,066,382
		Waste Gas Equipment Upgrade: 276,683	
		Three Wastes (Wastewater, Waste Gas, Solid Waste) Testing: 52,920	
		Pollution Discharge Permit Application: 84,981	
Suzhou Fuyang Plant	Waste Disposal Related Expenses	Waste Disposal Fee: 1,635,321	3,737,271
		Waste Gas Equipment Upgrade: 1,989,500	
		Three Wastes (Wastewater, Waste Gas, Solid Waste) Testing: 25,950	
		Environmental Testing: 86,500	
	Total Environmental Expenditure		5,755,019



## Climate-related Risks and Opportunities and Their Financial Impact

In recent years, disasters caused by climate change have become frequent. To proactively respond to climate disasters, prevent related financial losses, and avoid affecting customer interests, Fudy has taken active measures. Through our internal environmental management strategy, we implement effective environmental management to reduce climate risks while seizing opportunities brought about by climate change.

Our company's Sustainable Development Working Group convenes relevant departments to discuss and evaluate issues such as "Climate-related Risks and Financial Impacts" and "Climate-related Opportunities and Financial Impacts". We conduct in-depth analysis of how climate change affects the company's financial situation to identify opportunities for ensuring profitability, enhance Fudy's climate resilience, and effectively respond to the ensuing climate challenges.

### Climate-related Risks and Financial Impacts

Type	Climate-related Risks	Impact Period	Risk Description	Potential Financial Impact	Adaptation and Response Measures
Transition Risks	Policy and Regulations				
	Renewable Energy Regulations	Long-term	<ul style="list-style-type: none"> <li>According to the electricity user clause in the Renewable Energy Regulations, users with contract capacity over 5,000kW must self-supply 10% green electricity within five years.</li> </ul>	<ul style="list-style-type: none"> <li>Increased energy costs</li> </ul>	<b>Energy Conservation</b> <ul style="list-style-type: none"> <li><b>Taipei Fudy HQ:</b> Added energy management system, identified and replaced or repair high-energy consumption equipment</li> <li><b>Dongguan Fuyang and Suzhou Fuyang Plants:</b> Phased out old high-energy consumption equipment, replaced with smart, tech-based equipment</li> </ul> <b>Renewable Energy Planning</b> <ul style="list-style-type: none"> <li>Suzhou Fuyang Plant has purchased green electricity from abroad and obtained green electricity certificates</li> <li>Solar panels at Suzhou Fuyang Plant generated 991,976 kWh in 2023</li> </ul>
	Carbon Reduction Regulations	Medium-term	<ul style="list-style-type: none"> <li>Taiwan's "Greenhouse Gas Reduction and Management Act" and "Climate Change Response Act"</li> <li>EU Carbon Border Adjustment Mechanism</li> </ul>	<ul style="list-style-type: none"> <li>Increased carbon reduction costs</li> <li>Potential fines</li> <li>Increased overseas cost expenditures</li> </ul>	<b>Greenhouse Gas Inventory</b> <ul style="list-style-type: none"> <li><b>Taipei Fudy HQ:</b> While the Financial Supervisory Commission has not yet established carbon reduction regulations for small and medium-sized enterprises, in response to supply chain requirements, we plan to complete the 2023 greenhouse gas inventory and obtain verification by 2024. Based on these results, we will develop a carbon reduction plan.</li> <li><b>Dongguan Fuyang Plant:</b> We plan to complete the 2023 greenhouse gas inventory and obtain verification by 2024. This data will inform our carbon reduction strategy.</li> <li><b>Suzhou Fuyang Plant:</b> We aim to obtain ISO 14064-1 Greenhouse Gas Inventory Certification by 2024. Future plans include implementing the ISO 50001 Energy Management System.</li> </ul>



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Type	Climate-related Risks	Impact Period	Risk Description	Potential Financial Impact	Adaptation and Response Measures
Transition Risks	Technology				
	Development costs for low-carbon technology and services	Medium-term	◆ Continuous heavy investment in environmental management systems and equipment to achieve low-carbon production and provide green product services to customers.	◆ Increased R&D costs	◆ Leverage new energy-efficient and low-carbon systems to develop diverse sustainability solutions, expanding market reach.
	Changes in market demand	Short-term	◆ Due to international trends and changing market demands, the company needs to provide environmentally friendly, energy-saving, and carbon-reducing products to meet customer and supply chain expectations.	◆ Increased production costs leading to higher product prices, affecting product sales, decreasing customer demand and reduced profits	◆ <b>Taipei Fudy HQ:</b> Adjust product production lines to overcome challenges, and approach supplier communication with a sustainability mindset.
Physical Risks	Immediate				
	Extreme rainstorms, extreme heat, and other abnormal climate events	Short-term	◆ May cause losses to equipment, personnel, and facilities ◆ Transportation interruptions, cargo losses	◆ Annual insurance premium budget required ◆ Production capacity affected ◆ Equipment, facility, and personnel losses	<b>Holidays due to extreme climate</b> ◆ <b>Taipei Fudy HQ:</b> Each responsible department adjusts production capacity according to the internally established "Supply Chain Disruption Emergency Response Procedure" <b>Abnormally hot weather</b> ◆ <b>Taipei Fudy HQ:</b> In response to increased air conditioning demand due to rising temperatures, installed plastic partitions to improve cooling <b>Extreme rainstorms</b> ◆ <b>Taipei Fudy HQ:</b> Place sandbags to mitigate flood damage, move all semi-finished or finished products to second-floor warehouse ◆ <b>Dongguan Fuyang and Suzhou Fuyang Plants:</b> Continue to purchase sandbags and increase water barriers, arrange security patrols during heavy rain <b>Power shortages due to climate anomalies</b> ◆ <b>Taipei Fudy HQ:</b> Assess the feasibility of implementing energy storage systems to mitigate machine damage resulting from power outages. ◆ <b>Dongguan Fuyang Plant:</b> Implement a regular maintenance and servicing schedule for plant generators to ensure reliable backup power during outages.



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Type	Climate-related Risks	Impact Period	Risk Description	Potential Financial Impact	Adaptation and Response Measures
Physical Risks	Long-term				
	Changes in precipitation patterns	Medium-term	<ul style="list-style-type: none"> <li>◆ Causing floods</li> <li>◆ Causing droughts</li> </ul>	<ul style="list-style-type: none"> <li>◆ Increased manufacturing costs due to advance water purchases</li> <li>◆ Purchase of sandbags, water pumps, and other equipment</li> </ul>	<ul style="list-style-type: none"> <li>◆ <b>Taipei Fudy HQ:</b> Purchased sandbags and water pumps to prevent flooding caused by heavy rainfall</li> <li>◆ <b>Dongguan Fuyang Plant:</b> Purchased flood prevention sandbags and water barriers to prevent heavy rain intrusion</li> <li>◆ <b>Suzhou Fuyang Plant:</b> Purchased flood prevention sandbags to prevent heavy rain</li> </ul>
	Increase in average annual temperature	Long-term	<ul style="list-style-type: none"> <li>◆ Reduced lifespan of equipment</li> <li>◆ Air conditioning requires higher cooling intensity</li> </ul>	<ul style="list-style-type: none"> <li>◆ Increased equipment procurement expenses</li> <li>◆ Increased electricity bills</li> </ul>	<ul style="list-style-type: none"> <li>◆ <b>Taipei Fudy HQ:</b> <ol style="list-style-type: none"> <li>1. Use energy management system to regulate electricity consumption and usage time in the future, reducing electricity expenses.</li> <li>2. Replace energy-consuming products, add high-efficiency, inverter air conditioning equipment.</li> </ol> </li> <li>◆ <b>Dongguan Fuyang Plant:</b> Replaced energy-consuming old equipment with energy-efficient equipment.</li> </ul>

## Climate-related Risks and Financial Impacts

Type	Climate-related	Potential Financial	Response Measures
Resource Efficiency	<ul style="list-style-type: none"> <li>◆ Paper and waste recycling and reuse</li> <li>◆ Transition to more efficient electrical equipment</li> <li>◆ Reduce water consumption</li> <li>◆ Circular economy</li> <li>◆ Laws and standards for energy-efficient products</li> </ul>	<ul style="list-style-type: none"> <li>◆ Reduce material purchase costs</li> <li>◆ Lower electricity consumption and carbon emissions</li> <li>◆ Reduce water costs</li> <li>◆ Circular economy enhances product sustainability appeal</li> <li>◆ Subsidies for purchasing energy-efficient appliances</li> <li>◆ Subsidies for producing energy-efficient products</li> </ul>	<ul style="list-style-type: none"> <li>◆ <b>Taipei Fudy Headquarters:</b> <ol style="list-style-type: none"> <li>1. Procures recycled and reusable products</li> <li>2. Fosters a culture of water stewardship among employees</li> <li>3. Reduces use of disposable utensils</li> </ol> </li> <li>◆ <b>Dongguan Fuyang Plant:</b> <ol style="list-style-type: none"> <li>1. Adopts reverse-side paper reuse policy</li> <li>2. Implements comprehensive employee education on sustainability practices</li> </ol> </li> <li>◆ <b>Suzhou Fuyang Plant:</b> <ol style="list-style-type: none"> <li>1. Integrates workshop waste paper into office operations to reduce material costs</li> <li>2. Leverages data analytics to optimize water and energy consumption</li> </ol> </li> </ul>



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Type	Climate-related	Potential Financial	Response Measures
Energy Source	<ul style="list-style-type: none"> <li>◆ Use of low-carbon energy</li> <li>◆ Self-produced low-carbon energy, renewable energy projects</li> <li>◆ Adopt energy-saving measures</li> <li>◆ Energy substitution/diversification</li> </ul>	<ul style="list-style-type: none"> <li>◆ Reduce carbon emissions, save carbon reduction costs</li> <li>◆ Use self-produced green electricity, sell excess power</li> <li>◆ Energy-saving reduces operational cost expenditure</li> <li>◆ Use diverse energy sources, enhance energy supply resilience</li> </ul>	<ul style="list-style-type: none"> <li>◆ <b>Taipei Fudy Headquarters:</b> <ol style="list-style-type: none"> <li>1. Introduces energy management system</li> <li>2. Replaces energy-consuming equipment</li> <li>3. Crafts a hybrid energy paradigm with source-differentiated efficiency tracking</li> </ol> </li> <li>◆ <b>Suzhou Fuyang Plant:</b> Installed solar panels for self-produced and self-used electricity. In 2023, power generation was 991,976 kWh, accounting for about 13.95% of the plant's total electricity consumption</li> </ul>
Products and Services	<ul style="list-style-type: none"> <li>◆ Develop and/or increase low-carbon goods and services</li> <li>◆ Develop climate adaptation and insurance risk solutions</li> <li>◆ R&amp;D and innovation for new products and services</li> </ul>	<ul style="list-style-type: none"> <li>◆ Provide diverse and varied services and products to meet market demands, enhance company reputation and recognition</li> <li>◆ Bring new product or service opportunities, increase revenue</li> <li>◆ Catalyze business expansion through new product and service development</li> </ul>	<ul style="list-style-type: none"> <li>◆ North Vietnam HIEP PHU Green Packaging Technology Co., Ltd., which commenced operations in 2023, has successfully obtained ISTA 2A laboratory certification. From its initial conception through to construction, this facility has been dedicated to providing eco-friendly green packaging solutions, thereby supporting our customers in achieving their ESG (Environmental, Social, and Governance) objectives.</li> </ul>
Market	<ul style="list-style-type: none"> <li>◆ Develop new markets</li> <li>◆ Enter new industries</li> <li>◆ Secure government incentives and subsidies</li> </ul>	<ul style="list-style-type: none"> <li>◆ Develop new products with green energy technology, explore new markets</li> <li>◆ Secure government incentives and subsidies, increase company revenue</li> </ul>	<ul style="list-style-type: none"> <li>◆ Taipei Fudy Headquarters actively seeks alternative local raw materials and conducts various environmental tests with innovative technologies to provide customers with localized procurement carbon reduction solutions</li> <li>◆ Suzhou Fuyang Plant continues to cultivate green and low-carbon technology innovation and R&amp;D for products, obtaining national high-tech enterprise certification from the Chinese government, enabling preferential corporate income tax rates and government subsidies</li> </ul>
Resilience	<ul style="list-style-type: none"> <li>◆ Develop a comprehensive climate risk assessment and management framework to bolster the company's adaptive capacity and response strategies.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Enhance organizational resilience to climate-related risks, mitigate potential losses associated with climate change, and simultaneously reduce climate-related risks for our</li> </ul>	<ul style="list-style-type: none"> <li>◆ We provide periodic sustainability-related training courses and guidance to enhance senior management's expertise in international sustainability trends and climate change issues. We promote corporate sustainable development through a top-down approach, integrating climate risk response into the environmental management indicators of each plant. This strategy strengthens Fudy's overall resilience to climate risks.</li> </ul>



5.2 Energy Management

To effectively manage energy efficiency, we are gradually replacing old energy-consuming equipment with smart energy-saving alternatives. Taipei Fudy Headquarters plans to install an energy management system in 2024, with an estimated investment of NT\$3 million. Suzhou Fuyang Plant also aims to implement the ISO 50001 energy system to optimize future energy management.

Fudy's primary energy sources include gasoline (5.13% of total energy use), diesel (2.51%), and purchased electricity (84.3%). Additionally, we purchase renewable energy (electricity), accounting for 0.02% of total energy use, while self-produced and consumed solar power represents 8.02% of our total energy consumption. In 2023, Fudy's total energy consumption reached 44,556.64 GJ, with an energy intensity of 20.19, showing an increase of approximately 1.41% compared to 2022. This rise is primarily attributed to the resumption of normal operations following the pandemic. In 2022, travel restrictions significantly reduced gasoline and diesel consumption. As the world returned to normal in 2023, customer interactions resumed, leading to increased gasoline usage. Furthermore, the Dongguan Fuyang Plant increased its night shift operations to meet production demands, resulting in higher purchased electricity consumption and consequently raising the energy intensity.

Against the backdrop of energy scarcity and growing awareness of energy conservation, we are adopting a data-driven approach coupled with smart management techniques. We are gradually introducing systematic tools to continually promote energy-saving and carbon reduction initiatives within our company. These efforts aim to reduce energy costs, decrease carbon emissions, and enhance overall operational efficiency.

Annual Review: Energy Consumption at Fudy’s Operating Locations

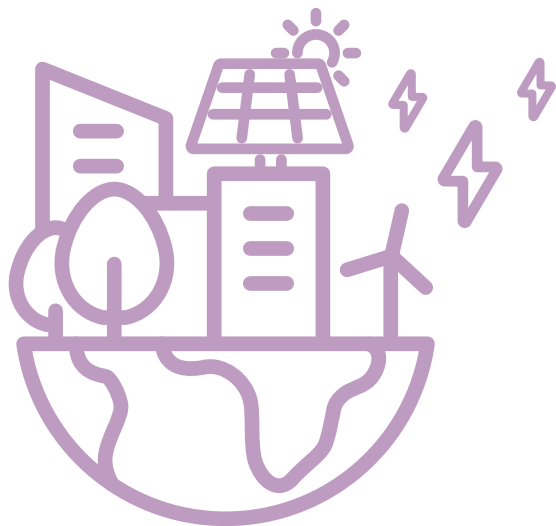
Operating Location	Energy Type		Energy Consumption (GJ)		
			2021	2022	2023
Taipei Fudy Headquarters	Non-renewable Energy	Gasoline	512.52	591.38	441.11
		Diesel	198.11	173.46	155.69
		Purchased Electricity	2,164.25	2,039.37	2,127.44
Dongguan Fuyang Plant	Non-renewable Energy	Gasoline	707.93	701.04	760.65
		Diesel	177.79	182.89	199.63
		Liquefied Petroleum Gas	118.04	71.10	7.86
		Purchased Electricity	15,679.12	11,798.20	13,426.09
Suzhou Fuyang Plant	Non-renewable Energy	Gasoline	817.67	645.99	1,086.19
		Diesel	1,216.03	960.69	763.78
		Purchased Electricity	28,783.80	26,877.24	22,009.52
	Renewable Energy	Solar Power	0	237.94	3,571.93
		Purchased Renewable Energy (Electricity)	0	0	6.75
Total			50,375.26	44,279.30	44,556.64
Revenue (NT\$ million)			2,285.02	2,223.43	2,207.41
Energy Intensity			22.05	19.91	20.19
Year-on-Year Change in Energy Intensity			–	–9.71%	1.41%

- Notes:
- All data is rounded to two decimal places.
  - Energy conversion factors are sourced from the Greenhouse Gas Emission Factor (Version 6.0.4) published by the Ministry of Environment and the Heat Content of Energy Products from the Energy Administration, Ministry of Economic Affairs.
  - Energy intensity calculation formula: Energy consumption / Annual total revenue.



Annual Review: Proportion of Energy Types Used by Fudy

	Energy Type	Energy Consumption (GJ)	Proportion of Energy Use
Non-renewable Energy	Gasoline	2,287.95	5.13%
	Diesel	1,119.10	2.51%
	Purchased Electricity	37,563.05	84.3%
	Liquefied Petroleum Gas	7.86	0.02%
Renewable Energy	Solar Power	3,571.93	8.02%
	Purchased Renewable Energy (Electricity)	6.75	0.02%
Total		44,556.64	100%



## 5.3 Greenhouse Gas Emissions and Air Pollution Prevention

### Greenhouse Gas Management

To achieve our goal of net-zero carbon emissions across all plants by 2050, Fudy is progressively implementing carbon management tools, including greenhouse gas inventories and product carbon footprint assessments. Through the application of these relevant standards, we are identifying our carbon emissions from operational activities, enabling us to understand our primary sources of energy consumption and carbon emissions. This approach allows us to effectively plan and track our energy-saving and carbon reduction performance

In 2023, Fudy's three major operational sites all initiated ISO 14064-1: 2018 greenhouse gas inventory third-party verification projects. However, due to differences in the capabilities of verification companies in various regions, the certificate for Taipei Fudy Headquarters will not be obtained until October 2024. The greenhouse gas emission data for Taipei Fudy Headquarters is based on the company's internal inventory, while the greenhouse gas inventory data for Dongguan Fuyang Plant and Suzhou Fuyang Plant are total amounts verified and certified by third-party agencies. In 2023, Suzhou Fuyang Plant completed ISO 14067:2018 product carbon footprint verification for a single product under the guidance of a third-party verification body, and successfully obtained certification.

We utilize greenhouse gas inventory as the foundation for our low-carbon transition. Over the next three years, we plan to progressively implement an energy management system to gather precise energy consumption data. This will enable us to establish science-based carbon reduction targets and enhance Fudy's overall carbon management approach.







5.1 Environmental Sustainability  
Management

## 5.2 Energy Management

5.3 Greenhouse Gas Emissions  
and Air Pollution Prevention5.4 Waste Management  
and Recycling

## 5.5 Water Resource Management

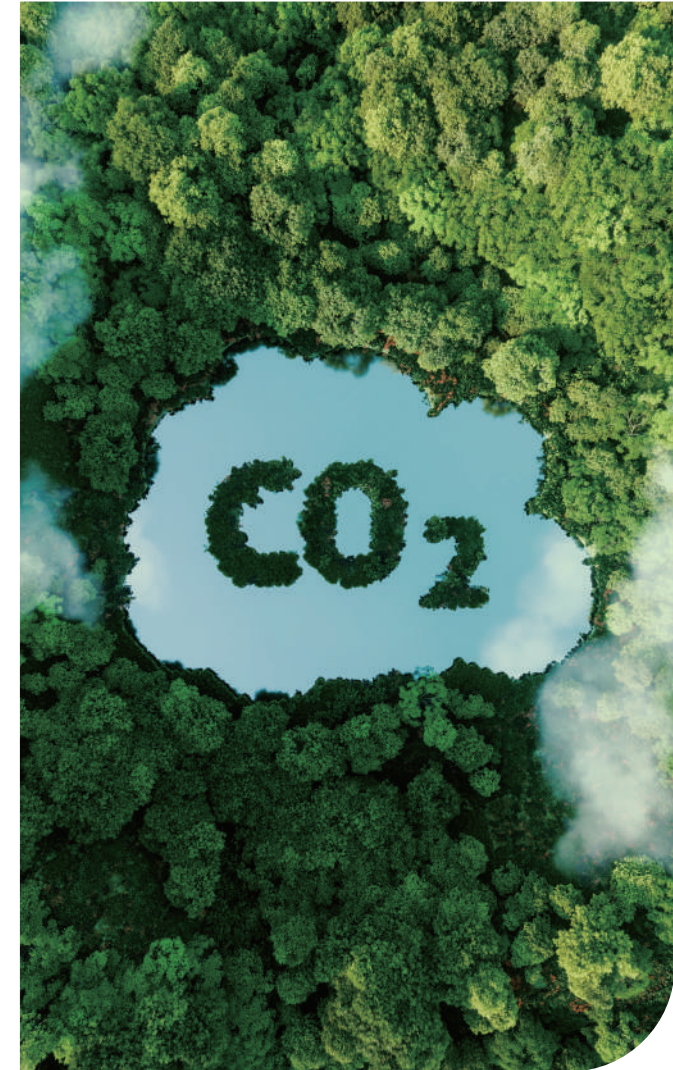
In 2023, Fudy's greenhouse gas emissions were as follows: Scope 1 emissions were 1,232.61 tCO<sub>2</sub>e; Scope 2 emissions were 5,827.25 tCO<sub>2</sub>e, with total greenhouse gas emissions of 7,059.86 tCO<sub>2</sub>e and an emission intensity of 3.20. Furthermore, in 2023, all three of Fudy's major operational sites conducted greenhouse gas inventories in accordance with the Greenhouse Gas Protocol (GHG Protocol) or the ISO 14064-1 international standard methodology. These inventories were verified by qualified third-party verification bodies. Consequently, we have designated 2023 as our base-line year for greenhouse gas emissions. Moving forward, we will use 2023 as the reference point for our greenhouse gas emission management, formulating relevant carbon reduction strategies and continuously tracking our emission reduction performance.

## Annual Review: Fudy's Greenhouse Gas Emissions and Emission Intensity

Emission Scope	Operating Locations	Emission Equivalent ( tCO <sub>2</sub> e)	Emission Intensity (tCO <sub>2</sub> e / Million Revenue)
Scope 1	Fudy Taipei Headquarters	75.14	0.09
	Dongguan Fuyang Plant	373.17	0.90
	Suzhou Fuyang Plant	213.39	0.22
Subtotal		661.70	0.30
Scope 2	Fudy Taipei Headquarters	291.71	0.35
	Dongguan Fuyang Plant	2,132.02	5.14
	Suzhou Fuyang Plant	3,403.36	3.53
Subtotal		5,827.09	2.64
Total		6,488.79	2.94

## Notes:

- Carbon emission intensity calculation formula: Total greenhouse gas emissions (tCO<sub>2</sub>e) / Revenue
- The 2023 revenue for Fudy's main operating locations was as follows: Fudy Taipei Headquarters – NT\$ 827.81 million; Dongguan Fuyang Plant – NT\$ 414.66 million; Suzhou Fuyang Plant – NT\$ 964.93 million; Consolidated revenue – NT\$ 2,207.41 million





In 2023, the greenhouse gas emissions from Fudy's Taipei Headquarters were as follows: Scope 1 emissions were 646.05 tCO<sub>2</sub>e; Scope 2 emissions were 291.87 tCO<sub>2</sub>e, totaling 937.92 tCO<sub>2</sub>e. This represents an increase of approximately 163.81% in greenhouse gas emissions compared to the previous year.

The primary reason for this significant increase is that in 2023, Fudy's Taipei Headquarters commissioned an external verification body to conduct a greenhouse gas inventory and verification for the first time. This process incorporated more comprehensive emission sources, resulting in a substantial increase in reported greenhouse gas emissions compared to the previous year.

Moving forward, to more accurately monitor and manage the greenhouse gases generated during our operations, we have designated 2023 - the year of our first externally verified inventory - as our baseline year. We will conduct regular annual greenhouse gas inventories to track and manage our emission performance.

Greenhouse Gas Emissions of Fudy Taipei Headquarters in the Past Two Years (Unit: tCO <sub>2</sub> e)			
Total Emissions		2022	2023
Scope 1	Mobile combustion – Gasoline	30.57	30.57
	Diesel	13.05	11.54
	Septic tank wastewater	23.63	4.35
	Refrigerants		28.68
	Subtotal for Scope 1	67.25	75.14
Scope 2	Purchased electricity	288.28	291.71
	Subtotal for Scope 2	288.28	291.71
Total Greenhouse Gas Emissions		355.53	366.85
Annual Emission Increase (Decrease) Rate		–	3.18%

Notes:

- The conversion factors are sourced from the Greenhouse Gas Emission Factor Management Table version 6.0.4 published by the Ministry of Environment.
- Greenhouse gas quantities were consolidated using the operational control approach.
- Global Warming Potential (GWP) values for various greenhouse gases are based on the IPCC Sixth Assessment Report estimates.
- The electricity emission factors used for calculations are: 0.509 kg CO<sub>2</sub>e/kWh for 2021, 0.495 kg CO<sub>2</sub>e/kWh for 2022, and 0.494 kg CO<sub>2</sub>e/kWh for 2023.

In 2023, the Dongguan Fuyang plant's Scope 1 greenhouse gas emissions amounted to 373.17 tCO<sub>2</sub>e, while Scope 2 emissions reached 2,132.02 tCO<sub>2</sub>e, totaling 2,505.19 tCO<sub>2</sub>e. Scope 1 emissions decreased by 6.90% year-on-year, primarily due to reduced usage of company vehicles and forklifts, as well as the switch from liquefied petroleum gas to electricity for kitchen equipment. Conversely, Scope 2 emissions increased by 11.78% compared to the previous year, attributed to increased nighttime operation of energy-intensive machinery to meet production demands. Overall, the plant's greenhouse gas emissions saw an 8.54% year-on-year increase in

Greenhouse Gas Emissions Dongguan Fuyang Plant in the Past Two Years (Unit: tCO <sub>2</sub> e)			
Total Emissions		2022	2023
Scope 1	Mobile combustion – Gasoline (company vehicles)	68.43	56.19
	Diesel for forklifts	13.96	12.29
	Liquefied Petroleum Gas (LPG)	4.55	0.90
	Diesel for backup generators	0	4.00
	Refrigerants	238.16	231.30
	Septic tank wastewater	75.74	68.49
	Subtotal for Scope 1	400.84	373.17
Scope 2	Purchased electricity	1,907.32	2,132.02
	Subtotal for Scope 2	1,907.32	2,132.02
Total Greenhouse Gas Emissions		2,308.16	2,505.19
Annual Emission Increase (Decrease) Rate		–	8.54%

Notes:

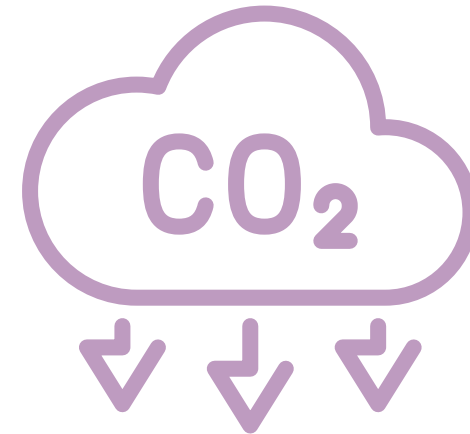
- Conversion factors are sourced from various Chinese emission factor management tables, including "Diesel Property Introduction" and "Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Land Transportation Enterprises (Trial)".
- Greenhouse gas quantities were consolidated using the operational control approach.
- Global Warming Potential (GWP) values for various greenhouse gases are based on the IPCC Sixth Assessment Report estimates.
- This report includes a restatement of 2022 greenhouse gas emissions data. The figures have been updated using the latest local Chinese emission factors to ensure precise tracking and management of emission data changes. (GRI 2–4)



In 2023, the greenhouse gas emissions of Suzhou Fudy Plant were as follows: Scope 1 emissions were 213.39 tCO<sub>2</sub>e, Scope 2 emissions were 3,403.36 tCO<sub>2</sub>e, totaling 3,616.75 tCO<sub>2</sub>e. Scope 1 emissions increased by approximately 48.97% compared to the previous year due to the lifting of pandemic-related restrictions in 2023, which led to a return to pre-pandemic customer visit frequencies, increased freight volumes, and consequently higher transportation fuel consumption. Conversely, the installation of solar panels within the facility increased the use of solar-generated green electricity, reducing the demand for purchased electricity. This successfully decreased Scope 2 emissions by about 20.05% compared to the previous year. Overall, Suzhou Fudy's greenhouse gas emissions in 2023 decreased by approximately 17.80% compared to 2022.

**Greenhouse Gas Emissions Suzhou Fudy Plant  
in the Past Two Years (Unit: tCO<sub>2</sub>e)**

Total Emissions		2022	2023
Scope 1	Mobile combustion – Gasoline	34.22	47.17
	Diesel for forklifts	35.63	35.85
	Diesel for trucks	52.11	89.98
	Air conditioning (R32)	8.32	2.25
	Air conditioning and water chillers (R410a)	0	25.78
	Septic tank wastewater	12.96	12.36
	Subtotal for Scope 1	143.24	213.39
Scope 2	Purchased electricity	4,256.83	3,403.36
	Subtotal for Scope 2	4,256.83	3,403.36
Total Greenhouse Gas Emissions		4,400.07	3,616.75
Annual Emission Increase (Decrease) Rate		–	–17.80%



Notes:

1. Quantification, monitoring, and reporting methodologies adhere to ISO 14064–1:2018, the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Refinement), the IPCC Sixth Assessment Report (AR6) of 2021, the Greenhouse Gas Protocol, and other applicable standards
2. Greenhouse gas quantities were consolidated using the operational control approach.
3. The 2022 Scope 1 and Scope 2 emissions data have been updated in this report. This revision reflects the verified inventory results, which were not available when our 2022 sustainability report was initially published.



Energy Conservation and Carbon Reduction

To advance our company's sustainability goals, Fudy has been actively implementing energy conservation and carbon reduction initiatives in daily operations. In 2023, the Dongguan Fuyang plant switched the kitchen equipment fuel from liquefied petroleum gas to electricity, resulting in a total energy reduction of 23.30 MJ. The Suzhou Fuyang plant also introduced LED energy-saving light tubes, achieving a total emission reduction of 546.86 tCO<sub>2</sub>e. We plan to gradually expand the scale of our energy-saving action plans to promote efficient energy utilization.

The Taipei Fudy headquarters is planning to implement an energy management system for equipment monitoring and will gradually replace air conditioning equipment using refrigerants to achieve emission and carbon reduction, minimizing the negative environmental impact of our company's operations. To effectively reduce energy consumption, the Suzhou Fuyang plant has also installed solar panels to use self-produced green energy. The surplus electricity after self-use is sold to the national power grid. All three plants are working together to contribute to the Earth's sustainable resources.

Annual Review: Performance of Fudy’s Energy Conservation and Carbon Reduction Action Plans

Action Plan	Energy Source	Base Year/Baseline	Energy Savings (Million Joules)	Carbon Emission Reduction (tCO <sub>2</sub> e)
For safety considerations, the Dongguan Fuyang plant switched kitchen equipment fuel from liquefied petroleum gas to electricity. As this fuel was only used for cooking in the employee cafeteria, the electricity consumption did not increase significantly.	Liquefied Petroleum Gas	We selected 2022 as the base year. As we began using electricity to replace liquefied petroleum gas in 2023, comparing with the previous year’s usage allows for a more accurate estimation of the benefits.	76,124.08	4.53
The Suzhou Fuyang plant introduced LED energy-saving light tubes for workbench lighting in workshop areas, replacing glass tubes.	Electricity	We selected 2022 as the base year. As glass tubes were still in use in 2022 and replacement began in 2023, we can accurately estimate the benefits of equipment replacement.	3,986,107.74	546.86

Notes: Emission Reduction Calculation Methodology

1.

The total liquefied petroleum gas usage at the Dongguan Fuyang plant in 2022 was 1,118 kg, summed up monthly. In 2023, electricity replaced the use of liquefied petroleum gas.

2.

In 2023, the Suzhou Fuyang plant replaced 1,043 glass light tubes with LED lights, resulting in a total reduction of 1,107,000 KWH in electricity usage.



Emission of Air Pollutants

Due to the nature of its industry, printing processes utilize raw materials that tend to produce harmful air pollutants. Notably, traditional solvent-based inks generate substantial chemical sludge during production and are prone to emitting Volatile Organic Compounds (VOCs) when used. To promote health and environmental benefits, and to mitigate negative impacts on the environment, employees, and customers from the production process, Fudy fully implemented mineral oil-free inks in 2022. This initiative drives Fudy's printing processes towards sustainable development and transformation, making a tangible contribution to environmental protection and resource sustainability.

Traditional Solvent-Based Inks vs. Mineral Oil-Free Inks

Characteristic	Traditional Solvent-Based Inks	Mineral Oil-Free Inks
Composition and Raw Materials	Made from mineral oils and petrochemical solvents, containing Volatile Organic Compounds (VOCs) and other chemicals.	Made from vegetable oils (e.g., soybean oil) or other renewable resources, with more natural and environmentally friendly components.
Environmental Impact	<ul style="list-style-type: none"> <li>◆ <b>High carbon emissions:</b> Higher carbon footprint during production and use</li> <li>◆ <b>Non-renewable:</b> Dependent on petrochemical products, consuming limited mineral resources</li> <li>◆ <b>High pollution:</b> Contains high levels of VOCs, easily causing negative impacts on the environment and air quality</li> </ul>	<ul style="list-style-type: none"> <li>◆ <b>Low carbon footprint:</b> Lower carbon emissions during production and use</li> <li>◆ <b>Renewable:</b> Uses renewable resources, reducing dependence on limited mineral resources</li> <li>◆ <b>Low pollution:</b> Lower VOC content, reducing impact on air quality</li> </ul>
Health Impact	<ul style="list-style-type: none"> <li>◆ Chemical components may be harmful to health, with increased risk of illness from long-term exposure</li> <li>◆ High VOC content leads to poor air quality in printing facilities, affecting workers' health</li> </ul>	<ul style="list-style-type: none"> <li>◆ Reduced risk of exposure to harmful chemicals, safer for printing workers and end-users</li> <li>◆ Lower VOC emissions, contributing to improved air quality in printing facilities</li> </ul>

To effectively manage air pollutants, particularly Volatile Organic Compounds (VOCs), we have implemented a comprehensive control strategy. This includes regular VOC measurements and reporting to local authorities to ensure compliance with regulatory standards. At our Taipei Fudy Headquarters, ink and organic solvent usage remains below regulatory thresholds. Our Dongguan Fuyang and Suzhou Fuyang plants have secured the necessary pollution discharge permits, demonstrating our commitment to regulatory compliance. In 2023, we completed an upgrade to our "Exhaust Treatment Equipment" at both the Dongguan and Suzhou plants. This upgrade aimed to enhance VOC treatment efficiency and reduce organic exhaust emissions. The new system replaces the previous photocatalytic oxidation technology with an advanced two-stage activated carbon filtration system. Furthermore, we have transitioned to using raw and auxiliary materials that are either low in VOCs or VOC-free. This combination of upgraded equipment and improved materials has substantially reduced our VOC emissions and overall air pollutants.



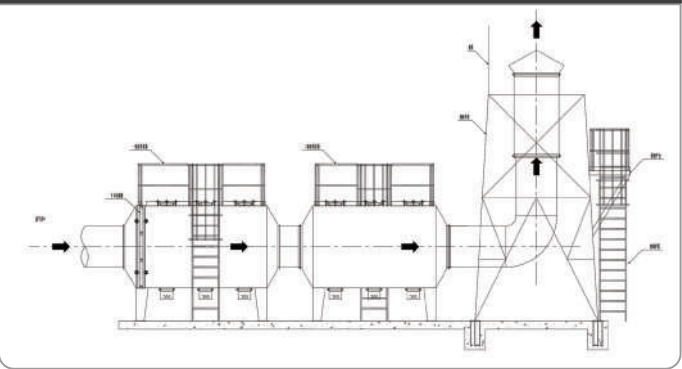
Fudy’s Air Pollutant Emissions in Recent Two Years  
(Unit: Metric Tons)

Year	2022			2023		
Pollutant	Taipei Fudy HQ	Dongguan Fuyang Plant	Suzhou Fuyang Plant	Taipei Fudy HQ	Dongguan Fuyang Plant	Suzhou Fuyang Plant
Volatile Organic Compounds (VOCs)	1.3	1.2	15.19	2.8	0.4	7.7
Ozone Depleting Substances (ODS)	0.3	0	0	0.3	0	0.009

Notes:

- Ozone Depleting Substances (ODS) emission factors are based on the Montreal Protocol Annex, while Volatile Organic Compounds (VOCs) emission factors reference the "Standard for Fugitive Emission of Volatile Organic Compounds (GB 37822-2019)".
- Taiwan currently lacks specific VOC emission standards for the printing industry; VOC emissions from our Dongguan and Suzhou plants comply with the emission allowances regulated by their respective local authorities.
- To enhance the accuracy of VOC emission data comparisons, we have standardized the emission data for both Dongguan and Suzhou plants based on government-reported figures in this year's report, and future annual emission comparisons will primarily utilize data from the official reporting platform.

Upgrade of Exhaust Gas Treatment Equipment at Suzhou Fuyang Plant: Installation Diagram of Two-stage Activated Carbon Box



Exhaust Gas Treatment at Dongguan Fuyang Plant: Two-stage Activated Carbon Box



Pollutant Discharge Permit of Dongguan Fuyang Plant

Valid until:  
July 30, 2028



Pollutant Discharge Permit of Suzhou Fuyang Plant

Valid until:  
October 14, 2025





## 5.4 Waste Management and Recycling

### Waste Management

Fudy's Waste Management Strategy: Promoting circular economy and waste resource utilization, implementing resource recycling and reuse, and reducing waste generation.

#### Fudy's Daily 3R Waste Reduction Actions

Category	Implementation Measures
Production Process	<ul style="list-style-type: none"> <li>Edge trimmings, finished products, and stagnant raw materials from the production process are machine-cut or ground up for further recycling and reuse after quality assurance classification</li> <li>Edge trimmings from printing, cutting, and box-making are first cut to the required size for reuse; unusable paper scraps are entrusted to recycling plants for processing</li> </ul>
Office Supplies	<ul style="list-style-type: none"> <li>Control the replacement and elimination of office consumables and labor protection equipment through a quantitative old-for-new approach, avoiding unnecessary procurement or disposal of supplies</li> </ul>
Customer-side	<ul style="list-style-type: none"> <li>Actively promote the application of recycled materials and reusable materials in products to existing customers, achieving paper usage reduction and waste minimization through green product design</li> </ul>

Due to the nature of our industry, the waste generated from Fudy's operations includes not only general domestic waste, industrial waste, and waste paper from printing or cutting, but also hazardous waste such as waste ink, waste glue, waste organic solvents, waste oil cloths, and waste filter cartridges. To mitigate the negative environmental impact of waste transportation, we have established an internal checklist for hazardous waste disposal. Inspections and controls are conducted according to this checklist, which covers the following key aspects:

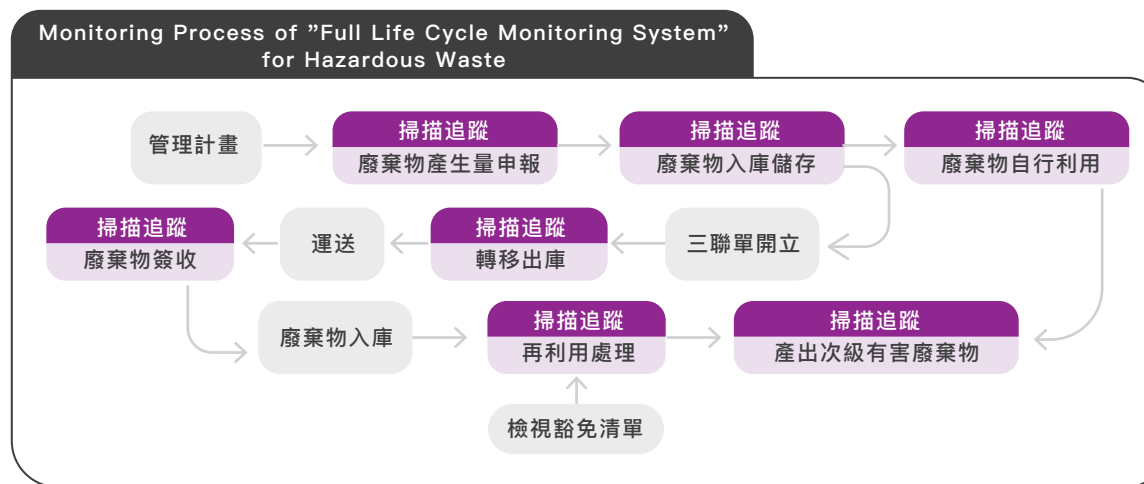
1. Transportation and Packaging: We verify the correctness of labels and the integrity of packaging for hazardous waste.
2. Storage Facilities: We inspect the installation of gas collection or purification devices at the storage sites of Dongguan Fuyang Plant and Suzhou Fuyang Plant.
3. Disposal Procedures: We ensure the completeness of personnel and waste transportation records, and verify the effective implementation of relevant education and training programs.
4. Documentation and Record-keeping: We check for proper preservation of hazardous waste manifests (five-part manifest, three-part manifest, or e-Manifest [electronic manifest system]), accuracy of waste disposal time records, and verification of waste types and weight data.

▼ Hazardous Waste Storage Room and Warning Signs at Suzhou Fuyang Plant



In addition to regularly reporting waste generation volumes to the competent authorities, we conduct monthly data statistics and management according to waste categories. Our Dongguan Fuyang plant utilizes an online monitoring system for general industrial waste, which is interconnected with the environmental protection waste supervision unit for comprehensive control. Meanwhile, the Suzhou Fuyang plant employs a "full life cycle monitoring system" for hazardous waste management. This system uses barcode scanning to record each stage of waste handling, including production, storage, transfer, and disposal. It also enables real-time monitoring of hazardous waste treatment status through a mobile application (Solid Waste Management APP).





All waste generated by Fudy is weighed before leaving the plant. In 2023, Fudy's total waste generation was 3,675.87 tons, of which non-hazardous waste accounted for 149.06 tons (4.06%), and hazardous waste accounted for 3,526.81 tons (95.94%). The recyclable waste intensity was 1.55, an increase of 115% compared to 2022. The non-recyclable waste intensity increased by about 50% compared to the previous year, primarily due to equipment replacement and upgrades at the Suzhou plant in 2023, which led to a sudden increase in the total volume of non-recyclable waste.

Furthermore, to effectively track waste treatment methods across the entire supply chain and ensure that suppliers' waste removal complies with regulations and Fudy's ESG commitments, Fudy has not only established waste management policies for its own operations but also manages its suppliers and qualified waste treatment vendors. Suppliers are required to sign a "Supplier Social Responsibility Commitment" and undergo regular ESG assessments. All off-site disposed waste is handled by qualified and professional external vendors. Within the facilities, comprehensive waste sorting is implemented, and random audits are conducted to reinforce the execution of waste classification.



### Fudy's Waste Treatment in the Past Two Years (Unit:Metric Tons)

	Waste Category	Subcategory	2022		2023		Treatment Method
			Off-site	On-site	Off-site	On-site	
Non-recyclable	Non-hazardous waste	General	0.00	0.00	33.05	0.00	Incineration without energy recovery
			86.50	0.00	11.56	0.00	Incineration with energy recovery
		General industrial waste (non-hazardous industrial solid waste)	56.08	0.00	102.45	0.00	Third-party treatment (Incineration – including energy recovery; recycling)
		Food	0.00	0.00	2.00	0.00	Third-party treatmen (Official municipal recycling)
	Non-hazardous		142.58		149.06		–
	Non-hazardous		0.18		0.07		–
	Hazardous waste	Hazardous waste (including sludge, waste cloth, waste ink, waste glue, waste organic solvents, waste filter cores, waste activated carbon, waste packaging containers, waste glue paper, waste glue sticks)	49.89	0.00	96.06	0.00	Third-party treatment (Recycling, incineration with or without energy recovery, or landfilling, depending on the waste type)
		Waste	0.00	0.00	10.89	0.00	Third-party treatment (Incineration – with energy recovery)
	Hazardous waste subtotal		49.89		106.95		–
	Hazardous waste intensity		0.07		0.05		–
	Total non-recyclable waste		192.47		256.01		–
	Non-recyclable waste intensity		0.08		0.12		–
Recyclabl	Recyclable waste (waste paper, scrap iron, waste PS plates (aluminum), waste plastic film, waste pallets, waste hot stamping film, waste rubber blankets)		1,639.87	0.00	3419.86	0.00	Recycling
	Recyclable waste subtotal		1,639.87		3,419.86		–
	Recyclable waste intensity		0.72		1.55		–
Total waste			1,832.34		3,675.87		–



Notes:

1. Treatment location: On-site (processed within the plant), Off-site (outsourced processing).
2. Treatment methods: Reuse (reused for the same original purpose), Recycling (reprocessed into new materials), Incineration (with energy recovery), Incineration (without energy recovery), Landfill, Others.
3. 2023 Revenue by plant (NTD million): Taipei Fudy Headquarters: 827.81; Dongguan Fuyang Plant: 414.66; Suzhou Fuyang Plant: 964.93; Consolidated revenue: 2,207.41.
4. Identification of hazardous industrial waste and general industrial waste: Taipei Fudy Headquarters: According to the "Waste Disposal Act" and "Standards for Defining Hazardous Industrial Waste"; Dongguan Fuyang Plant and Suzhou Fuyang Plant: According to the "National Catalogue of Hazardous Wastes" and "General Industrial Solid Waste" standards.
5. All hazardous waste is handled by licensed waste handlers in accordance with local regulations. In Taiwan, it follows the Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste.
6. Waste classification note: The total weight of waste



Materials Usage and Recycling

In our commitment to creating a sustainable global environment with all stakeholders, Fudy offers customers an innovative, green, and low-carbon product portfolio. We select environmentally friendly materials, invest in renewable raw materials, and employ eco-friendly processes to provide the market with greener, carbon-reduced packaging solutions.

Starting with package weight reduction, we have replaced gray cardboard with lighter corrugated paper for hardcover boxes, increasing recyclability and reducing transportation costs. The Taipei Fudy Headquarters has adopted a mortise and tenon structure in packaging design, implementing an all-paper design to reduce adhesive use. In 2023, the Suzhou Fuyang Plant completely replaced vacuum-formed plastic with molded pulp materials, creating innovative product packaging designs such as paper hooks and paper handles. The Dongguan Fuyang Plant has switched from oil-based to water-based blister oil, reducing environmental impact and enhancing green manufacturing processes.

Furthermore, we are committed to reducing plastic usage. The Taipei Fudy Headquarters has replaced EPE cushioning materials with high-load-bearing cushioning paper for larger and heavier products. We have also introduced pure plant fiber materials for product protective sleeves, replacing plastic packaging bags. Additionally, the Suzhou Fuyang Plant recycles FSC® certified paper in its production processes and uses water-based chemicals to replace more environmentally harmful solvent-based chemicals. When the use of solvent-based chemicals is unavoidable due to specific requirements, we strive to minimize their usage.

To effectively monitor our efforts in green product manufacturing, we track our progress in plastic reduction through green procurement (eco-friendly materials) and plastic procurement amounts. In 2023, the procurement of eco-friendly materials amounted to NTD 493.66 million, accounting for approximately 51.55% of total material procurement. This represents a decrease of about 5.78% compared to the baseline year 2022 (NTD 523.95 million), primarily due to challenges in persuading customers to adopt eco-friendly materials. Moving forward, we plan to increase customer willingness to choose eco-friendly materials by regularly introducing such options and proactively proposing green design solutions.

Plastic procurement increased by approximately 11.91% compared to the baseline year 2022 (NTD 107.70 million), totaling NTD 120.53 million and accounting for about 12.59% of total procurement. This increase is attributed to customers' lack of confidence in the durability of eco-friendly packaging materials. In the future, we will continue to enhance our in-house packaging testing capabilities and propose more diverse green solutions to boost customer confidence in the durability of eco-friendly materials, thereby achieving our green procurement goals.



### Fudy Green Procurement Items and Amount Statistics

Recycled Pulp Products	2023 ESG Green Product Procurement Amount Statistics (Unit: NTD)					Total
	Item	Type	Taipei Fudy HQ	Dongguan Fuyang Plant	Suzhou Fuyang Plant	
	FSC® Certified Forest Products Procurement	Raw Paper (Unprocessed)	4,553,782.00	4,708,908.00	20,190,480.51	29,453,170.51
		Corrugated Paper	1,596,723.00	7,252,877.33	16,399,796.50	25,249,396.83
		Cardboard	0	3,731,201.67	4,766,226.84	8,497,428.51
		Outer Box	0	4,642,778.17	532,404.84	5,175,183.01
		Molded Pulp	0	3,297,313.87	3,149,378.28	6,446,692.15
	FSC® Procurement Subtotal (Million NTD)		6.15	23.63	45.04	74.82
	FSC® Procurement Percentage		1.86%	10.14%	11.44%	7.81%
	Bio-based Raw Materials	GEX™	2,716,653.00	0	0	2,716,653.00
	Bio-based Raw Materials Procurement Subtotal		2.72	0	0	2.72
	Bio-based Raw Materials Procurement		0.82%	0	0	0.28%
Recycled Pulp Products (>10% recycled content) Procurement	Gray Copper (excluding FSC®)	2,987,344.00	15,941,126.38	29,144,195.76	48,072,666.14	
	Corrugated Paper (excluding FSC®)	117,892,494.00	23,691,727.24	60,752,601.16	202,336,822.40	
	Cardboard (excluding FSC®)	3,992,769.00	6,737,956.01	19,133,320.87	29,864,045.88	
	Outer Box/Carton (excluding FSC®)	44,420,490.00	8,199,980.35	35,071,135.96	87,691,606.31	
	Molded Pulp (excluding FSC®)	8,677,275.00	4,132,170.76	3,542,746.72	16,352,192.48	
	Domestic Kraft Paper (for raw paper)	10,549,670.00	0	0	10,549,670.00	
	Domestic Kraft Paper (for packaging)	466,900.00	0	0	466,900.00	
	Imported Kraft Paper (for raw paper)	20,791,994.00	0	0	20,791,994.00	
Recycled Pulp Products Procurement Subtotal (Million NTD)		209.78	58.70	147.64	416.12	
Recycled Pulp Products Procurement Percentage		63.42%	25.19%	37.49%	43.45%	
Total Eco-friendly Materials Procurement (Million NTD)		218.65	82.33	192.68	493.66	
Total Eco-friendly Materials Procurement Percentage		66.10%	35.33%	48.93%	51.55%	



Fudy Green Procurement Items and Amount Statistics

2023 ESG Green Product Procurement Amount Statistics (Unit: NTD)						
Plastic	Item	Type	Taipei Fudy HQ	Dongguan Fuyang Plant	Suzhou Fuyang Plant	Total
	Plastic Procurement Amount	Plastic Film (PET/PC/PP)	115,580.00	528,384.99	3,434,116.26	4,078,081.25
		Plastic Hooks/Handles	2,150,057.00	993,758.98	1,510,174.11	4,653,990.09
		Injection Molding	339,940.00	0.00	0.00	339,940.00
		Vacuum Forming (Blister)	36,074,376.00	468,828.48	412,147.44	36,955,351.92
		Foam (EVA/EPE/PU/PE)	43,664,597.00	3,154,668.68	9,975,957.32	56,795,223.00
		Auxiliary Materials (PP/OPP/BOPP film, hot stamping foil, fiber tape, ribbon, plastic bags)	1,326,102.00	1,802,923.96	12,128,144.17	15,257,170.13
		Consumables (PE film, transparent tape, bubble wrap)	149,520.00	493,832.33	1,804,976.78	2,448,329.11
	Plastic Procurement Subtotal (Million NTD)		83.82	7.44	29.27	120.53
	Plastic Procurement Percentage		25.34%	3.19%	7.43%	12.59%

Note: 2023 Total Procurement Amount (NTD): Taipei Fudy Headquarters: 330.77 million Dongguan Fuyang Plant: 233.02 million Suzhou Fuyang Plant: 393.81 million Total: 957.60 million

Fudy approaches product design with a lifecycle mindset, progressively working towards the goal of making all products recyclable through innovation and green, low-carbon technologies. The main raw materials currently used in our products include kraft paper, corrugated paper, molded pulp, GEX™ bio-plastics, and plastics. Among these, the proportion of renewable materials used at Fudy's Taipei headquarters is approximately 66.1%, while the Dongguan and Suzhou plants use about 52% renewable materials.

In response to the trend of plastic reduction and carbon mitigation, and in planning for future operations based on a circular economy model, Fudy places great emphasis on expanding the use of renewable materials. We continuously explore possibilities within our manufacturing processes to replace plastics with bio-based materials and non-plastic alternatives such as paper, eggshells, metals, and ocean waste. Our aim is to increase the proportion of renewable materials used per unit of product to 70%.

Proportion of Renewable Materials Used in Fudy Products  
(Including Packaging) Weight Unit: Grams

Product	Total Weight of Renewable Materials	Total Weight of Non-Renewable Materials	Proportion of Renewable Materials Used
Wi-Fi 7 Product Packaging (Fudy Taipei Headquarters)	180	102	63.8%
Pour-Over Coffee Packaging (Fudy Suzhou Plant)	26	3.3	88.7%

Proportion of Recycled Materials Used in Fudy Products  
(Including Packaging) Weight Unit: Grams

Product	Total Weight of Recycled Materials	Total Product Weight	Proportion of Recycled Materials Used
Wi-Fi 7 Product Packaging (Fudy Taipei Headquarters)	282	282	100%
Mouse Packaging (Fudy Dongguan Plant)	120	123	97.6%
Pour-Over Coffee Packaging (Fudy Suzhou Plant)	26	29	89.7%



## Auxiliary Raw Material Substitution Plan

In alignment with local government environmental policies, Fudy Suzhou Plant launched the "Auxiliary Raw Material Substitution Plan" in 2022. This initiative aims to replace solvent-based auxiliary materials with more environmentally friendly water-based or semi-water-based chemical products. To date, five major categories of auxiliary raw materials have been successfully substituted: inks, adhesives, varnishes, ink cleaners, and developers, achieving an overall substitution rate of 75%.

Raw Material	Environmentally Friendly Material Substitution	Substitution Rate
Ink	Mineral-free pure vegetable eco-friendly ink replacing mineral oil solvent-based ink	75%
Adhesive	Water-based adhesive (including jelly glue) replacing solvent-based adhesive	
Varnish	Water-based varnish replacing oil-based varnish	
Ink Cleaner (Wash-up Solution)	Water-based cleaner replacing solvent-based cleaner	
Developer	Process change: Eliminating the use of developers, adopting a processless PS plate making process	

We have also established an annual usage plan, implemented tiered control of usage across departments, and report and review progress in monthly meetings. We share experiences among all Fudy plants. In 2023, the Fudy Dongguan Plant has fully introduced alcohol-free fountain solution to reduce the use of thinner and isopropanol. They have also completely replaced oil-based blister oil with water-based alternatives. Ongoing technological research and process testing are being conducted to increase the proportion of thermoforming oil replacing PP film, with the current progress at 8.4%.

To achieve sustainability goals, Fudy collaborates with all operational bases to promote technological innovation, embracing the expanding green product market. While fostering overall social sustainable development, we strive to protect the health and safety of our customers and employees, preserve natural resources, and actively work towards a sustainable and mutually beneficial environment.



## 5.5 Water Resource Management

Global climate change has intensified, exacerbating the crisis of water scarcity, with frequent drought events occurring worldwide. The printing and packaging industry, as a vital civilian industry in modern society, requires substantial water resources for its manufacturing processes. Therefore, management of water withdrawal, usage, and discharge is crucial.

Currently, Fudy's water resource management follows the internally formulated "Water Resource Control Management Regulations". The General Affairs Department is responsible for monitoring and recording the company's water usage. Daily water withdrawal and discharge conditions are examined and reported in the daily water consumption report to evaluate water resource consumption trends, which are used to formulate relevant water resource usage targets and water conservation strategies. In 2023, Fudy's total water withdrawal was 57.19 million liters, total water discharge was 54.72 million liters, and the total annual water consumption was 2.47 million liters. All water sources were from municipal water supply.

### Annual Review: Water Withdrawal, Discharge, and Consumption at Three Operating Locations

Category	Water Source	Water Volume (Unit: Million Liters)			
		Taipei Fudy Headquarters	Dongguan Fuyang Plant	Suzhou Fuyang Plant	Total
Water Withdrawal	Municipal water (Third-party water)	1.33	35.25	20.61	57.19
Water Discharge		1.33	33.14	20.25	54.72
Water Consumption		0.00	2.11	0.36	2.47

Notes:

- Water withdrawal data is sourced from water bills.
- Water discharge data is estimated based on the actual operational conditions of each plant. For Taipei Fudy Headquarters, as a water discharge data collection mechanism has not yet been established, this report temporarily calculates water discharge as equal to water withdrawal for this reporting year.

We conducted a water risk analysis using the Aqueduct Water Risk Atlas, a tool developed by the World Resources Institute (WRI), to identify the baseline water stress levels of each plant and assess whether the water supply meets local usage or environmental needs (water stress).

### Overall Water Risk Level (Baseline):

Taipei Fudy Headquarters is classified as Low to Medium risk (1-2); Dongguan Fuyang Plant as Medium to High risk (2-3); Suzhou Fuyang Plant as High risk (3-4).

### Water Stress Level:

The water stress assessment results for Taipei Fudy Headquarters and Dongguan Fuyang Plant are Low (less than 10%); Suzhou Fuyang Plant faces a higher water stress risk (between 40-80%).



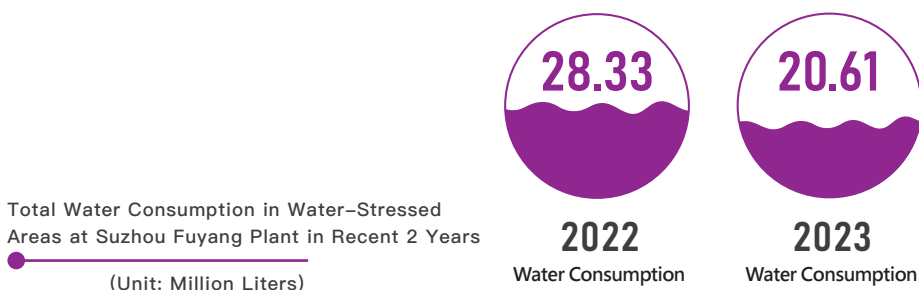


## Water Resource Management Actions

Fudy has developed diverse response strategies for the Suzhou Fuyang Plant, which was assessed as having medium to high water risk and water stress levels. These include the "Flood Emergency Response Plan," which outlines flood prevention procedures. This plan specifies the rescue, communication, and command units for each department during flood periods, determines the members and responsibilities of the flood prevention and disaster relief team, ensures readiness of flood prevention equipment, and plans disaster prevention procedures. This ensures that the company can take immediate action to prevent or mitigate flood damage upon receiving flood forecasts.

In case of water-related risks due to extreme weather changes, Fudy manages and responds according to the "Emergency Preparedness and Response Management Procedure" and "Rainwater Management Procedure." The Suzhou Fuyang Plant and Dongguan Fuyang Plant have further regulations: in case of heavy rain causing drainage delays, they must immediately close the plant's drainage system to prevent raw materials or pollutants from being washed away and causing widespread pollution. The facility management units at each plant also regularly monitor weather forecasts, inspect rainwater ditches weekly, and increase inspection frequency before and after heavy rains. In 2023, Fudy did not experience any climate change-related disasters such as droughts or floods.

In addition to monitoring the water usage of the Suzhou Fuyang Plant in accordance with the "Water Resource Control Management Regulations," we have also set water resource control targets in response to its high water risk assessment results. The plant is required to reduce water consumption by 0.006 million liters each year compared to the previous year. In 2023, the Suzhou Fuyang Plant's water consumption was 20.61 million liters, a reduction of 7.72 million liters compared to 2022.



## Water Conservation Initiatives and Achievements

In addition to implementing stringent water resource management, Fudy actively promotes water conservation through various daily initiatives. These include displaying water-saving slogans and posters, as well as installing water-efficient fixtures, all aimed at fostering a water-conscious culture throughout our operational environment. At our Suzhou Fuyang Plant, we have implemented water recycling systems in all supply stages, significantly enhancing industrial water efficiency. The plant also rigorously executes a water resource protection plan, which involves daily monitoring and prompt investigation of any anomalies in both industrial and domestic water usage. Our Dongguan Fuyang Plant employs a proactive approach, with security personnel conducting regular, unscheduled inspections of the premises. Any instances of water leakage or pipe damage are immediately reported to the management department, which swiftly deploys maintenance staff for repairs.

### Water Conservation Initiatives at Fudy Plants

- ◆ Integrating water-saving principles into product development, design, technical research, and manufacturing processes.
- ◆ Optimizing equipment cleaning schedules across relevant departments to reduce water consumption.
- ◆ Promoting water conservation awareness through comprehensive education and training programs for all employees, led by designated responsible units.
- ◆ Conducting periodic and unannounced inspections of water usage across all plants, with prompt corrective actions taken upon identifying any inefficiencies or wasteful practices.
- ◆ Installing water-efficient equipment, including water recycling systems and water-saving devices, to enhance overall conservation efforts.



Operation	Water Conservation Measures	Annual Achievement
Dongguan Fuyang Plant	<ol style="list-style-type: none"> <li>Utilization of single-use printing plates to eliminate plate storage and reduce water consumption.</li> <li>Implementation of a filtration system for plate-washing water, enabling water recycling in the pre-press process.</li> </ol>	In 2023, the plant's total water consumption was 35,249 tons, a reduction of 25,625 tons or approximately 42% compared to the previous year.
Suzhou Fuyang Plant	<ol style="list-style-type: none"> <li>Adoption of processless platemaking in pre-press operations, reducing hazardous waste and water usage.</li> <li>Implementation of water recycling and filtration systems in the printing process to conserve water.</li> </ol>	In 2023, the plant's total water consumption was 20,607 tons, a reduction of 7,727 tons or approximately 27% compared to the previous year.

Wastewater Discharge Management

Fudy's operational sites adhere to local water quality standards and regulations in managing wastewater discharge, ensuring the preservation of water quality and protection of aquatic ecosystems. The Taipei Fudy headquarters follows its established "Water Pollution Management Procedure," treating all wastewater before discharge into the sewage system and implementing improvements through the "Corrective and Preventive Action Procedure" when discharge quality exceeds standards. The Dongguan Fuyang and Suzhou Fuyang plants comply with regional regulations, following their respective "Water Pollution Management Procedures." These facilities treat general domestic wastewater through tertiary-standard septic tanks before centralized discharge into the sewage system. Process wastewater from plate washing and developing undergoes treatment using "Solid/Liquid Separation Environmental Treatment Equipment," with the treated water being recycled for use in printing workshop cleaning, thus achieving water resource circulation. The separated solid waste is disposed of by qualified recycling contractors.

▼ Effluent Water Quality at Fudy's Operation Locations

Taipei Fudy Headquarters

Water Quality Indicator	Discharge Standard	Actual Discharge Data
pH	6-9	7.3
Temperature	≤38°C (May-Sep); ≤35°C (Oct-Apr)	24.1°C
BOD	30 mg/L	24.2mg/L
COD	100 mg/L	89.7mg/L
SS	30 mg/L	<2.5mg/L
True Color	400	<25
Free Available Chlorine	2 mg/L	0.02mg/L

Notes:

- All discharge volumes are based on water meter readings.
- The water quality data in the table are analyzed results from water samples taken by qualified inspection companies.



## 5.1 Environmental Sustainability Management

## 5.2 Energy Management

## 5.3 Greenhouse Gas Emissions and Air Pollution Prevention

## 5.4 Waste Management and Recycling

## 5.5 Water Resource Management

### Dongguan Fuyang Plant

Water Quality Indicator	Discharge Standard	Actual Discharge Data
pH	6-9	7.1
Temperature	≤38°C (May-Sep); ≤35°C (Oct-Apr)	24.5°C
BOD	≤300mg/L	18.1 mg/L
COD	≤500mg/L	38 mg/L
SS	≤400mg/L	68 mg/L

Notes:

1. All discharge volumes are based on water meter readings.
2. Following the Guangdong Province "Water Pollutant Discharge Limits" (DB44/26-2001) Second Period Level 3 standards, wastewater is discharged into the municipal sewage network and then transferred to Dongguan City Houjie Shatang Wastewater Treatment Plant for advanced treatment. The treated water meets the "Discharge standard of pollutants for municipal wastewater treatment plant" (GB18918-2002) Level 1B standard before being discharged into the Dongyin Canal.

### Suzhou Fuyang Plant

Water Quality Indicator	Discharge Standard	Actual Discharge Data
pH	6-9	7.1
Temperature	≤38°C (May-Sep); ≤35°C (Oct-Apr)	12°C
BOD	300 mg/L	186 mg/L
COD	500 mg/L	478 mg/L
SS	400 mg/L	78 mg/L
Free Available Chlorine	2 mg/L	0.25mg/L

Notes:

1. All discharge volumes are based on water meter readings.
2. Complies with the "Integrated Wastewater Discharge Standard" (GB8978-1996).

## Wastewater Management Measures

### Dongguan Fuyang Plant

- 1 Implement real-time monitoring of sporadic industrial wastewater collection areas and install online monitoring systems at drainage endpoints, interconnected with environmental protection authorities.
- 2 Conduct regular audits on waste and wastewater recycling implementation, strengthening oversight of relevant personnel's operational practices.
- 3 Enhance employee education and training, clearly define responsibilities of designated personnel, and require all employees to sign an "Environmental Safety Commitment."

### Suzhou Fuyang Plant

- 1 Install surveillance cameras and additional fencing to physically prevent employee access to vacant areas.
- 2 Conduct regular audits on waste and wastewater recycling implementation, strengthening oversight of relevant personnel's operational practices.
- 3 Enhance employee education and training, clearly define responsibilities of designated personnel, and require all employees to sign an "Environmental Safety Commitment."
- 4 Hold monthly EHS management meetings chaired by Suzhou Fuyang Plant senior management to review environmental management matters.










# 06

## Fudy-licious: A Nourishing Work Environment for Body and Mind

109	Chapter Highlights
110	6.1 Friendly Workplace Environment
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## Chapter Highlights

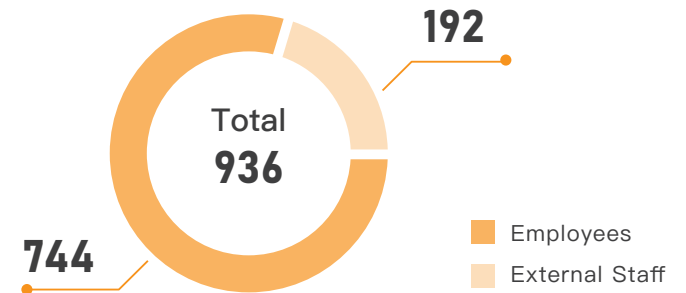
UN SDGs Indicators	Sustainable Performance
 <b>SDG 1</b> No Poverty	<ul style="list-style-type: none"> <li>Fudy allocated NT\$326,500 in 2023 to support disadvantaged children's early childhood education.</li> <li>Through the Compassionate Assistance Program, Fudy allocated NT\$630,000 in 2023 to help individuals with disabilities reintegrate into society.</li> </ul>
 <b>SDG 3</b> Good Health and Well-Being	<ul style="list-style-type: none"> <li>In 2023, 603 Fudy employees underwent regular health check-ups, with 178 receiving special health examinations.</li> <li>No serious work safety incidents or occupational diseases were reported in 2023.</li> <li>Fudy invested NT\$326,886 in environmental, safety, health, and fire safety inspection activities to create a healthy and safe workplace.</li> <li>Qualified suppliers conducted on-site equipment maintenance 32 times, 172 routine occupational health and safety training sessions were held, and 3 chemical spill drills were carried out.</li> <li>10 monitoring sessions were conducted across three factories following Environmental Supervision and Measurement Management Procedures.</li> <li>Occupational safety education totaled 6,072 training hours, with 1,862 participants.</li> </ul>
 <b>SDG 4</b> Quality Education	<ul style="list-style-type: none"> <li>Fudy's Taipei headquarters invested NT\$43,800 for middle and senior managers to attend ESG corporate sustainability development courses.</li> <li>Employees received 9,015 hours of education and training, averaging 12.12 hours per person.</li> <li>NT\$67,551 was allocated for external training, resulting in 49 occupational safety-related certifications.</li> <li>Performance appraisal ratios: Taipei Headquarters – 96.64%; Fuyang Plants in Dongguan and Suzhou – both 100%.</li> </ul>
 <b>SDG 5</b> Gender Equality	<ul style="list-style-type: none"> <li>Of Fudy's 97 executives in 2023, 33 (34.02%) were women.</li> <li>Employees who took parental leave in 2022 at the Taipei headquarters continued working for one year in 2023, achieving a 100% retention rate.</li> </ul>
 <b>SDG 8</b> Decent Work and Economic Growth	<ul style="list-style-type: none"> <li>Average salary ratios (grassroots employees to local minimum wage): Taipei Headquarters 1.46:1.20; Dongguan Fuyang Plant 2.83:2.31; Suzhou Fuyang Plant 3.20:2.63.</li> <li>Annual human rights audits: 4 internal reviews and 13 external audits conducted, with no major abnormalities found.</li> <li>1,816.5 hours dedicated to human rights education and training, with a 90.73% average employee participation rate.</li> <li>No incidents of discrimination, violations of freedom of association, child labor, forced labor, major labor disputes, or unresolved employee complaints.</li> </ul>
 <b>SDG 10</b> Reduced Inequalities	<ul style="list-style-type: none"> <li>Workforce diversity: 25 ethnic minority individuals, 19 foreign employees, and 2 persons with disabilities, comprising 6.18% of the workforce.</li> <li>Gender pay ratios (male:female) for executives/non-executives: Taipei HQ 1.04:1 / 1.31:1; Dongguan Plant 1.26:1 / 1.36:1; Suzhou Plant 0.99:1 / 1.22:1.</li> </ul>
 <b>SDG 15</b> Life on Land	<ul style="list-style-type: none"> <li>Fudy allocated NT\$440,915 for animal welfare, including humane rescue and care.</li> <li>NT\$216,000 was invested in environmental education, contributing to a public carbon offset forest on Suzhou Taihu Ecological Island.</li> </ul>



## 6.1 A workplace promoting a culture of kindness and camaraderie

「 While other companies may possess similar machinery as us, what truly sets us apart is our unique pool of talent. 」

In many businesses, the concept of sustainable operation often centers on environmental conservation. However, at Fudy, "sustainable operation" embodies a deeper commitment to our employees: we adhere to relevant labor laws, prioritize the physical and mental well-being of our staff, emphasize communication, and provide comprehensive company policies that exceed regulatory requirements to cultivate a positive work environment. We believe that caring for our employees is fundamental to the sustainable operation of our business. As of 2023, Fudy's workforce totaled 744 employees: 119 at our Taipei headquarters, 284 employees at the Dongguan Fuyang Plant, and 341 employees at the Suzhou Fuyang Plant. By region, 15.99% of our employees were based at the Taipei headquarters, while 84.01% were located at our mainland China facilities. Categorized by types of employment, we had 546 full-time employees, 198 temporary employees, and no employees without guaranteed hours. Additionally, we engaged 192 non-employee workers. At Fudy, we recognize our employees as our most valuable asset. They embody the core spirit of sustainability and serve as essential partners in Fudy's sustainable development.



### Fudy's Workforce Composition for 2023

Notes :

1. Calculated based on the number of personnel as of December 31, 2023.
2. External Workers: Individuals not directly employed by the company, including 7 cafeteria staff, 2 paper recyclers, 4 security personnel, and contractors or temporary workers engaged in production line activities.
3. Due to regional variations in worker classification, the total number of workers for 2022 was inaccurately recorded and cannot be reliably traced. The current year's workforce data serves as the baseline for future assessments of workforce fluctuations.

### Fudy's Employee Types by Region in 2023

Operating Locations		Taipei Fudy Headquarters				Dongguan Fuyang Plant				Suzhou Fuyang Plant				Total			
Age		<30	30-50	>50	Subtotal	<30	30-50	>50	Subtotal	<30	30-50	>50	Subtotal	<30	30-50	>50	Subtotal
Male	Full-time	2	28	5	35	19	116	49	184	4	83	32	119	25	227	86	338
	Temporary	3	8	0	11	0	0	0	0	35	82	1	118	38	90	1	129
	Non-Guaranteed Hourly	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Female	Full-time	5	54	9	68	5	72	23	100	1	38	1	40	11	164	33	208
	Temporary	2	3	0	5	0	0	0	0	15	49	0	64	17	52	0	69
	Non-Guaranteed Hourly	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
合計		12	93	14	119	24	188	72	284	55	252	34	341	91	533	120	744

Notes :

1. Employee Categories:
  - Full-time: Employees with irregular contracts
  - Temporary: Employees with fixed-term contracts
  - Non-Guaranteed Hours Employees: Workers without specified minimum or fixed working

2. Data is based on the headcount as of December 31, 2023.



## Diverse and Equal Employment Opportunities

Fudy actively recruits talents and supports diversity and equal employment through concrete actions, providing equal job opportunities regardless of gender and age. In 2023, Fudy had a male employee ratio of 62.77% and a female employee ratio of 37.23%, with employees aged 50 and above accounting for 16.13%. Across different regions, there were 64 male supervisors, 33 female supervisors, totaling 97 supervisors, with female supervisors accounting for 4.44%. Fudy also employed 25 minority group members (including indigenous and ethnic minorities), 19 foreign employees, and 2 individuals with disabilities, collectively making up 6.18% of the diverse workforce. Over the years, Fudy has been dedicated to advancing Sustainable Development Goal 8 on Decent Work and Economic Growth, creating an inclusive and equitable workplace environment. The company ensures gender equality, protect work rights, and prohibit all forms of discrimination to meet the diverse needs of its employees.

### Fudy Employee Job Level Distribution

Operating Locations		Taipei Fudy Headquarters					Dongguan Fuyang Plant					Suzhou Fuyang Plant				
Job Level/ Gender and Age		Gender		Age			Gender		Age			Gender		Age		
		Male	Female	<30	30–50	>50	Male	Female	<30	30–50	>50	Male	Female	<30	30–50	>50
Supervisors (Total 97)	Number	5	7	0	7	5	29	17	2	35	9	30	9	0	31	8
	Percentage (%)	0.67%	0.94%	0.00%	0.94%	0.67%	3.90%	2.28%	0.27%	4.70%	1.21%	4.03%	1.21%	0.00%	4.17%	1.08%
Non-Supervisory (Total 647)	Number	41	66	12	86	9	155	83	22	153	63	207	95	55	221	26
	Percentage (%)	5.51%	8.87%	1.61%	11.56%	1.21%	20.83%	11.16%	2.96%	20.56%	8.47%	27.82%	12.77%	7.39%	29.70%	3.49%
Total by Gender/Age		46	73	12	93	14	184	100	24	188	72	237	104	55	252	34
Percentage of Total Personnel		6.18%	9.81%	1.61%	12.50%	1.88%	24.73%	13.44%	3.23%	25.27%	9.68%	31.85%	13.98%	7.39%	33.87%	4.57%

Note: The definition of supervisory roles varies by location: Taipei Headquarters designates supervisors at department level or above; Dongguan Fuyang Plant designates supervisors at team level or above; Suzhou Fuyang Plant designates supervisors at department level or above.

### Fudy Employee Gender and Age Distribution Statistics in 2023

Gender	Age			Total	
	<30	30–50	>50	Gender	Percentage (%)
Male	63	317	87	467	62.77%
Female	28	216	33	277	37.23%
Total	91	533	120	744	100.00%

### Diversity Composition of Fudy's Workforce in 2023

Category	2023
Indigenous Peoples and Ethnic Minorities	25
Individuals with Disabilities	2
Foreign Employees	19
Total	46
Percentage of Total Workforce	6.18%



## Equitable Compensation System

Fudy implements various equitable compensation systems, ensuring that employee salaries are not influenced by race, religion, political beliefs, gender, or marital status. In 2023, the male-female salary ratio for supervisors at Taipei Headquarters was 1.04:1, and for non-supervisory staff it was 1.31:1; at Dongguan Fuyang Plant, the male-female salary ratio for supervisors was 1.26:1, and for non-supervisory staff it was 1.36:1; at Suzhou Fuyang Plant, the male-female salary ratio for supervisors was 0.96:1, and for non-supervisory staff it was 1.22:1.

The company is committed to achieving equal pay for equal work between men and women, ensuring the fairness and equity of salaries. However, as our company operates in the traditional printing manufacturing industry, the level of professional technical skills is reflected in salary compensation. The gender composition of talent in the industry chain is also influenced by industry-specific factors: male employees primarily hold technical positions in printing factory machinery and printing, while female employees are often in administrative and general affairs roles. This results in more noticeable gender-based salary differences in our Chinese plants compared to Taipei

Fudy's Male-to-Female Salary Ratios by Job Level						GRI 405-2
	Taipei Fudy Headquarters		Dongguan Fuyang Plant		Suzhou Fuyang Plant	
Job Level	Male	Female	Male	Female	Male	Female
主管	1.04	1	1.26	1	0.99	1
非主管	1.31	1	1.36	1	1.22	1

Notes :

1. Calculation method: Average male salary in each job level/ Average female salary in each job level.
2. Compensation includes annual salary, base salary, meal allowance, year-end bonus, performance bonus, overtime pay, and stock dividends.

Fudy determines employee compensations based on their educational background, professional knowledge and skills, years of professional experience, and individual performance. Our Human Resources department conducts regular salary reviews to ensure competitive and equitable compensation. We strictly adhere to labor regulations, ensuring that salary levels above the statutory minimum wage to safeguard the rights of all employees, particularly those at entry levels.

Entry-Level Employee Salary Levels at Fudy's Key Operating Locations

Key Operating Locations	Average Standard Salary for Entry-Level Employees (NTD)		Ratio of Average Standard Salary for Entry-Level Employees to Local Minimum Wage	
	Male	Female	Male	Female
Taipei Fudy Headquarters	38,740	31,846	1.46	1.20
Dongguan Fuyang Plant	30,460	24,878	2.83	2.31
Suzhou Fuyang Plant	34,469	28,365	3.20	2.63

Notes :

1. Fudy defines "key operating locations" as the operational boundaries disclosed in this report.
2. Fudy sets employee and other workers' salaries based on the annual minimum wage announcements by the Ministry of Labor and the "Jiangsu Province Wage Payment Regulations," ensuring they are not below the minimum wage.
3. Entry-level employees: Direct personnel such as technicians, skilled workers, and dispatched operators. Entry-level employees at Taipei Fudy Headquarters: Personnel directly involved in production and manufacturing, including operators, quality inspectors, technicians, etc.
4. Taipei Fudy Headquarters regular salary: Monthly salary including base pay, meal allowances, perfect attendance bonuses, job allowances, and overtime pay; Dongguan Fuyang Plant standard salary includes basic wage, overtime pay, performance bonuses, and food and accommodation subsidies; Suzhou Fuyang Plant standard salary includes basic wage, overtime pay, performance bonuses, and food and accommodation subsidies.
5. In 2023, the minimum wage in Taiwan was 26,400 NTD; the minimum wage in China was 2,490 RMB (equivalent to 10,756 NTD).
6. RMB exchange rate is based on the rate of 4.32 at Cathay United Bank on December 29, 2023.



## New Hires and Departures

Our company places great importance on talent recruitment and retention. When new employees joining, the HR department not only explains company policies and culture but also periodically monitors their adaptation to minimize potential workplace discomfort among new hires. In cases where employees submit resignation requests, we conduct empathetic exit interviews to understand the key reasons for their departure. If issues relate to company policies, we conduct internal reviews for improvement, actively promoting employee retention.

In 2023, Fudy had a total of 170 new hires, with male new hires accounting for 51.18% and female new hires for 48.82%. The majority of new hires were in the 31-50 age group, comprising 49.41% of new employees. The overall new hire rate in 2023 was 22.85%. New hire rates by region were as follows: 26.05% at Fudy Taipei Headquarters, 8.10% at Dongguan Fuyang Plant, and 34.02% at Suzhou Fuyang Plant. Fudy experienced 222 departures in 2023, resulting in a turnover rate of 29.84%. Male employees accounted for 52.25% of departures, while female employees accounted for 47.75%. Turnover rates by region were: 20.17% at Fudy Taipei Headquarters, 19.37% at Dongguan Fuyang Plant, and 41.94% at Suzhou Fuyang Plant. The main reasons for departure were personal factors and career planning. Moving forward, we will continue to understand employee needs and goals, enhance the work environment and organizational culture, provide career development opportunities, and promote employee retention.

New Hires and Employee Turnover: Distribution by Region, Age, and Gender

New Hires							Employee Turnover						
Age	Gender	Taipei Fudy Headquarters	Dongguan Fuyang Plant	Suzhou Fuyang Plant	Total	Percentage	Age	Gender	Taipei Fudy Headquarters	Dongguan Fuyang Plant	Suzhou Fuyang Plant	Total	Percentage
<30	Male	5	7	37	49	6.59%	<30	Male	3	6	42	51	6.85%
	Female	4	0	30	34	4.57%		Female	2	7	33	42	5.65%
30–50	Male	4	6	27	37	4.97%	30–50	Male	3	24	32	59	7.93%
	Female	16	9	22	47	6.32%		Female	14	13	31	58	7.80%
>50	Male	0	1	0	1	0.13%	>50	Male	2	3	1	6	0.81%
	Female	2	0	0	2	0.27%		Female	0	2	4	6	0.81%
Total		31	23	116	170	22.85%	Total		24	55	143	222	29.84%
New Hire Rate		26.05%	8.10%	34.02%	22.85%	–	Turnover Rate		20.17%	19.37%	41.94%	29.84%	–

Notes :

- The new hire rate in each region is calculated by dividing the number of new hires in each category by the total number of employees at the end of the period in that region (Taipei 119, Dongguan 284, Suzhou 341); the total new hire rate is calculated by dividing the number of new hires in each category by the total number of employees at the end of the period (744).
- The turnover rate in each region is calculated by dividing the number of departures in each category by the total number of employees at the end of the period in that region (Taipei 119, Dongguan 284, Suzhou 341); the total turnover rate is calculated by dividing the number of departures in each category by the total number of employees at the end of the period (744).
- Employee turnover include those who leave the organization voluntarily or due to termination, retirement, or work-related fatalities.



## 6.2 Employee Training and Development

Employee cultivation and development are crucial for ensuring the company's sustainable operation. To encourage continuous learning of new knowledge and skills, Fudy provides diverse learning channels that empower employees to enhance their professional competencies across various fields, thereby improving team performance and strengthening organizational operations. We also support employees in advancing their personal career development through regular performance evaluations, which facilitate feedback, work improvement, training and development, salary adjustments, and promotions. In enhancing employee welfare, we offer a comprehensive range of employee benefits to support our employees' physical, mental, and lifestyle well-being, helping them maintain a healthy work-life balance. Fudy actively creates a positive workplace environment, aiming to collaborate with employees towards sustainable corporate development.

### Employee Education and Training

The company places great emphasis on employee education and training, continually enhancing internal training programs through various learning channels and feedback mechanisms regarding teaching satisfaction, starting from new employee training to the professional skills required for each position. To ensure the smooth integration of new employees into Fudy's corporate culture, the HR department provides basic education and training for new hires, including HR policies, dress code standards, computer and cybersecurity training, company introductions, and maintaining integrity in business operations. As Environmental, Social, and Governance (ESG) issues become a focal point for global corporations, mid to senior-level executives are also enrolled in ESG sustainability-related training courses to enhance their understanding of sustainable development. This initiative aims to embed ESG sustainability awareness into the corporate culture, guiding Fudy towards sustainable ESG business operations.

Annual Review: Fudy's Employee Training Programs					
Training Program	Target Audience	Training Contents	Execution Method	Frequency	The performance in 2023
New Employee Education and Training	New Hires	Company Profile, Corporate Culture, Management Systems and Regulations, and Computer Security Education	In-person Training	At irregular intervals	In 2023, a total of 170 participants were involved.
ESG Corporate Sustainability Development Plan	Middle and Senior Management	Company Profile, Corporate Culture, Management Systems and Regulations, and Computer Security Education	In-person and Online	At irregular intervals	Taipei Fudy headquarters invested a total of NT\$43,800, conducting 14 sessions, with a total of 5 participants trained.
ESG Education and Training	Employees at Fudy's Taipei Headquarters	Advocacy for ESG (including human rights, anti-discrimination, integrity in business) and employee	In-person Training	Once a year	We implement ESG advocacy education and training, as well as employee care and interviews specifically for migrant workers.
Cybersecurity Education and Training	All Employees	Through emails, seminars, and relevant courses, employees are educated on the basic concepts of information security to ensure they understand and comply with information security policies.	Emails, Training Courses	At irregular intervals	<p>Fudy's Taipei Headquarters:</p> <ul style="list-style-type: none"> <li>◆ New Employee Cybersecurity Education Training for 7.5 hours, with a total of 15 trainees.</li> <li>◆ 9 email distributions in 2023, reaching 85 recipients.</li> </ul> <p>Dongguan Fuyang Plant:</p> <ul style="list-style-type: none"> <li>◆ Ongoing development of cybersecurity education training, with 2 hours of training in 2023 and a total of 27 trainees.</li> </ul> <p>Suzhou Fuyang Plant:</p> <ul style="list-style-type: none"> <li>◆ Conducted information security training courses in 2023, with a total of 23 trainees and a course duration of 2 hours.</li> </ul>
ISO System Management Plan	Departments related to each system	ISO 9001、ISO 14001、IECQ QC 080000	In-person Training	Once a year	Continuous validation is obtained for each system, please refer to the Audit System.
Professional Development Training Course for Design Personnel	Packaging Design Department	Packaging trends and developments, green packaging design and development trends, including design specifications, cushioning, and responses to packaging design.	In-person Training	Monthly	Innovative Product Case in 2023: Fully Paper-based Packaging Design
Safety and Health Education Training Program	All employees at Fudy	Rules for protecting labor health, internal noise and chemical hazards, methods for preventing occupational diseases.	In-person Training	At irregular intervals	Actively creating a healthy workplace environment, with zero cases of occupational diseases in 2023. Please refer to section 6.3 on Occupational Health and Safety.



In 2023, the total training hours for employees at Fudy's main operating locations amounted to 9,015 hours, with an average training time of 12.12 hours per employee. Specifically, the Taipei headquarters accounted for a total of 1,485 training hours, averaging 12.48 hours per person; Dongguan Fuyang factory had 2,415 training hours, averaging 8.50 hours per person; and Suzhou Fuyang plant had a total of 5,115 training hours, averaging 15.00 hours per person. Following the training, we conducted random surveys to assess satisfaction levels, with an average satisfaction rating of 4.23 out of 5 in 2023. Moving forward, we will expand the survey scale to better understand the employees' actual needs regarding training programs, continuously optimize and improve, and effectively plan and establish our company's training mechanisms.

Fudy's Employee Training Status in 2023

Operating Locations		Taipei Fudy Headquarters			Dongguan Fuyang Plant			Suzhou Fuyang Plant			Total		
Employee Categories	Calculation Method	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal
Supervisors	Total Training Hours	156	159	315	272	145	417	510	135	645	938	439	1,377
	Total Number of Employees at the End of the Period	5	7	12	32	17	49	34	9	43	71	33	104
	Average Training Hours	31.20	22.71	26.25	8.50	8.53	8.51	15.00	15.00	15.00	13.21	13.30	13.24
Non-Supervisory Staff	Total Training Hours	463	707	1,170	1,292	706	1,998	3,045	1,425	4,470	4,800	2,838	7,638
	Total Number of Employees at the End of the Period	41	66	107	152	83	235	203	95	298	396	244	640
	Average Training Hours	11.29	10.71	10.93	8.50	8.51	8.50	15.00	15.00	15.00	12.12	11.63	11.93
Total	Total Training Hours	619	866	1,485	1,564	851	2,415	3,555	1,560	5,115	5,738	3,277	9,015
	Total Number of Employees at the End of the Period	46	73	119	184	100	284	237	104	341	467	277	744
	Average Training Hours	13.46	11.86	12.48	8.50	8.51	8.50	15.00	15.00	15.00	12.29	11.83	12.12



## Employee Performance Evaluation

Fudy has established a comprehensive performance evaluation system and formulated performance assessment management regulations. The evaluation methods are categorized into two types: probationary evaluation for new employees and annual regular evaluation. The probationary evaluation serves as the basis for formal employment, while the annual regular evaluation assesses all employees twice a year. Based on the evaluation results, human resources management operations are linked, including salary adjustments, promotions, rewards, and transfers. In addition to encouraging employees to pursue excellence in performance, we also leverage the annual evaluation opportunities to facilitate effective communication between labor and management, job improvement, training and development, and discussions on career planning or further education-related job issues.

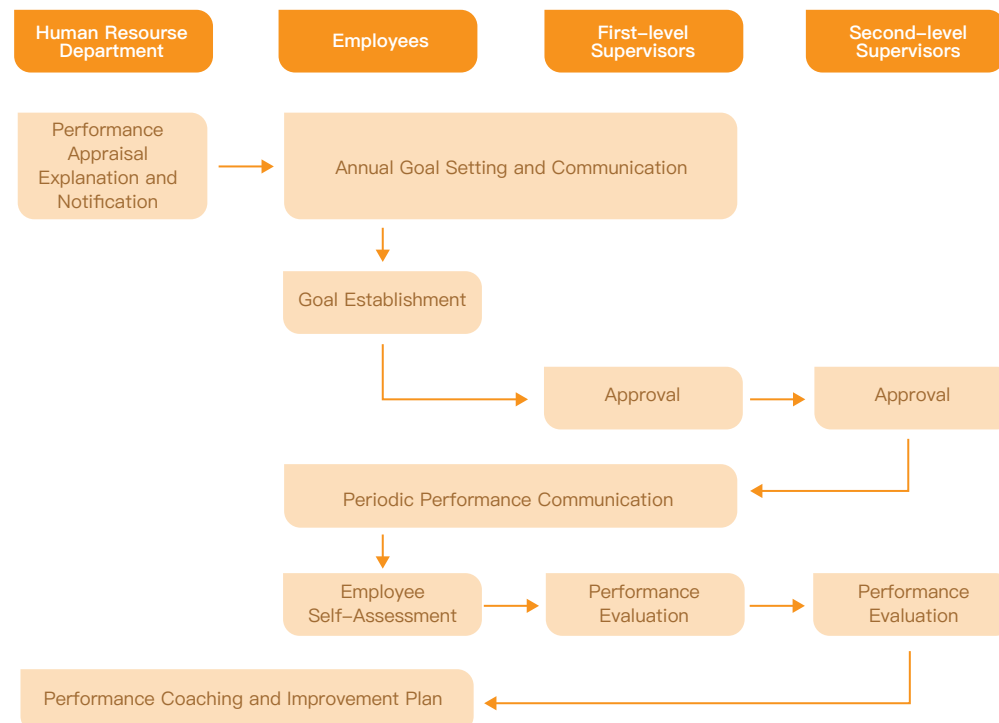
### Employee Performance Evaluation

#### 1 Probationary Evaluation

New employees undergo an assessment upon completing their probationary period. The evaluation results serve as the basis for formal employment and salary adjustments.

#### 2 Annual Evaluation

Company employees undergo regular evaluations twice a year. The evaluation results not only used for salary adjustments and promotions but also to help Fudy identify talented individuals for development programs.





Fudy primarily conducts performance evaluations for full-time employees. In 2023, the performance evaluation rate for employees at the Taipei headquarters was approximately 96.64%. The employees who did not complete the evaluation included one who resigned during the evaluation period and three who had not completed their probationary period. At our Dongguan Fuyang and Suzhou Fuyang plants, all employees underwent regular performance reviews with a rate of 100%. Through our evaluation system, we aim to identify competent and high-potential talents at Fudy, while our transparent promotion system encourages employees to engage more actively in their work.

#### Annual Review: Fudy's 2023 Employee Performance Status

Region	Gender	Male			Female			Total		
	Employee	Total Number of Employees at the End of the Reporting Period	Number of Employees Who Completed the Evaluation	Evaluation	Total Number of Employees at the End of the Reporting Period	Number of Employees Who Completed the Evaluation	Evaluation	Total Number of Employees at the End of the Reporting Period	Number of Employees Who Completed the Evaluation	Evaluation
Taipei Fudy Headquarters	Supervisors	5	5	100.00%	7	7	100.00%	119	115	96.64%
	Non-Supervisory Staff	41	40	97.56%	66	63	95.45%			
Dongguan Fuyang Plant	Supervisors	32	32	100%	17	17	100%	284	284	100%
	Non-Supervisory Staff	152	152	100%	83	83	100%			
Suzhou Fuyang Plant	Supervisors	34	34	100%	9	9	100%	341	341	100%
	Non-Supervisory Staff	203	203	100%	95	95	100%			
Total		467	466	99.79%	277	274	98.92%	744	740	99.46%



## Employee Welfare Policies

Fudy prioritizes employee welfare and well-being, adhering to local regulations to provide employees with a secure welfare system. However, certain benefits may vary among different locations due to operational regulations and local customs. For example, in Dongguan Fuyang plant and Suzhou Fuyang plant, the paid annual leave system is implemented in accordance with the "Paid Annual Leave Regulations for Employees," calculating employees' annual leave based on actual years of service. At Taipei Fudy headquarters, we promote a low-carbon vegetarian diet by hosting a monthly vegetarian meal. This initiative aims to reduce meat consumption and greenhouse gas emissions, encouraging a more environmentally friendly lifestyle among employees. We are committed to offering employee benefits that exceed local regulatory standards, enhancing employee morale, gradually increasing employee happiness and a sense of belonging, and creating a sustainable and positive work environment.



▲ In 2023, Taipei Fudy headquarters allocated a total of NT\$112,061 to host monthly vegetarian events.



## Overview of Employee Benefits at Fudy

Employee Benefits/ Operating Locations	Fudy Taipei Headquarters	Dongguan Fuyang Plant	Suzhou Fuyang Plant
Statutory employee benefits	●	●	●
Employee group insurance	●	●	●
Birthday bonus	●	●	●
Employee training subsidy	●	●	●
Regular health check-ups	●	●	●
Festival benefits	●	●	●
Employee maternity subsidy	●	●	●
Five insurances and one fund (old-age insurance, medical insurance, work injury insurance, unemployment insurance, maternity insurance)	—	●	●
Employee travel subsidy	●	—	—
Employee wedding bonus	●	—	—
Employee hospitalization condolence money	●	—	—
Employee funeral condolence money	●	—	—
Lactation room	●	—	—
Employee incentive bonus	●	●	●
Employee gatherings	●	●	●



▲ In 2023, Fudy hosted a Family Day, inviting employees and their families to participate in the 'Wind Hometown' tour activity in Hsinchu, with a total of 98 participants.



## Retirement System

Fudy contributes retirement funds for employees in accordance with local statutory retirement regulations and related provisions. Taipei Fudy headquarters adheres the "Labor Standards Act" and the "Labor Pension Act" in Taiwan, allocating retirement reserves to the statutory account based on the applicable retirement pension system to employees. In Dongguan Fuyang Plant and Suzhou Fuyang Plant, retirement systems are planned in accordance with the "Social Insurance Law" as stipulated by the government of the People's Republic of China, with all retirement pensions coordinated and arranged by the local government.

Pension System		Contribution Methods
Taiwan	Old System Retirement Pension under the "Labor Standards Act."	Employees who joined before June 30, 2005 (inclusive) are entitled to the old system retirement pension based on their years of service. The pension is deposited monthly into the Taiwan Bank's Trust Department's old system retirement reserve account, ensuring sufficient funds to meet the retirement needs of eligible employees.
Taiwan	New System Retirement Pension under the "Labor Pension Act."	Employers contribute 6% of the salary to the individual retirement account for employees under the new retirement pension system implemented after Labor Pension Act amendments. Employees can choose to contribute from 0% to 6% of their salary towards retirement savings, which will be deposited into their individual retirement account based on their personal preferences.
China	Social Insurance Law	The retirement pension system covers all regular employees. Upon joining the company, employees are enrolled in the five insurances (medical insurance, unemployment insurance, work injury insurance, maternity insurance, and old-age insurance). When an employee meets the retirement conditions, the HR department will assist with the retirement process, and post-retirement pensions will be disbursed by the Social Security Pension

Retirement Pension Expenses for Employees at Taipei Fudy Headquarters Over the Past Three Years			
Annual	2021	2022	2023
Number of Employees in Service	115	111	119
Average Retirement Pension Cost per Person (in New Taiwan Dollars)	27,658	75,857	34,101
Growth Rate of Retirement Pension Expenses	-8%	64%	-122%

Notes :

1. Calculation method for average retirement pension: (New system retirement pension 6% annual total contribution + Old system retirement pension total contribution for the year) / Number of employees.
2. The growth rate of retirement pension expenses in 2023 shows a negative trend due to a one-time adjustment of the old system retirement pension account balance in 2022 and the retirement of employees eligible for the old system retirement pension in 2023, which resulted in withdrawals from the old system retirement pension.



## Maternity Leave System

Fudy provides substantial care and support for employees with maternity needs. The headquarters in Taiwan offers various benefits, including prenatal care leave, paternity leave, maternity leave, unpaid maternity leave, and related welfare subsidies. Additionally, lactation rooms are available for female employees with specific needs. In our facilities in China, Fudy follows the national policy outlined in the Labor Law of the People's Republic of China, providing male employees with 15 days of paternity leave and female employees for 98 days of maternity leave. Furthermore, in accordance with local regulations, an additional 80 days of incentive leave is offered in Guangdong Province.

Fudy has established a comprehensive system for proxies and family care leave to ensure care and support for employees. In 2023, three employees at Taipei Fudy headquarters were eligible for maternity leave, with no applications for maternity leave without pay. Additionally, one employee who returned to work after maternity leave in 2022 and worked continuously for one year until 2023 was retained at Taipei Fudy headquarters, resulting in a retention rate of 100%. We are committed to providing a robust maternity leave system that allows employees to balance their family and work responsibilities, fostering a harmonious work-life balance.

2023 Statistical Data on Maternity Leave at Taipei Fudy Headquarters

Categories	Number of Male Employees	Number of Female Employees	Total
A: Total number of employees eligible for maternity leave	1	3	4
B: Total number of employees who actually used maternity leave	0	0	0
Maternity leave without pay application rate = B/A	0%	0%	0%
C: Total number of employees applying for reinstatement in 2023	0	0	0
D: Total number of employees who were scheduled to return to work but applied for a postponement	0	0	0
E: Total number of employees who actually returned to work	0	0	0
Reinstatement rate = E / (C – D)	0%	0%	0%
F: Total number of employees who returned to work after maternity leave in 2022	0	1	1
G: Total number of employees who continued working for one year after returning to work from maternity leave in 2022	0	1	1
Retention rate = G / F	0%	100%	100%

Note :

1. Employees who have taken maternity or paternity leave in the past three years (2021–2023) are estimated.



## 6.3 Occupational Health and Safety

### Occupational Health and Safety Management System

Establishing a safe and healthy work environment is Fudy's responsibility to its employees. In addition to establishing an "Occupational Health and Safety Management Policy," all operational sites have adopted relevant management systems. We adhere to the "RBA 7.0 Code of Conduct," "ISO 45001:2018 Occupational Health and Safety Management System," and "SMETA-4P" for occupational health and safety management and risk assessment. Fudy employs a PDCA (Plan-Do-Check-Act) cycle management approach to continuously improve and optimize our occupational health and safety management plans, aiming to reduce the occurrence of workplace accidents. The scope of Fudy's occupational health and safety management system encompasses the main operational sites, including Taipei headquarters, Dongguan Fuyang Plant, and Suzhou Fuyang Plant, covering a total of 744 employees (79.49%) and 192 non-employees (20.51%), without excluding any specific

- ◆ Taipei Fudy headquarters has obtained the Responsible Business Alliance Code of Conduct (RBA 7.0).
- ◆ The Dongguan Fuyang Plant has obtained Supplier Ethical Trade Audit (SMETA-2P) verification.
- ◆ The Suzhou Fuyang Plant has obtained ISO 45001:2018 Occupational Health and Safety Management System certification, as well as Supplier Ethical Trade Audit (SMETA-4P) verification.



▲ Suzhou Fuyang Plant ISO 45001:2018 certification

### SMETA Sedex Members Ethical Trade Audit Report Version 6.1



Audit Details			
Sedex Company Reference: <small>(only available on Sedex System)</small>	ZC1030065	Sedex Site Reference: <small>(only available on Sedex System)</small>	ZS1023104
Business name (Company name):	SUZHOU FUYANG PRINTING CORPORATION CO LTD		
Site name:	SUZHOU FUYANG PRINTING CORPORATION CO LTD		
Site address:	No.42 QIVE ROAD, SUZHOU INDUSTRIAL PARK, JIANGSU, CHINA 苏州市工业园区东亭路42号 苏州 215121 CN	Country:	CN
Site contact and job title:	Mr. Zhou Xiaojin / Supervisor		
Site phone:	18082077226	Site e-mail:	nj@mail.fuyangpacking.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2023-08-28		

▲ Suzhou Fuyang Plant has obtained Supplier Ethical Trade Audit (SMETA-4P) verification

▲ The workers covered by the occupational health and safety management system

### SMETA SMETA Corrective Action Plan Report (CAPR) Version 6.1



Audit Details			
Sedex Company Reference: <small>(only available on Sedex System)</small>	ZC: 4699520	Sedex Site Reference: <small>(only available on Sedex System)</small>	ZS: 4818171
Business name (Company name):	Dongguan Fuyang Printing Co., Ltd.		
Site name:	Dongguan Fuyang Printing Co., Ltd. 东莞富阳彩印有限公司		
Site address: <small>(Please include full address)</small>	No.3 Yinhai Alley Bao Sun Industrial District, Houjie Town, Dongguan City 东莞市厚街镇宝生工业区一幢楼3号	Country:	China
Site contact and job title:	Mr. Sun Wang / Assistant Manager		
Site phone:	86-13829172327	Site e-mail:	sun@fuyangprint.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics
Date of Audit:	March 24, 2023		

▲ Dongguan Fuyang Plant has obtained Supplier Ethical Trade Audit (SMETA-2P) verification

▲ The workers covered by the occupational health and safety management system



6.1 Friendly Workplace Environment 6.2 Talent Cultivation and Development 6.3 Occupational Health and Safety 6.4 Human Rights Protection 6.5 Social Engagement

## ▼ The workers covered by the occupational health and safety management system

## Occupational Health and Safety Management System – Employees

Region	Taipei Fudy Headquarters	Dongguan Fuyang Plant	Suzhou Fuyang Plant	Total
Number of non-employee workers covered by the management system (a)	119	284	341	744
Number of non-employee workers audited internally (b)	119	284	341	744
Number of non-employee workers audited/verified by external organizations (c)	119	284	341	744
Total number of non-employee workers (d)	119	284	341	744
Ratio of non-employee workers covered by the management system (a/d)	100%	100%	100%	100%
Ratio of non-employee workers audited internally (b/a)	100%	100%	100%	100%

## The Occupational Health and Safety Management System – Non-employee Workers

Region	Taipei Fudy Headquarters	Dongguan Fuyang Plant	Suzhou Fuyang Plant	Total
Number of non-employee workers covered by the management system (a)	0	17	175	192
Number of non-employee workers audited internally (b)	0	17	175	192
Number of non-employee workers audited/verified by external organizations (c)	0	0	175	175
Total number of non-employee workers (d)	0	17	175	192
Ratio of non-employee workers covered by the management system (a/d)	–	100%	100%	100%
Ratio of non-employee workers audited internally (b/a)	–	100%	100%	100%

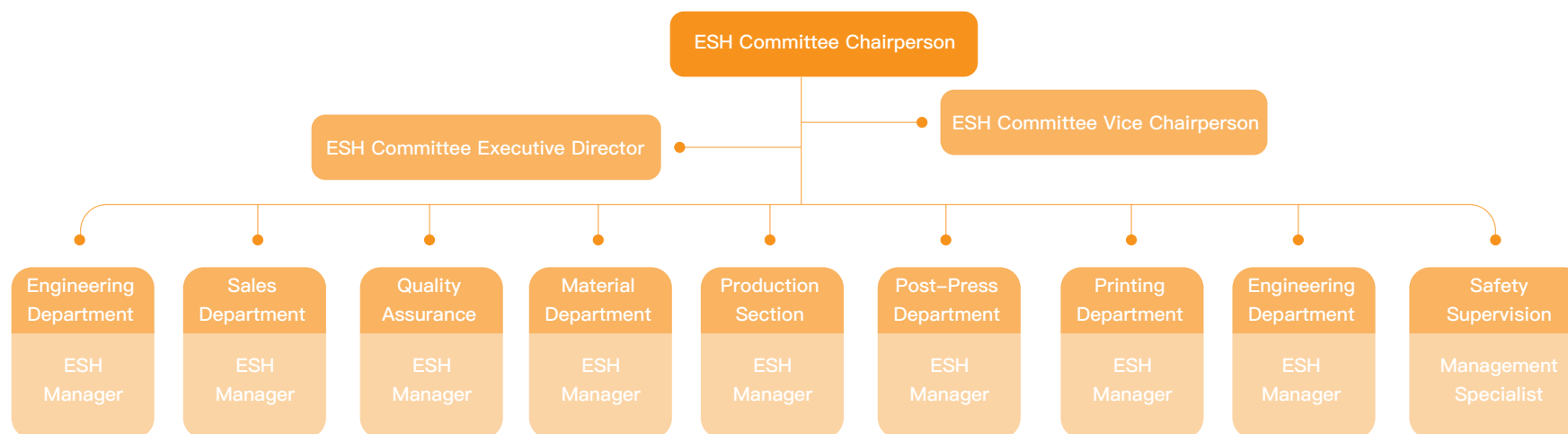
- Notes:
1. Non-employee workers under the OHS system include temporary staff or contractors.
  2. Non-employee workers at Dongguan Fuyang Plant, due to their higher mobility and the responsibility of social insurance coverage by dispatch companies, are not included in external audit verification.



## Occupational Health and Safety Committee

To ensure the rights and welfare of employees, the Dongguan Fuyang Plant and Suzhou Fuyang Plant have established Occupational Health and Safety Committees. The ratio of labor representatives selected as committee members is 20% and 38% respectively. The committee convenes regular monthly meetings where labor representatives speak on behalf of all employees, engaging in discussions with management on safety, health, and occupational disease recognition. The Suzhou Fuyang Plant also holds weekly safety meetings for all department heads, monthly safety meetings for each unit, and conducts specialized training on accident prevention as needed. The Dongguan Fuyang Plant schedules quarterly safety drills, safety knowledge training for departments, and conducts safety training during monthly meetings to effectively implement workplace health and safety management.

Furthermore, although not legally required, Taipei Fudy headquarters strives to provide a secure and healthy working environment for its employees. The General Affairs Department of the Operations Management Office coordinates occupational safety management matters, aligning with customer requirements for safety measures. They develop daily execution strategies and report directly to the General Manager.



▲ Structure of the Occupational Health and Safety Committee



Contractor OSH Management

Fudy regards contractors as crucial business partners. To ensure a safe and healthy working environment for them within the company premises, we have established contractor health and safety management measures. We require contractors to submit written safety commitments and explain potential hazards before commencing work to minimize risks.

1.
- When signing contracts with contractors, Fudy mandates that they first sign a subcontractor construction safety commitment document. This document includes general provisions, operational precautions, elevated work procedures, electrical safety, transportation vehicle regulations, and accident reporting methods, making it an essential component of subcontracting agreements.
2.
- Prior to actual on-site operations, Fudy completes internal procedures by conducting an environmental management survey of subcontractors. This includes filling out an environmental management questionnaire that details project names, construction dates, work areas, job tasks, and potential issues during construction, while also informing subcontractors of safety precautions.

For non-employee workers, Fudy complies with regulatory requirements for effective management. Safety standards are incorporated into contracts, and contractors are briefed on hazards and safety supervision before entering the premises. They are required to adhere to occupational health and safety regulations in different regions and Fudy's health and safety management

Occupational Accident Prevention Management

To prevent and mitigate occupational hazards, Fudy has established operational procedures for hazard identification and risk assessment. This process involves categorizing risks based on their severity and likelihood of occurrence to determine the risk level. Currently, the review and approval of these assessments are overseen by site management representatives, followed by execution by the site's health and safety department and supervisors.

Risk Levels and Corresponding Measures

Risk Level	Risk Control Planning
5 Major Risks	Immediate risk reduction measures must be taken before commencing or continuing operations.
4 High-Risk	Risk control measures should be implemented within a specified timeframe before operations can begin.
3 Moderate Risk	It is advisable to gradually reduce moderate risks. For moderate risks with severity levels of major or extremely major, further assessment of occurrence probability is recommended to improve control facilities.
2 Low Risk	Temporary risk reduction measures are not required at this time, but it is essential to ensure the effectiveness of existing protective facilities.
1 Low-Level Risk	No risk reduction measures are necessary, but it is crucial to maintain the effectiveness of protective measures.

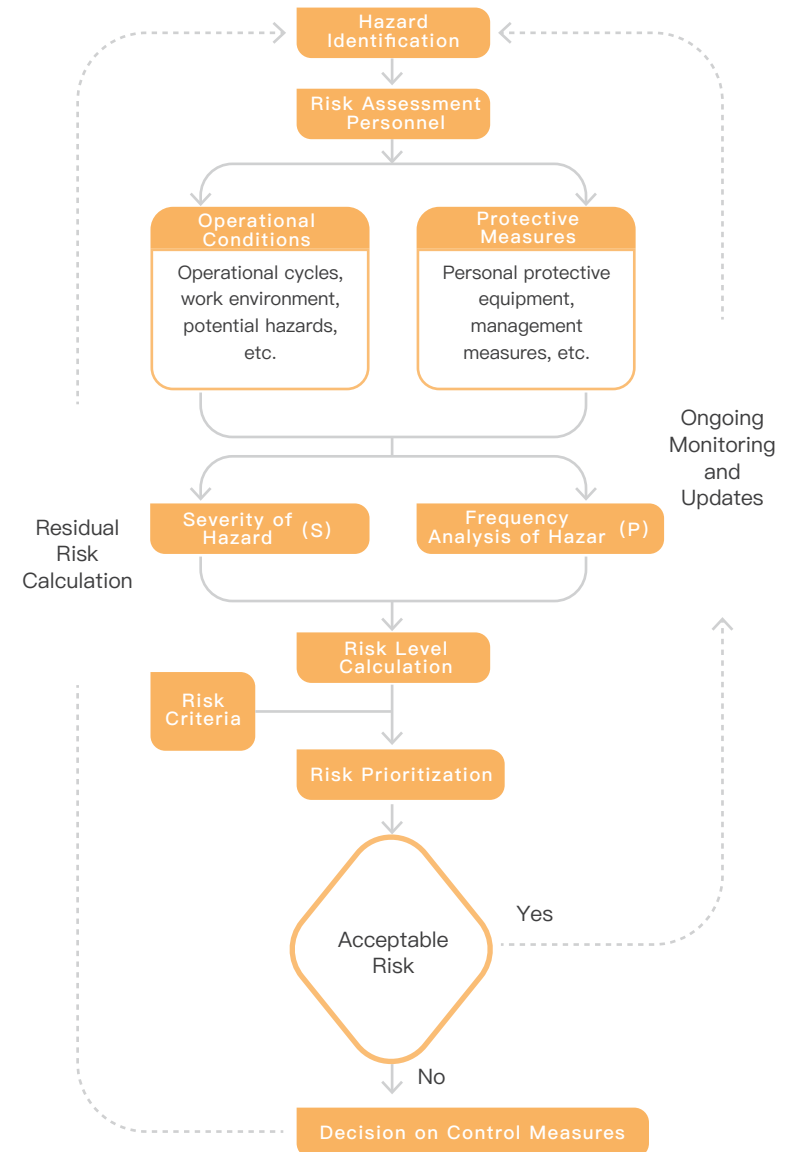


In adherence to the principles of proactive prevention, zero accidents, and zero disasters, our company conducts annual occupational safety risk assessments based on the "Environmental Safety Risk Identification Management Procedure." Safety and health management personnel carry out internal education and training to instruct various units on identifying potential hazards that may cause harm to individuals or equipment related to raw materials, products, activities, and services. Risks are assessed, classified, and controlled based on their severity, with improvement goals established accordingly. We monitor the implementation of control measures to reduce the occurrence of hazards. Regular refresher training for occupational safety personnel is scheduled, and annual workplace safety inspections and environmental disinfection are conducted to maintain operational safety for all personnel.

#### Fudy's Significant Occupational Health and Safety Risks and Control Measures

Significant Occupational Safety Risks	Occupational Health and Safety Objectives	Occupational Health and Safety Targets	2023 Control Performance
Elevator malfunctions due to improper operation	Zero fatalities and serious injuries, with a minor injury frequency rate lower than 0.1‰	Obtain the elevator usage certificate	◆ Engage qualified suppliers for on-site maintenance and servicing
Goods falling during loading and unloading processes due to errors		Adhere to safe stacking limits for goods to prevent accidents	◆ Post safety warning signs on-site ◆ Conduct routine training sessions 172 times in 2023 <ul style="list-style-type: none"> <li>- Fudy Taipei Headquarters: Quarterly routine training sessions.</li> <li>- Fuyang Dongguan Plant: Monthly plant-wide training during morning meetings, and weekly audits by the management department</li> <li>- Fuyang Suzhou Plant: Conduct training sessions twice a week</li> </ul>
Chemical leaks leading to fires	Zero fire accidents	Post chemical safety instructions for educational purposes	◆ In addition to designated smoking areas permitted by company regulations, smoking is prohibited in all other office premises ◆ Conduct chemical leak drills three times in 2023
Chemical odors in the workshop causing illnesses	Zero occupational disease injuries	Wear activated carbon masks in chemical workshops	◆ Require workers to wear activated carbon masks or noise-canceling earmuffs and earplugs ◆ Monitor a total of 10 times across the three plants according to the "Environmental Supervision and Measurement Management Procedure" in 2023
Loud process noise affecting employee hearing		Distribute earplugs to all personnel and conduct on-site noise monitoring	◆ A total of 781 workers will undergo health check-ups in 2023

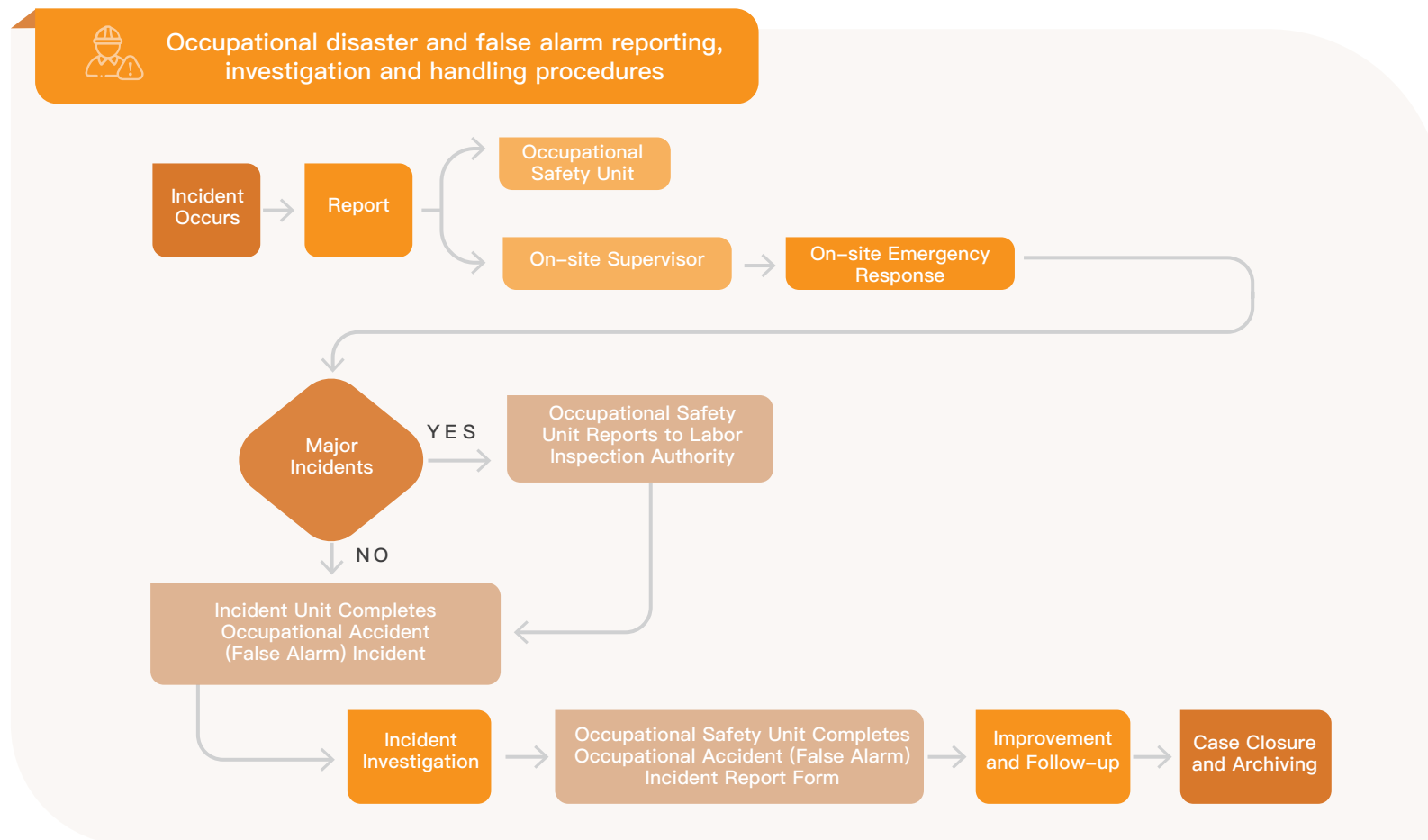
#### Occupational Hazard Identification and Risk Assessment Procedures





## Occupational Incident Notification

In addition to actively promoting and educating employees on a daily basis, we have established procedures for handling occupational accidents. In the event of an incident, work operations should be immediately halted to provide assistance. We have defined protocols for handling occupational accidents, outlining the steps to be taken in case of an accident according to the emergency response plan. First aid and rescue measures should be carried out promptly, and immediate notifications should be made to the employer, workplace supervisors, occupational health and safety personnel, and all relevant individuals. In the case of a significant occupational accident, local regulatory authorities must be notified within the specified timeframe.





## Hazardous Substance Management Regulations

Fudy actively promotes safe production by establishing hazardous substance management regulations at each plant. We enhance the safety management of hazardous chemicals used in production by educating employees on safe handling, storage, and disposal of these substances in accordance with established regulations. This is aimed at reducing the risks of accidents and occupational diseases, thereby protecting the lives and health of our employees. Through an effective hazardous substance control system, we strive to minimize emissions, leaks, and dispersal of hazardous materials, ultimately reducing our environmental impact. Currently, Fudy Taipei Headquarters follows the operational guidelines for chemical management based on the "Chemical Substance Management Procedure." This includes specific storage locations for chemicals, regulations for storage methods, labeling procedures, definitions of common chemicals, and instructions for dispensing and usage. Fuyang Dongguan Plant employs an online monitoring system to confirm chemical storage conditions. Weekly comprehensive inspections for safety hazards are conducted throughout the plant, with local government inspectors visiting monthly to check the chemical storage warehouses and ensure proper storage practices without any risks of deterioration. At Suzhou Fuyang Plant, the "Hazardous Chemical Safety Management System" is implemented for managing the production, use, storage, and maintenance of hazardous chemicals. This system regulates relevant personnel, requiring them to be knowledgeable about safety precautions for hazardous chemicals and to obtain specific certification through training before undertaking related duties.



▲ Chemical Storage Area Inspection Reports by Local Government at Fuyang Suzhou Plant



## Worker Occupational Health and Safety Education and Training

To enhance workers' safety awareness and strengthen workplace safety, we adhere to regional regulations by regularly conducting health and safety training courses and fire emergency drills. In 2023, Fudy workers completed a total of 6,072 hours of occupational safety education and training, with 1,862 participants, averaging 3.26 hours per person. Specifically, the Taipei Headquarters recorded 1,182 hours of training, the Dongguan Fuyang Plant had 2,476 hours, and the Suzhou Fuyang Plant accounted for 2,414 hours.

In addition to regular training for new hires and contractors, we also provide refresher courses for current employees to ensure that all workers are well-versed in essential safety knowledge, thereby reducing the occurrence of workplace accidents. Throughout the year, we invested a total of NT\$67,551 to subsidize employees for external training, including courses for first aid personnel, safety production managers, organic solvent operators, and fire safety managers, resulting in the acquisition of 49 certifications. This initiative strengthens our company's occupational safety management resources and helps prevent potential risks.

### Occupational Health and Safety Training Status at Fudy in 2023

	Worker Types	Training Types	Training Courses	Duration	Number of Participants	Total Hours
Taipei Fudy Headquarters	Newly hired employees	General Training	Occupational Health and Safety Training Courses	2	31	62
			5S Basic Course	1	31	31
	Current employees	General Training	Self-defense Fire Brigade Drill	8	119	952
			General Employee Safety Education Training	1	119	119
		Specific Training	Organic Solvent Leak Protection Education Training	2	9	18
	Subtotal			14	309	1,182
Dongguan Fuyang Plant	Newly hired employees	General Training	Occupational Health and Safety Training	12	61	732
	Current employees	General Training	Occupational Health and Safety Training	2.7	518	1,397
			Online Training on Safe Return to Work and Production	1	276	276
		Specific Training	Specialized Online Training on Fire Safety	1	71	71
	Subtotal			16.7	926	2,476
Suzhou Fuyang Plant	Newly hired employees	General Training	Level 3 Safety Education Training	12	116	1,392
	Current employees	General Training	Specialized Training on Occupational Health and Safety	2	511	1,022
	Subtotal			14	627	2,414
Total				44.7	1,862	6,072





培训、法规和规章制度培训记录

培训部门	人力资源部	培训人	姓名
培训时间	1小时	培训日期	2025年9月22日
培训地点	会议室	参加人数	22人
培训主题	安全生产法、法规和公司规章制度		
培训目的	提高员工的安全意识，确保遵守公司规章制度		
培训内容	1. 安全生产法概述 2. 公司安全规章制度 3. 事故案例分析 4. 员工安全职责		
培训效果	良好		
培训记录	[Handwritten notes and signatures]		
培训负责人	姓名		
日期	2025年9月22日		



▲ Dongguan Fuyang Plant maintains records of worker safety and fire safety training

## Occupational Injury and Illness Prevention Management

In order to prevent any work-related injuries, illnesses, or accidents, Fudy has established occupational health and safety policies and commitments based on occupational health and safety regulations at each operational site. This includes appointing occupational health and safety supervisors, providing on-site medical services, conducting occupational health and safety education and training programs, and defining procedures for preventing or mitigating occupational health and safety issues. These efforts aim to reduce the direct impact of occupational health and safety risks associated with business operations and create a healthy and safe working environment.

### Measures for Preventing or Mitigating Occupational Health and Safety-Related Operational Procedures

- 1 The company complies with regulations by partnering with hospitals to conduct comprehensive health checks for all employees, including specialized examinations. Health professionals classify employees and provide care and health advice.
- 2 To ensure the safety of machinery and equipment and prevent occupational accidents, automated inspection procedures are implemented to protect employee safety.

### Preventive Measures or Mitigation Projects for Occupational Health and Safety

Project	Implementation procedures
Personal Protective Equipment Management Procedure	Provide protective equipment to ensure employee safety and reduce workplace hazards.
Workplace Environment Testing	Aim to create a healthy and safe working environment to prevent occupational diseases and injuries.
Lockout-Tagout Management Procedure	Prevent injuries from accidental equipment start-up by ensuring a safer working environment.
Labor Protection and Prevention	Distribute labor protection equipment, with on-site supervisors ensuring correct usage.
Enhanced Employee Safety and Health Training	Conduct two focused safety training sessions per month in each department.
Employee Cafeteria Hygiene Inspection	Perform weekly inspections to ensure hygiene standards in the employee cafeteria.
Installation of Clean Water and Drinking Water Facilities in Workshops	Implement measures to prevent consumption of untreated water that may pose health risks.
Machinery and Equipment Inspection	Conduct safety and operational checks on machinery and equipment.
Regular Inspection of Fire and Electrical Equipment	Ensure fire safety equipment is in proper condition and that electrical equipment complies with safety standards.



## Occupational Injuries and Diseases

Achieving a zero-accident workplace is Fudy's ongoing goal. We have established workplace environment and occupational health and safety promotion teams at each plant, and integrated internal and external audits (conducting regular audits on environment, safety, health, and fire safety activities annually) to supervise the environmental, safety, and health operations of the entire company. In 2023, third-party inspections were outsourced, with a total investment of NT\$224,146 for fire safety equipment maintenance declarations and NT\$102,740 for building fire evacuation facilities and equipment safety inspections, totaling NT\$326,886 in external audit inspections. To address occupational injury incidents, Suzhou Fuyang Plant has set occupational health and safety goals, adhering to the "the four critical elements not to overlook" accident handling principle, and is committed to preventing, controlling, and eliminating occupational hazards.



### Fudy's Occupational Disease Prevention Measures

- 1 Detection of occupational hazards in the workplace.
- 2 Compliance of workplace environmental testing with regulatory requirements.
- 3 Provision of protective equipment to reduce occupational injuries among employees.
- 4 Provision of qualified workplaces with effective management measures; labeling of workplace occupational hazards, and informing employees about occupational hazards.
- 5 Establishment of employee health record management.
- 6 Implementation of pre-employment, on-the-job, and post-employment health checks for positions exposed to occupational hazards.
- 7 Enhancement of occupational health knowledge training to raise awareness of occupational health prevention.
- 8 Improvement of process equipment.
- 9 Participation in workers' compensation insurance as required by law.
- 10 Reporting of occupational accidents.

### Suzhou Fuyang Plant's Principles for Handling Occupational Accident Incidents

- 1 No tolerance for incidents where the root causes are not thoroughly investigated.
- 2 No tolerance for incidents where responsible parties are not appropriately addressed.
- 3 No tolerance for incidents where responsible individuals and surrounding personnel are not educated.
- 4 No tolerance for incidents where designated feasible corrective measures are not implemented.

In order to effectively prevent the occurrence of occupational diseases and accidents, we track the statistics of occupational accidents based on environmental, safety, and health regulations and management systems. In 2023, there were no serious workplace safety accidents or cases of occupational diseases. However, there were a total of 5 minor workplace safety incidents, with an employee disabling frequency rate of 2.50 and a severity rate of 82; and a non-employee disability injury frequency of 2.14. Currently, a series of improvement measures are being implemented based on the review and analysis of the causes of these incidents.



## 2023 Workplace Safety Incidents

PLocation	Dongguan Fuyang Plant	Suzhou Fuyang Plant
Incident Description	<ol style="list-style-type: none"> <li>During the prepress plate-making process, a technician accidentally lost balance while cleaning the CTP machine, stepping on the edge of a wooden board, resulting in a sprained left foot.</li> <li>The operator of the cutting machine experienced an incident where the cutting knife slipped and struck their right toe, leading to a fracture.</li> </ol>	<ol style="list-style-type: none"> <li>During the sampling of a new product, a worker injured the index finger of their right hand because they did not cut off the power supply while handling the machine abnormally.</li> <li>An incident occurred where the operator pressed the function key of the equipment without waiting for the machine to complete its action, resulting in an injury to the right hand finger.</li> <li>While operating the equipment, a worker experienced an injury to the index finger of their left hand due to a malfunction in the switch that caused continuous pressing.</li> </ol>
Review	This was due to operator negligence and a lack of safety awareness.	There was insufficient safety awareness among the workers.
Improvement Methods	<ol style="list-style-type: none"> <li>Conduct operational safety training for team members to enhance safety awareness.</li> <li>Post safety signs at the operation site.</li> <li>Require operators to wear safety shoes when handling and using cutting tools.</li> </ol>	<ol style="list-style-type: none"> <li>Implement on-site safety education for all workers to raise safety awareness and ensure understanding of the correct use of machinery.</li> <li>Provide specific instructions to personnel operating the machines, emphasizing the need to strictly follow operational protocols when anomalies occur, and only restart production after issues are resolved.</li> <li>Team leaders should supervise the operational processes of team members in daily work, promptly correcting any errors, and prevent accidents.</li> <li>Strictly enforce pre-employment training for new employees and enhance the promotion of safety precautions related to their positions.</li> </ol>

### Dongguan Fuyang Plant



▲ Before Improvement

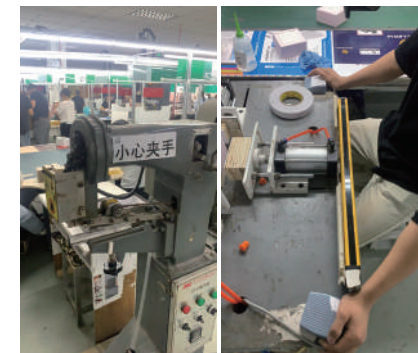


▲ After Improvement

### Suzhou Fuyang Plant



▲ Before Improvement



▲ After Improvement



### Annual Review: Occupational Injury Statistics for Fudy in 2023

Workers Type	Total Hours Worked	Number of Fatalities	Fatality Rate	Number of Severe Occupational Injuries	Rate of Severe Occupational Injuries	Number of General Occupational Injuries	Recordable Occupational Injury Rate	Types of Injuries
Employees	1,595,456	0	0	0	0	4	2.50	Machinery-related Injuries 2 cases / Fractures 1 case / Sprains 1 case
Non-employees	466,752	0	0	0	0	1	2.14	Machinery-related Injury 1 case

- Notes :
- Serious Occupational Injury Cases: Individuals with more than 180 days of lost workdays, excluding fatalities; General Occupational Injury Cases: Individuals with up to 180 days of lost workdays.
  - Total Hours Worked: The sum of all workers' total annual hours worked; for employees, total hours worked include regular and overtime hours; for non-employees (resident dispatch workers), an estimate is based on 8 hours per day multiplied by the number of working days per month to calculate the annual data.
  - Fatality Rate: Number of deaths due to occupational injuries ÷ Total Hours Worked × 1,000,000
  - Rate of Severe Occupational Injuries: Number of severe occupational injury cases ÷ Total Hours Worked × 1,000,000
  - Total Recordable Injury Frequency Rate (TRIFR): Number of recordable occupational injury cases (including severe occupational injury cases, fatalities, and other recordable occupational injury cases) × 1,000,000 ÷ Total Hours Worked
  - Calculation of Ratios: Ratios from 4 to 6 should be calculated to 2 decimal places, without rounding up.

### Annual Review: Fudy's 2023 Employee Disability Injury Rates

Workers Type	Days Lost Due to Disability Injuries	Disabling Frequency Rate (FR)	Disabling Severity Rate (SR)	Frequency-Severity Indicator (FSI)
Employees	132	2.50	82	0.45
Non-employees	0	2.14	0	0

- Notes :
- Number of Lost Work Days: Days unable to work (rest days); calculation criteria include occupational accident injury leave, excluding sick leave and menstrual leave.
  - Disabling Frequency Rate (FR): Number of disabling injuries ÷ Total Hours Worked × 1,000,000 (calculated to two decimal places, without rounding).
  - Disabling Severity Rate (SR): Days lost due to disabling injuries ÷ Total Hours Worked × 1,000,000 (rounded to the nearest whole number, without rounding).
  - Frequency-Severity Indicator (FSI) for disabling injuries = $\sqrt{\text{FR} \times \text{SR}}$  【 (FR × SR) ÷ 1,000】

### Employee Health Promotion Management

Fudy prioritizes the physical, mental, and emotional well-being of its employees, striving for a harmonious balance between work, health, and personal life. We assess workplace factors that pose risks to employee health, focusing on maternal health protection, prevention of musculoskeletal hazards, diseases from abnormal workloads, and prevention of workplace harassment. Through these areas, we implement preventive measures and tailored adjustments.



## Fudy Employee Health Promotion Program

Program	Content and Purpose
Maternal Health Protection	To prevent physical, chemical, biological, human, and psychosocial hazards in the workplace that may impact the health of female employees during pregnancy and after childbirth, the company provides maternal health protection identification stickers from the day a female employee notifies her pregnancy until one year postpartum or while she is still breastfeeding. Hazard assessments and suitable work arrangements are conducted during this period.
Prevention of Musculoskeletal Hazards	To address prolonged exposure to musculoskeletal hazards, necessary preventive measures are taken for employees experiencing discomfort or diseases. This includes personal health risk assessments and job hazard evaluations for those involved in heavy lifting, repetitive movements, or unnatural postures. Adjustments may involve weight limitations, task modifications, restricted overtime, and changes to personal protective equipment.
Prevention of Diseases Triggered by Abnormal Workloads	To prevent cardiovascular diseases among employees working shifts, at night, or extended hours, health management measures are implemented to ensure physical and mental well-being, providing protection for overworked individuals and effective stress management.
Prevention of Workplace Unlawful Harassment	To prevent employees from experiencing unlawful harassment from supervisors, colleagues, or customers while performing their duties in the workplace, such as physical violence, psychological abuse, verbal harassment, and sexual harassment, resulting in physical or mental harm, individual health risk assessments are provided for employees. This includes medical advice and job suitability recommendations, such as role modifications, adjusted shift schedules for rotational staff, and enhanced promotion of prevention strategies against workplace harassment, along with clear avenues for lodging complaints.

We implement regular health check-ups for workers, specialized examinations for specific positions, and graded health management in compliance with regulations. Factory nurses and occupational medicine specialists provide health education and follow-up assessments based on examination results, including on-site evaluations for suspected work-related illnesses when necessary.

At the Taipei Fudy Headquarters, health check-ups are conducted every three years in accordance with the "Labor Health Protection Regulations." Employees over 65 and those in special operations receive annual health checks. At the Dongguan Fuyang plant, employees with over a year of service are offered a free annual health check-up, along with a special occupational disease examination each year. The Suzhou Fuyang plant identifies non-occupational abnormalities through health check-ups and screens for occupational disease injuries via occupational health examinations.

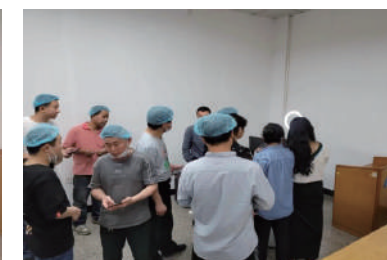
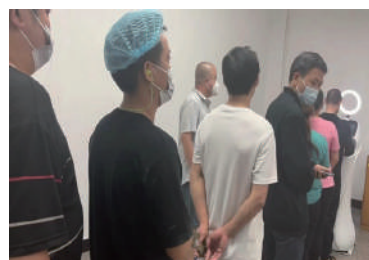


Employees classified at level three or above in health management undergo follow-up assessments every other year, while fourth-level personnel receive health consultations and guidance from professional physicians at the health center. In 2023, a total of 603 Fudy employees underwent general health examinations, and 178 received specialized health checks. By the end of 2023, five fourth-level employees were identified due to abnormal findings from specialized operations. Following diagnosis and assessment by professional physicians, necessary job adjustments were made according to the "Occupational Health Management Regulations" to address work hazard factors. Ongoing monitoring is conducted through annual occupational health check-ups to ensure continued health management. Employees at Suzhou Fuyang plant are required to actively cooperate with treatment under the company's guidance to mitigate occupational injuries until full recovery, ensuring employee health and safety.

#### Health Check-up Statistics: Two-year summary for Fudy employees

(unit: individuals)

Locations/Years	2022		2023	
	General Health Check-ups	Special Health Examinations	General Health Check-ups	Special Health Examinations
Taipei Fudy Headquarters	94	11	114	3
Dongguan Fuyang Plant	173	82	155	81
Suzhou Fuyang Plant	124	47	334	94
<b>Total</b>	<b>391</b>	<b>140</b>	<b>603</b>	<b>178</b>



▲ Dongguan Fuyang Plant provides intelligent health check-ups for all employees, using big data to assess health risks and nutritional status, and offering personalized diet and lifestyle recommendations.

#### Health Management Grades: Two-year summary for Fudy employees

(unit: individuals)

Locations/Years	2022				2023			
	First-level	Second-level	Third-level	Fourth-level	First-level	Second-level	Third-level	Fourth-level
Taipei Fudy Headquarters	7	4	0	0	0	3	0	0
Dongguan Fuyang Plant	173	82	0	0	108	125	0	3
Suzhou Fuyang Plant	0	40	0	0	211	41	0	2
<b>Total</b>	<b>180</b>	<b>126</b>	<b>0</b>	<b>0</b>	<b>319</b>	<b>169</b>	<b>0</b>	<b>5</b>

Notes : First-level management: Individuals with examination results comprehensively assessed as normal.  
 Second-level management: Individuals with examination results comprehensively assessed as abnormal, but unrelated to work.  
 Third-level management: Individuals with examination results comprehensively assessed as abnormal, with uncertainty regarding work-relatedness, requiring further evaluation by an occupational medicine specialist.  
 Fourth-level management: Individuals with examination results comprehensively assessed as abnormal and related to work.



## Health Promotion Advocacy

In order to enhance the health awareness of all employees and effectively prevent diseases, in 2023 we leveraged existing resources to occasionally share health-related knowledge to employees via education bulletin boards. We invited medical experts to provide on-site health consultations, examinations, and organized related health seminars. At Taipei Fudy Headquarters, we initiated a monthly vegetarian event to encourage low-carbon dietary habits and promote overall well-being.

Activity	Content	Resources
Health Care	<ul style="list-style-type: none"> <li>On-site medical staff in Taipei provide health services, medical assistance, and occupational disease prevention advocacy.</li> <li>Taipei HQ has six trained first aid responders, Dongguan Fuyang Plant has eight, and Suzhou Fuyang Plant has four.</li> </ul>	Physicians: 3 times/year; Nurses: 3 times/month  Total of 18 individuals
Health Education Bulletin Board	<ul style="list-style-type: none"> <li>Shared information on work health and safety. In 2023, posters and videos were posted to advocate for green and healthy commuting, encouraging care for our green home.</li> </ul>	Irregular basis
One-Day Vegetarian Event	<ul style="list-style-type: none"> <li>Promoted a low-carbon diet by encouraging more vegetables and less meat to reduce carbon emissions and maintain health.</li> </ul>	1 time/month
Mind-Body-Spirit Health Seminars	<ul style="list-style-type: none"> <li>Organized medical staff to provide employees with health screenings and seminars on health knowledge.</li> </ul>	1 time/year



▲ Fudy offers health knowledge seminars and on-site consultations, prioritizing the well-being of every employee."



## 6.4 Human Rights Protection

Fudy has established a human rights policy that supports and complies with labor laws and international human rights conventions in the operating regions, such as the Universal Declaration of Human Rights and International Labor Organization conventions, thereby fulfilling its responsibilities of a multinational corporation. The policy explicitly ensures gender equality, labor rights, prohibits all forms of discrimination, child labor, and forced labor, respects employees' freedom of association and collective bargaining, arranges appropriate working hours and breaks, and provides fair wages and benefits. We have established various communication channels, including labor-management meetings, suggestion boxes, complaint boxes, etc., to provide employees with open and transparent communication channels to assist them in problem-solving and addressing their concerns.

### Fudy Human Rights Policy

Categories	Taipei Fudy Headquarters	Dongguan Fuyang Plant	Suzhou Fuyang Plant
Labor Rights	《Regulations on the Management of Young Workers and Prohibition of Child Labor》 《Human Rights Management Regulations》	《Procedures for Remediation of Child Labor Prohibition and Misuse of Child Labor》 《Procedures for Prohibition of Forced Labor》	《Child Labor and Minor Worker Protection Control Procedures》 《Forced Labor Prevention Management Control Procedures》
Equality and Non-Discrimination	《Human Rights Management Regulations》 《Sexual Harassment Prevention Measures, Complaints, and Disciplinary Regulations》	《Anti-Discrimination Management Procedures》 《Pregnant Worker Protection Management Procedures》 《Freedom of Association and Collective Bargaining Management Procedures》	《Risk Assessment Operational Guidelines for Pregnant Workers and New Mothers》 《Anti-Discrimination and Harassment Management Control Procedures》
Working Environment	《Employee Grievance and Whistleblowing Management Procedures》 《Code of Professional Ethics and Conduct》	《Occupational Health and Safety Management Procedures》 《Privacy and Confidentiality Management Procedures》 《Company Intellectual Property Protection Management Procedures》	
Supply Chain and Business	《Supplier Management Operating Procedures》	《RBA Implementation Procedures for Suppliers/Subcontractors》	

### Fudy's Labor Rights-related Measures

	Taipei Fudy Headquarters	Dongguan Fuyang Plant	Suzhou Fuyang Plant
Labor Agreements	The company has not established a labor union organization. In accordance with Article 83 of the Labor Standards Act, regular labor-management meetings are held quarterly, with the possibility of convening ad-hoc meetings as necessary. These meetings facilitate two-way communication and negotiation on topics such as promoting labor-management cooperation, coordinating labor relations, improving labor conditions, and planning labor welfare.	The company has established a labor union and signed a collective agreement, which covers 100% of the total workforce. The agreement stipulates provisions on labor remuneration, working hours and rest days, social insurance and benefits, labor health and safety, special protection for female workers, rules and regulations, disciplinary actions, modification, termination, and dissolution of collective contracts.	The company has established a labor union and signed a collective agreement, with provisions covering labor remuneration, working hours and rest days, social insurance and benefits, labor health and safety, special protection for female workers, rules and regulations, disciplinary actions, modification, termination, and dissolution of collective contracts. The agreement applies to 100% of the total workforce. In 2023, we signed a collective contract for salary adjustments for female workers, achieving a 100% signing rate.
Retirement Policies	<ul style="list-style-type: none"> <li>◆ In the event of the need to terminate the employment relationship with an employee, the Taipei Fudy Headquarters complies with Article 16 of the Labor Standards Act by providing advance notice of contract termination and offering severance pay.</li> <li>◆ At Dongguan Fuyang Plant, employees who reach the statutory retirement age are still given the opportunity to sign a re-employment contract based on their job performance, renewed on an annual basis.</li> </ul>		



## Fudy's Human Rights Policy Objectives

- 1 There have been no incidents of discrimination or related complaints.
- 2 There have been no violations of freedom of association and collective bargaining rights.
- 3 There have been no instances of employing child labor.
- 4 There have been no incidents of forced or compulsory labor.
- 5 There have been no significant labor-management disputes.
- 6 There have been no delays or accumulation of employee opinions and complaints.

To promote diversity and inclusivity, create a more inclusive work environment, enhance team collaboration, and assist workers in identifying and addressing unreasonable labor relations and workplace environments, Fudy provides annual human rights education and training courses. In 2023, a total of 1,816.5 hours were dedicated to human rights training courses, with an average worker training rate of 90.73%. We not only strive to foster a safer and more harmonious work environment but also contribute to the establishment of a fairer and more harmonious society.

## Annual Review: Fudy's 2023 Human Rights Education and Training Participation

Operating Locations	Actual Number of Workers Trained (a)	Required Number of Workers (b)	Percentage of Workers Trained (a / b)
Taipei Fudy Headquarters	116	119	97.48%
Dongguan Fuyang Plant	232	284	81.69%
Suzhou Fuyang Plant	480	516	93.02%

Note : Dongguan Fuyang Plant is excluded from the calculation of the proportion of human rights education and training due to the high turnover rate of non-employee job types within the plant.

## Annual Review: Fudy's Human Rights Training and Advocacy

Operating locations	Courses	Themes	Communication	Number of participants	Total training hours
Taipei Fudy Headquarters	Training for new employees	Company overview, corporate culture, management systems and regulations, computer security education	Education and training/advocacy and statements	31	108.5
	ESG education and training	Human rights, anti-discrimination, integrity in business operations, and employee interviews	Education and training/advocacy and statements	116	232
Dongguan Fuyang Plant	Social responsibility	Business ethics training	Education and training	232	301
		Social responsibility-related knowledge (including human rights)	Education and training	169	215
Suzhou Fuyang Plant	SMETA education and training	Human rights, business ethics, employee code of conduct, and related content	Education and training	480	960
				Total	1,816.5



## 6.5 Social Engagement



Society is a collective formed by interactions among individuals, encompassing both you and me. Businesses can thrive and profit in society because it provides the essential support for their growth. Therefore, when businesses are capable, they should embody the concept of "taking from society, giving back to society."

Fudy has long focused on caring for children, the underprivileged, and animal welfare. Through philanthropic donations, sponsorships, and participation in charitable activities, Fudy contributes to social welfare.

### Early Childhood Education

We deeply understand the importance of education and believe that education is the key force that can change a child's destiny. We have long been committed to caring for children, especially those in need, and aim to contribute to the well-being of underprivileged children, ensuring that every child grows up healthy and happy. The budget allocated for this cause in 2023 is NT\$326,500.

### Support for the Underprivileged

Through donation assistance programs, Fudy has been providing long-term support to marginalized groups, helping individuals with disabilities reintegrate into society. The total budget allocated for this cause in 2023 is NT\$630,000.

### Kindness from the Heart

Fudy practices benevolence not only towards people but also focuses on animal welfare issues. Respecting life and showing kindness to animals are integral to life education. We actively engage in humane assistance and care for animal protection. The total budget allocated for this cause in 2023 is NT\$440,915.

In providing emergency assistance to units encountering sudden difficulties and emergencies, we aim to help those in need overcome challenges and maintain basic life necessities. In 2023, we donated a total of NT\$60,000 to aid the victims of the major earthquake in Turkey and NT\$12,000 towards assisting Sri Lanka, providing international aid. We also invested in environmental education projects to support initiatives promoting environmental sustainability, focusing on enhancing public awareness of the environment and promoting the sustainable use of Earth's resources.

Fudy understands that a company's success and sustainable development stem from the opportunities and support provided by society. We encourage and lead our employees to actively participate in social activities or projects, initiating a cycle of kindness, leveraging the company's influence, and working hand in hand with all employees to do good deeds and collectively create a better society. We believe that by seizing every opportunity to do good deeds, the continuous flow of small acts of kindness can become a source of positive impact.



### Annual Review: Fudy's Charitable Giving in 2023

Type	Category	Project	Description	Amount (NTD)
Long-term Donations and Engagement Programs	Early Childhood Education	The Food Bank Project by the Andrew Charity Association	In 2023, seven employees from Taipei Fudy headquarters participated in two volunteer activities organized by the Andrew Charity Association. The employees' positive feedback was well-received and will contribute to the company's efforts to promote corporate volunteer service activities in 2024.	—
	Early Childhood Education	Seed of Love Education Foundation	Through long-term donations, Fudy cares for underprivileged children, embodying the spirit of gratitude and cherishing blessings advocated by the foundation, aiming to transform the futures of these children.	166,000
	Support for the Underprivileged	Taiwan Foundation for the Blind	Through the purchase of charity gift boxes and financial donations, we assist our visually impaired friends in achieving "self-reliance," integrating into social life through independent action, self-affirmation, and self-realization.	213,000
	Support for the Underprivileged	Sunshine Social Welfare Foundation	Fudy supports the Sunshine Social Welfare Foundation through regular donations, aiming to uphold the dignity and human rights of individuals with facial disfigurements and burns. We also endorse programs for the psychological reconstruction of burn survivors.	36,000
	Early Childhood Education	Yu-An Disabled Children's Home	By providing financial aid to the Yu-An Disabled Children's Home, Fudy extends a humble effort towards individuals with disabilities and social welfare.	24,000
	Kindness from the Heart	Heart of Taiwan Animal Care	We focus on animal welfare issues and in 2023, through financial support and the purchase of charity gift boxes, we show care for stray dogs and cats in Taiwan, advocating for their well-being.	416,915
	Kindness from the Heart	Red Cross Society of the Republic of China (Taiwan)	We make regular donations to the Republic of China Red Cross Society, directing funds to various corners of the world to support humanitarian, charitable, and volunteer service efforts.	24,000
One-time One-time Charitable Donation (Short-term Events/Sponsorship)	Early Childhood Education	DaTong Childcare Home 60th Anniversary Celebration	Fudy contributed to resetting the DaTong Top Ten Scenic Spots signboards, beautifying the campus in support of DaTong Childcare Home's 60th anniversary. This effort aims to enhance visitors' understanding of the childcare home environment.	106,500
	Emergency Relief	Suzhou Fuyang Plant Blood Donation Event	We organized and encouraged employee participation in a blood donation event, demonstrating strong support for medical needs. A total of 93 individuals participated, donating 50,000 cc of blood.	—
	Environmental Education	Wuzhong District Charity Foundation, Suzhou	In 2023, we supported the "Suzhou Taihu Ecological Island - Xiaoshu Bay Wetland Park Public Welfare Afforestation Project" through donations.	216,000
	Early Childhood Education	Shiding Senior High School, New Taipei City	Fudy provides educational funds to schools in the local community.	30,000
	Emergency Relief	Sri Lanka International Donation	We contributed to the emergency relief fund in Sri Lanka to assist them in overcoming their difficulties.	12,000
	Emergency Relief	2023 Turkey-Syria Earthquake	We made a compassionate donation to aid those affected by the significant Turkey-Syria earthquake, believing in the positive cycle of care and love to help Turkish residents rebuild their homes.	60,000
	Support for the Underprivileged	Taipei Parents' Association for the Visually Impaired	In 2023, we purchased charity gift boxes to support the empowerment program for visually impaired parents and families. Our support aids the association in improving the lives of the visually impaired and creating a brighter future for them.	168,000
	Support for the Underprivileged	Children Are Us Foundation	Through the purchase of Children Are Us charity gift boxes, we support lifelong education and care for individuals with intellectual disabilities, ensuring that all of them live in a community with friends, employment, and a warm home.	203,000
	Support for the Underprivileged	Hui-Ming School for the Blind Children, Taichung City	We contribute to the Hui-Ming School for the Blind's educational charity fund to support families and students in need, providing them with a tailored educational and living environment.	10,000
Total				1,685,415



Fudy enhances DaTong Childcare Home's 60th anniversary, funding scenic signboards



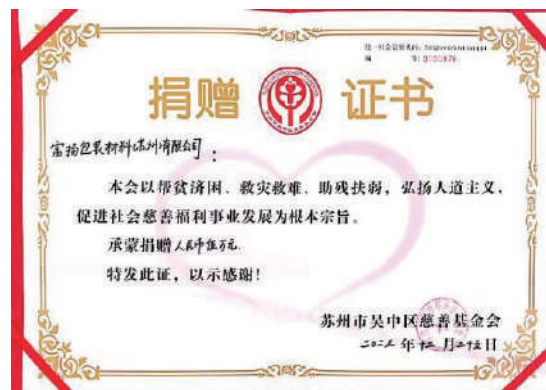


6.1 Friendly Workplace Environment 6.2 Talent Cultivation and Development 6.3 Occupational Health and Safety 6.4 Human Rights Protection 6.5 Social Engagement

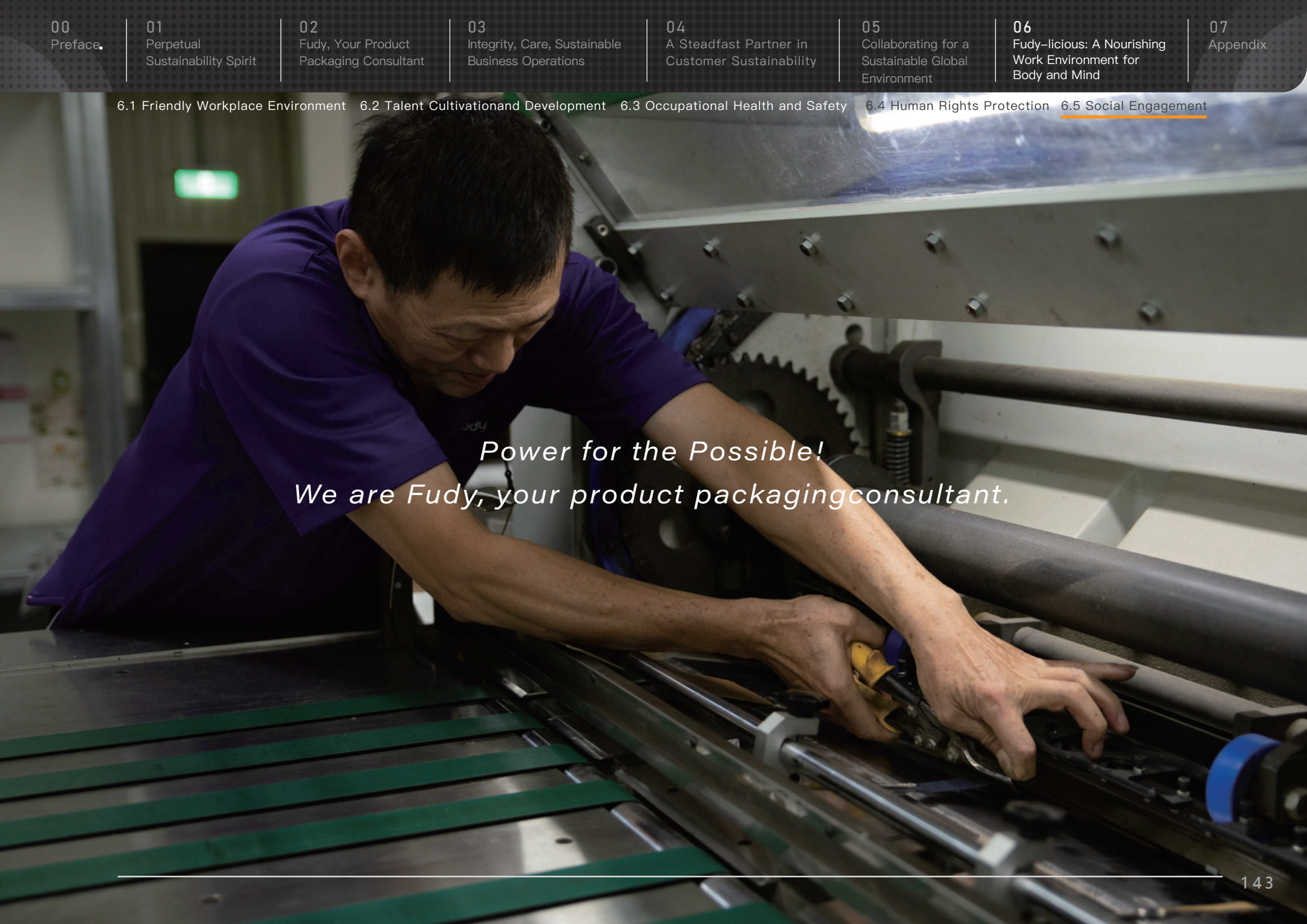
Fudy employees volunteer with the Andrew Charity Association, contributing to social welfare. Through these efforts, Fudy aims to provide consistent support for society's underprivileged.



Suzhou Fuyang Plant supports the Wuzhong District Charity Association in creating a carbon sink forest on Taihu Ecological Island. Additionally, we fund charitable foundations to promote humanitarian causes and assist vulnerable populations, including those with





A man in a purple shirt is working on a machine with green belts. He is using a tool to adjust the machine. The machine has a large gear and a blue roller. The background is a factory setting with a green light.

*Power for the Possible!*  
*We are Fudy, your product packaging consultant.*



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# Appendix

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GRI Index Table



## 7.1 GRI Index Table

GRI Index Table				
GRI Standards	Disclosure Items	Corresponding Sections	Page Numbers	Supplementary Information
General Disclosure				
GRI 2 General Disclosures (2021)	2-1 Organizational Details	2.1 Regarding Fudy Printing		
	2-2 Entities Included in Organizational Sustainability Reporting	Regarding the Report		
	2-3 Reporting Period, Frequency, and Contact Person	Regarding the Report		
	2-4 Information Recompilation	5.3 Greenhouse Gas Emissions and Air Pollution Control		
		4.3 Customer Service		
		Emissions of Air Pollutants		
		6.1 A Welcoming Workplace		
	2-5 External Assurance/Confirmation	Regarding the Report		
	2-6 Activities, Value Chain, and Other Business Relationships	2.1 Regarding Fudy Printing		
		4.1 Sustainable Supply Chain Management		
	2-7 Employees	6.1 A Supportive Work Environment		
	2-8 Non-Employee Workers	6.1 A Supportive Work Environment		
	2-9 Governance Structure and Composition	3.2 The Composition and Operation of the Board		
	2-10 Nomination and Selection of the Highest Governance Body	3.2 The Composition and Operation of the Board		
	2-11 Chairperson of the Highest Governance Body	3.2 The Composition and Operation of the Board		
	2-12 The role of the highest governance body in overseeing impact management.	3.5 Risk Management		
	2-13 The person responsible for impact management.	1.1 Sustainable Vision Strategy		
		3.5 Risk Management		
	2-14 The role of the highest governance body in sustainability reporting.	Regarding the Report		
	2-15 Impact on Stakeholders	Not Applicable		Fudy has not yet established regulations related to the board's conflict of interest avoidance.
	2-16 Communicating Key Significant Events	3.2 The Composition and Operation of the Board		
	2-17 The collective wisdom of the highest governance body	3.2 The Composition and Operation of the Board		



## 7.1 GRI Index Table

## GRI Index Table

GRI Standards	Disclosure Items	Corresponding Sections	Page Numbers	Supplementary Information
General Disclosure				
GRI 2 General Disclosure (2021)	2-18 Performance Evaluation of the Highest	Not Applicable		Fudy's board of directors does not yet have a specific performance evaluation mechanism in place.
	2-19 Compensation Policies	3.2 The Composition and Operation of the Board		
	2-20 The process of determining compensation	3.2 The Composition and Operation of the Board		
	2-21 The Annual Total Compensation Ratio	3.2 The Composition and Operation of the Board		
	2-22 Statement of Sustainability Strategy	Proprietor's Remarks		
		1.1 Sustainable Vision Strategy		
	2-23 Policy Commitments	Proprietor's Remarks		
		1.1 Sustainable Vision Strategy		
		Integrity in Business Operations and Commitment		
	2-24 Incorporating Policy Commitments	1.1 Sustainable Vision Strategy		
		3.5 Risk Management		
	2-25 Procedures for Remediating Adverse Impacts	Whistleblowing and Prevention SystemWhis-		
	2-26 Mechanism for Seeking Advice and Raising Concerns	tleblowing and Prevention System		
	2-27 Regulatory Compliance	3.4 Regulatory Compliance		
	2-28 Membership Criteria for Public Associations	2.3 Participation of Public Associations and External Organizations		
	2-29 Stakeholder Engagement Policy	1.2 Stakeholder Engagement		
	2-30 Group Agreements	6.4 Protection of Human Rights		



## 7.1 GRI Index Table

GRI Index Table				
GRI Standards	Disclosure Items	Corresponding Sections	Page Numbers	Supplementary Information
Key Themes				
GRI 3 Key Theme (2021)	3-1 The Process of Determining Key Themes	1.3 Establishment of Key Themes		
	3-2 The List of Key Themes	1.3 Establishment of Key Themes		
Business Integrity				
GRI 3 Key Theme (2021)	3-3 Management of Key Themes	Key Themes Management Policy		
GRI 205 Anti- Corruption (2016)	205-1 Operating Locations with Completed Anti- Corruption Risk Assessments	Whistleblowing and Prevention System		
	205-2 Communication and Training on Anti- Corruption Policies and Procedures	3.3 Business Integrity		
	205-3 Confirmed Incidents of Corruption and Actions Taken	Whistleblowing and Prevention System		In the year 2023, there have been no incidents of corruption or ethical violations at Fudy.
Product Quality				
GRI 3 Key Theme (2021)	3-3 Management of Key Themes	Key Themes Management Policy		
Customized Themes		Product Quality Control		
Product Services and Innovation				
GRI 3 Key Theme (2021)	3-3 Management of Key Themes	Key Themes Management Policy		
Customized Themes		Product Innovation and Green Design		
Customer Relationship Management				
GRI 3 Key Theme (2021)	3-3 Management of Key Themes	Key Themes Management Policy		
Customized Themes		4.3 Customer Service		



## 7.1 GRI Index Table

GRI Index Table				
GRI Standards	Disclosure Items	Corresponding Sections	Page Numbers	Supplementary Information
Climate Change Adaptation				
GRI 3 Key Themes (2021)	3-3 Management of Key Themes	Key Themes Management Policy		
GRI 302 Energy (2016)	GRI 302-1: Internal Energy Consumption within the Organization	5.2 Energy Management		
	GRI 302-3: Energy Intensity	5.2 Energy Management		
	GRI 302-4: Reduction of Energy Consumption	5.3 Greenhouse Gas Emissions and Air Pollution Control		
GRI 303 Water and Effluents (2018)	GRI 303-1: Interactions with Shared Water Resources	5.5 Water Resource Management		
	GRI 303-3: Water Withdrawal	5.5 Water Resource Management		
	GRI 303-4: Water Discharge	5.5 Water Resource Management		
	GRI 303-5: Water Intensity	5.5 Water Resource Management		
GRI 306 Emissions (2016)	GRI 305-1: Direct (Scope 1) Greenhouse Gas Emissions	5.3 Greenhouse Gas Emissions and Air Pollution Control		
	GRI 305-2: Energy Indirect (Scope 2) Greenhouse Gas Emissions	5.3 Greenhouse Gas Emissions and Air Pollution Control		
	GRI 305-4: Greenhouse Gas Emissions Intensity	5.3 Greenhouse Gas Emissions and Air Pollution Control		
	GRI 305-5: Greenhouse Gas Emissions Reductions	Energy Conservation and Carbon Reduction		
	GRI 305-6: Emissions of Ozone-Depleting Substances	Emission of Air Pollutants		
	GRI 305-7: Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Gas Emissions	Emission of Air Pollutants		
Waste Management				
GRI 3 Key Themes (2021)	3-3 Key Themes Management	Key Themes Management Policy		
GRI 303 Water and Effluents (2018)	GRI 303-2: Management of Impacts Related to Water Discharges	Wastewater Discharge Management		



## 7.1 GRI Index Table

## GRI Index Table

GRI Standards	Disclosure Items	Corresponding Sections	Page Numbers	Supplementary Information
<b>Waste Management</b>				
<b>GRI 306 Waste (2020)</b>	GRI 306-1: Generation of Waste and Significant Impact of Waste	Waste Management		
	GRI 306-2: Management of Significant Impacts Related to Waste	Waste Management		
	GRI 306-3: Waste Generation	Waste Management		
	GRI 306-4: Waste Disposal and Transfers	Waste Management		
	GRI 306-5: Direct Disposal of Waste	Waste Management		
<b>Green Products</b>				
<b>GRI 3 Key Themes (2021)</b>	3-3 Key Theme Management	Key Theme Management Policy		
<b>GRI 301 Materials (2016)</b>	GRI 301-1 Weight or Volume of Materials Used	Material Use and Recycling		
	GRI 301-2 Utilization of Recycled Materials	Material Use and Recycling		
<b>Occupational Safety and Health</b>				
<b>GRI 3 Key Themes (2021)</b>	3-3 Key Theme Management	Key Theme Management Policy		
<b>GRI 403 Occupational Safety and Health (2018)</b>	GRI 403-1 Occupational Health and Safety Management System	Occupational Safety and Health Management System		
	GRI 403-2 Hazard Identification, Risk Assessment, and Incident Investigation	Occupational Hazard Prevention Management		
	GRI 403-3 Occupational Health Services	Worker Health Promotion Management		
	GRI 403-4 Worker Participation, Consultation, and Communication in Occupational Health and Safety	Occupational Safety and Health Committee		
	GRI 403-5 Training for Workers on Occupational Safety and Health	Worker Occupational Safety and Health Education and Training		
	GRI 403-6 Worker Health Promotion	Worker Health Promotion Management		
	GRI 403-7 Preventing and Mitigating Occupational Safety and Health Impacts Directly Related to Business Operations	Contractor Occupational Safety and Health Management Occupational Injury and Illness Prevention Management		



## 7.1 GRI Index Table

## GRI Index Table

GRI Standards	Disclosure Items	Corresponding Sections	Page Numbers	Supplementary Information
Occupational Safety and Health				
GRI 403 Occupational Safety and Health (2018)	GRI 403-8 Workers Covered by the Occupational Safety and Health Management System	Occupational Injury and Illness Preven-		
	GRI 403-9 Occupational Injuries	Occupational Accidents and Occupa-		
	GRI 403-10 Occupational Diseases	Occupational Accidents and Occupational Diseases		
Protection of Human Rights				
GRI 202 Market Position (2016)	GRI 202-1 The standard wage ratio between grassroots employees of different genders and the local minimum wage	Equitable Compensation System		
GRI 404 Training and Education (2016)	GRI 404-2 Enhancing Employee Skills and Transitional Assistance Programs	6.4 Protection of Human Rights		
GRI 405 Employee Diversity and Equal Opportunitie (2016)	GRI 405-1 Diversity in Governance Units and Employees	3.2 Board Composition and Operations		
		Equal Employment Opportunities		
	GRI 405-2 The ratio of female to male basic salary increments	Equitable Compensation System		
GRI 406 Non-Discrimination (2016)	GRI 406-1 Incidents of Discrimination and Improvement Actions Taken by the Organization	6.4 Protection of Human Rights		
GRI 407 Freedom of Association and Collective Bargaining (2016)	GRI 407-1 Operations or suppliers that may face risks related to freedom of association and collective bargaining	6.4 Protection of Human Rights		
GRI 408 Child Labo (2016)	GRI 408-1 Significant risks of child labor in operational sites and suppliers	6.4 Protection of Human Rights		
GRI 409 Forced or Compulsory Labor (2016)	GRI 409-1 Operational sites and suppliers with significant risks of forced or compulsory labor incidents	6.4 Protection of Human Rights		